



AL Habib Asset Management Limited

Annual Report 2025



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Vision

We at AL Habib Asset Management Limited make it possible for everyone to invest in Mutual Funds by providing innovative products.

Mission

We aim to excel in Fund Management business by:

Understanding the customer needs through close interaction.

Focusing on offering our investors the best possible returns on a diverse range of products.

Attaining sustained growth in an ethical manner.

Providing a conducive working environment that stimulates talent.

DIRECTORS' REPORT

The Board of Directors of AL Habib Asset Management Limited is pleased to present the audited financial statements of the Funds under its management for the year ended June 30, 2025.

During FY2025, Pakistan's economy exhibited signs of recovery, supported by positive developments in key macroeconomic indicators. Headline inflation saw a significant decline, averaging 4.5% compared to 23.4% in FY2024. The external account also improved, with higher remittance inflows contributing to a current account surplus of USD 2.1 billion, versus a deficit of USD 2.1 billion in the previous year. The State Bank of Pakistan's foreign exchange reserves stood at USD 14.50 billion as of June 2025.

Reflecting the declining inflation, SBP reduced the policy rate by 950 basis points to 11% during the fiscal year. Capital markets responded positively to improved economic sentiment, with the KSE-100 Index surging past the 125,627 mark, delivering a return of 60.15% in FY2025.

Looking ahead, in FY2026 the economy appears to be on a steady recovery path, with GDP growth estimated in the range of 3.25% - 4.25% and average inflation projected to remain within the 5.0% - 7.0% range, as per SBP. However, the trade deficit is expected to widen due to increased import demand, in line with the improving domestic economic activity, slowdown in global demand and unfavorable export prices - particularly of rice.

AL Habib Cash Fund (AHCF) generated net annualized return of 14.55% for the year ended June 30, 2025. The Fund's gross income was Rs. 10,928.84 million, which mainly comprises income of Rs.10,726.32 million from government securities, and Rs. 202.52 million from bank deposits. During the year, the Fund has distributed dividend of Rs. 14.95 per unit. VIS has upgraded the Fund's stability rating to AAA(f) on December 27, 2024.

AL Habib Money Market Fund (AHMMF) generated net annualized return of 14.39% for the year ended June 30, 2025. The Fund's gross income was Rs. 4,696.61 million, which mainly comprises income of Rs. 4,524.99 million from government securities, and Rs. 171.62 million from bank deposits. During the year, the Fund has distributed dividend of Rs. 13.85 per unit. VIS has upgraded the Fund's stability rating to AAA(f) on December 27, 2024.

AL Habib Islamic Cash Fund (AHICF) generated net annualized return of 13.48% for the year ended June 30, 2025. The Fund's gross income was Rs. 2,599.52 million, which mainly comprises income of Rs. 1,169.42 million from government securities, Rs. 1,183.43 million from bank deposits, and Rs. 246.67 million from term deposit receipts. During the year, the Fund has distributed dividend of Rs. 13.19 per unit. PACRA has maintained stability rating of AA+(f) to the Fund on April 22, 2025.

AL Habib Income Fund (AHIF) generated net annualized return of 15.43% for the year ended June 30, 2025. The Fund's gross income was Rs. 1,875.78 million, which mainly comprises income of Rs. 1,814.98 million from investment in government securities, TFCs and Sukuks, and Rs. 60.80 million from bank deposits. During the year, the Fund has distributed dividend of Rs. 15.11 per unit. PACRA has maintained the Fund's stability rating of AA(f) on April 22, 2025.

AL Habib Government Securities Fund (AHGSF) generated net annualized return of 15.69% for the year ended June 30, 2025. The Fund's gross income was Rs. 4,436.75 million, which mainly comprises income of Rs. 4,364.94 million from investment in government securities, and Rs. 71.81 million from bank deposits. During the year, the Fund has distributed dividend of Rs. 15.67 per unit. PACRA has assigned the Fund's stability rating of AAA(f) on June 03, 2025.

AL Habib Sovereign Income Fund (AHSIF) Plan 1, Plan 2 and Plan 3, were launched during the year. The Fund's gross income was Rs. 2.66 million, which mainly comprises income of Rs. 2.36 million from investment in government securities, and Rs. 0.29 million from bank deposits. During the year, the plans 1, 2 and 3 under the Fund have distributed dividend of Re. 0.8756, 0.3319 and 0.3319 per unit respectively.

AL Habib Fixed Return Fund (AHFRF) Plan 12, Plan 14, Plan 15, Plan 16, Plan 18, Plan 19, Plan 20, Plan 21 and 22 were launched whereas, Plan 6, Plan 8, Plan, Plan 9, Plan 10, Plan 11, Plan 12, Plan 13, Plan 14, Plan 15, Plan 16 and Plan 18 were matured during the year. The Fund's gross income was Rs. 2,701.78 million, which mainly comprises income of Rs. 2,684.13 million from investment in government securities, and Rs. 36.96 million from bank deposits. During the year, the plans 15, 16, 18, 19, 20, 21 and 22 under the Fund have distributed cumulative dividend of Rs. 38.95 per unit.

AL Habib Islamic Income Fund (AHIF) generated net annualized return of 14.14% for the year ended June 30, 2025. The Fund's gross income was Rs. 2,252.98 million, which mainly comprises income of Rs. 1,226.96 million from investment in Sukuks, Rs. 985.28 million from bank deposits, and Rs. 40.74 million from term deposit receipts. During the year, the Fund has distributed dividend of Rs. 13.94 per unit. PACRA has maintained stability rating of AA(f) of the Fund on April 22, 2025.

AL Habib Islamic Savings Fund (AHISAVF) generated net annualized return of 14.05% for the year ended June 30, 2025. The Fund's gross income was Rs. 3,069.31 million, which mainly comprises income of Rs. 1,549.86 million from investment in Sukuks, Rs. 1,369.08 million from bank deposits, and Rs. 150.37 million from term deposit receipts. During the year, the Fund has distributed dividend of Rs. 14.05 per unit. PACRA has maintained stability rating of AA(f) to the Fund on April 22, 2025.

AL Habib Islamic Munafa Fund (AHIMF) Plan 3 and Plan 4 were matured during the year. The Fund's gross income was Rs. 42.26 million which comprises of income of Rs. 41.60 million from investment in Sukuks, and Rs. 0.66 million from bank deposits. During the year, the plan 4 under the Fund have distributed dividend of Rs. 7.9393 per unit respectively.

AL Habib Asset Allocation Fund (AHAAF) generated net return of 69.40% for the year ended June 30, 2025. The Fund's gross income was Rs. 141.29 million, which mainly comprises income of Rs. 6.30 million from bank deposits, Rs. 23.22 million from dividends, and capital gain (realized and unrealized) of Rs. 111.77 million on investments. During the year, the Fund has distributed dividend of Rs. 67.86 per unit.

AL Habib Stock Fund (AHSF) generated net return of 81.17% for the year ended June 30, 2025. The Fund's gross income was Rs. 1,766.27 million, which mainly comprises income of Rs. 241.47 million from dividends, Rs. 21.79 million from bank deposits, and capital gains (realized and unrealized) of Rs. 1,503.01 million on equity investments. During the year, the Fund has distributed dividend of Rs. 52.00 per unit.

AL Habib Islamic Stock Fund (AHISF) generated net return of 72.85% for the year ended June 30, 2025. The Fund's gross income was Rs. 2,593.71 million, which mainly comprises income of Rs.200.97 million from dividends, income of Rs. 1.46 million from bank deposits, and capital gains (realized and unrealized) of Rs. 2,391.28 million on equity investments. During the year, the Fund has distributed dividend of Rs. 27.00 per unit.

AL Habib Pension Fund (AHPF) generated net annualized returns of 14.87% and 16.97% for Money Market and Debt Sub Fund respectively and Equity Sub Funds generated absolute return of 80.64% for the year ended June 30, 2025. The Money Market and Debt Sub Funds' gross income amounted to Rs. 48.30 million and Rs. 36.68 million, respectively, which comprise income from bank deposits and government securities. The Equity Sub Fund's gross income was Rs. 138.59 million, which mainly comprises income of Rs. 18.88 million from dividends, income of Rs. 2.14 million from bank deposits, and capital gains (realized and unrealized) of Rs. 117.57 million on equity investments.

AL Habib Islamic Pension Fund (AHIPF) generated net annualized returns of 12.25% and 12.25% for Money Market and Debt Sub Fund respectively and Equity Sub Funds generated absolute return of 78.02% for the year ended June 30, 2025. The Money Market and Debt Sub Funds' gross income amounted to Rs. 20.80 million and Rs. 19.97 million, respectively, which comprise income from bank deposits, debt instruments, and government securities. The Equity Sub Fund's gross income was Rs. 84.46 million, which mainly comprises income of Rs.7.98 million from dividends, income of Rs. 0.95 million from bank deposits, and capital gains (realized and unrealized) of Rs. 75.53 million on equity investments.

AL Habib GoKP Pension Fund (AHGoKPPF) generated net annualized return of 14.87% for Money Market Sub Fund for the year ended June 30, 2025. The Money Market Sub Fund gross income amounted to Rs. 6.08 million, which comprise income from bank deposits and government securities.

AL Habib Islamic GoKP Pension Fund (AHIGoKPPF) generated net annualized return of 12.78% for Money Market Sub Fund for the year ended June 30, 2025. The Money Market Sub Fund gross income amounted to Rs. 5.30 million, which comprise income from bank deposits and government securities.

We wish to thank our unit holders for their continued trust and support, Securities & Exchange Commission of Pakistan for their guidance, and Central Depository Company of Pakistan Limited for their cooperation. We also thank all our team members for their sincerity, dedication and hard work.

KASHIF RAFI

Chief Executive

ABBAS D. HABIB

Chairman

Dated: August 25, 2025

AL HABIB CASH FUND
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.

Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.

Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Rating

AAA(f) Fund Stability Rating by VIS
AM1 Management Company Quality
Rating Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Bank Alfalah Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**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



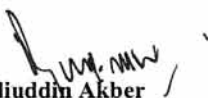
TRUSTEE REPORT TO THE UNIT HOLDERS

AL HABIB 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 AL Habib Cash Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 29, 2025





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Pakistan

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF FINANCIAL STATEMENTS TO THE UNITHOLDERS OF AL HABIB CASH FUND

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Al Habib Cash Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. 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 are the Key audit matter:

S.NO	Key audit matter	How the matter was addressed in our audit
1.	Existence and valuation of balances with bank and investments As disclosed in note 5 & 6 to the accompanying financial statements of the Fund for the year ended June 30, 2025, the balances with bank and investment amounting to Rs. 12,236.50 and Rs. 38,783.30 million which represent 99.67% of the total assets.	Our audit procedures included the following: We obtained independent confirmations for verifying the existence of balances with bank and the investment portfolio as at June 30, 2025 and traced it with books and records of the Fund;



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

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

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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.



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 year 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, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking 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: 29 SEP 2025

UDIN: AR202510166ZWJAYwKz8


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with Bank	5	12,236,496	5,439,633
Investments	6	38,783,299	35,688,702
Profit receivable	7	134,884	377,141
Advance tax, deposits and other receivable	8	31,647	219,676
TOTAL ASSETS		51,186,326	41,725,152
LIABILITIES			
Payable to AL Habib Asset Management Limited - Management company	9	111,005	89,299
Provision for Federal Excise Duty on remuneration of the Management Company	10	13,417	13,417
Payable to Central Depository Company of Pakistan Limited - Trustee	11	3,753	2,061
Payable to Securities and Exchange Commission of Pakistan	12	3,645	2,511
Payable against Redemption / Purchase of units		74,847	7,104
Accrued expenses and other liabilities	13	606,376	99,308
TOTAL LIABILITIES		813,043	213,700
NET ASSETS		50,373,283	41,511,452
UNIT HOLDERS' FUND (AS PER THE STATEMENT ATTACHED)		50,373,283	41,511,452
Contingencies and commitments	14	(Number of units)	
Number of units in issue (face value of units is Rs. 100 each)	15	495,804,976	407,829,056
		(Rupees)	
Net assets value per unit		101.60	101.79

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
Income			
Gain / (loss) on sale of investments - net		162,560	(34,560)
Income from government securities		10,557,944	6,076,872
Mark-up on bank deposits		202,522	1,112,391
Profit on term deposit receipts		-	83,536
		10,923,026	7,238,239
Unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss' - net	6.1	5,813	(151,770)
Total income		10,928,839	7,086,469
Expenses			
Remuneration of AL Habib Asset Management Limited - Management Company	9.1	929,612	392,973
Sindh Sales tax on Management Company's remuneration	9.2	139,442	51,090
Expenses allocated by the Management company		49,372	25,607
Sindh Sales tax on Expenses allocated by the Management Company		7,406	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11	42,311	18,033
Sindh Sales tax on Trustee's remuneration	11.2	6,345	2,344
Annual fee to Securities and Exchange Commission of Pakistan	12	57,696	24,615
Brokerage expense		1,958	2,268
Settlement and bank charges		135	129
Annual listing fee		25	25
Auditors' remuneration	16	596	562
Mutual Fund rating fee		282	284
Printing and other expenses		120	42
		1,235,300	517,972
Net income for the year before taxation		9,693,539	6,568,497
Taxation	17	-	-
Net income for the year after taxation		9,693,539	6,568,497
Allocation of net income for the year after taxation			
Net income for the year		9,693,539	6,568,497
Income already paid on units redeemed		(6,857,117)	(3,663,931)
		2,836,422	2,904,566
Accounting income available for distribution:			
Relating to capital loss		-	-
Excluding capital gains		2,836,422	2,904,566
		2,836,422	2,904,566

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
Net income for the year after taxation	9,693,539	6,568,497
Other comprehensive income	-	-
Total comprehensive income for the year	<u>9,693,539</u>	<u>6,568,497</u>

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025			June 30, 2024		
	Capital Value	Undistributed income	Net Asset	Capital Value	Undistributed income	Net Asset
	(Rupees in '000)					
Net assets at beginning of the year	41,074,967	436,485	41,511,452	24,664,878	204,762	24,869,640
Issuance of 1,378,308,487 units (June 30, 2024: 2,487,415,286 units)						
- Capital value	140,298,021	-	140,298,021	251,900,546	-	251,900,546
- Element of income	10,229,132	-	10,229,132	3,996,688	-	3,996,688
Amount received on issuance of units	150,527,153	-	150,527,153	255,897,234	-	255,897,234
Redemption of 1,290,332,567 units (June 30, 2024: 2,325,158,210 units)						
- Capital value	(131,342,952)	-	(131,342,952)	(235,468,772)	-	(235,468,772)
- Element of loss	(7,830,458)	(6,857,117)	(14,687,575)	(275,494)	(3,663,931)	(3,939,425)
Amount paid on redemption of units	(139,173,410)	(6,857,117)	(146,030,527)	(235,744,266)	(3,663,931)	(239,408,197)
Total comprehensive income for the year	-	9,693,539	9,693,539	-	6,568,497	6,568,497
Interim distribution for the year ended June 30 2025 :						
Rs. 14.95 per units (2024: Rs. 14.63 per unit declared)	(2,636,300)	(2,692,034)	(5,328,334)	(3,742,879)	(2,672,842)	(6,415,721)
Net income for the year less distribution	(2,636,300)	7,001,505	4,365,205	(3,742,879)	3,895,655	152,776
Net assets at end of the year	49,792,410	580,873	50,373,283	41,074,967	436,485	41,511,452
Undistributed income brought forward						
- Realized income		436,485			243,001	
- Unrealized income		-			(38,240)	
		436,485			204,761	
Accounting income available for distribution						
- Relating to capital loss		-			-	
- Excluding capital gains		2,836,422			2,904,566	
		2,836,422			2,904,566	
Interim distribution for the year ended June 30 2025 :						
Rs. 14.95 per units (2024: Rs. 14.63 per unit declared)		(2,692,034)			(2,672,842)	
Undistributed income carried forward		580,873			436,485	
Undistributed income carried forward comprises of:						
- Realized income		580,873			436,485	
- Unrealized loss		-			-	
		580,873			436,485	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		101.79			101.27	
Net assets value per unit at end of the year		101.60			101.79	

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	9,693,539	6,568,497
Adjustments		
Net unrealized (gain) / loss on remeasurement of investments	(5,813)	151,770
Net cash generated from operations before working capital changes	9,687,726	6,720,267
Working capital changes		
(Increase) in assets		
Investments	(3,088,784)	(11,592,176)
Profit receivable	242,257	(273,250)
Advance tax, deposits and other receivables	188,029	(218,438)
	(2,658,498)	(12,083,864)
Increase in liabilities		
Payable to AL Habib Asset Management Limited - Management Company	21,706	60,895
Payable to Central Depository Company of Pakistan Limited - Trustee	1,692	785
Payable to Securities and Exchange Commission of Pakistan	1,134	(2,509)
Payable against Redemption / Purchase of units	67,743	7,100
Accrued expenses and other liabilities	507,068	19,583
	599,343	85,854
Net cash generated from / (used) in operating activities	7,628,571	(5,277,743)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	150,527,153	255,897,234
Payments on redemption of units	(146,030,527)	(239,408,197)
Dividend paid during the period	(5,328,334)	(6,415,721)
Net cash (used in) / generated from financing activities	(831,708)	10,073,316
Net increase in cash and cash equivalents	6,796,863	4,795,573
Cash and cash equivalents at beginning of the year	5,439,633	644,059
Cash and cash equivalents at end of the year	12,236,496	5,439,633

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Cash Fund (the "Fund") was established under a Trust Deed executed between AL Habib Asset Management Limited as the (Management Company) and Central Depository Company of Pakistan Limited (CDC) as (the Trustee). The Trust Deed was executed on July 14, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 13, 2010 under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules , 2003 (NBFC Rules).
- 1.2** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the management company is situated at 3rd Floor MacKinnon's Building, I.I Chundrigar Road Karachi, Pakistan.
- 1.3** The Fund is an open-end mutual fund categorized as 'Money Market Scheme' and is listed on the Pakistan Stock Exchange Limited (PSX). Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder. Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.
- 1.4** The Fund, in line with its investment objective, invests primarily in Treasury bills, Government Securities and cash and near cash instruments.
- 1.5** The Management Company and the Fund has been assigned a rating of 'AM1' and AAA(f) by Pakistan Credit Rating Agency PACRA and VIS on December 27, 2024 respectively.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates judgements and associated assumptions are based on historical experience and various other factors including expectation of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 the revision and future year if the revision affects both current and future years.

Estimates and judgments that have significant effect on the financial statements relate to classification and valuation.

2.4.1 Classification and measurement of financial assets and financial liabilities

For details please refer to notes 4.2.3 and 6 to these financial statements.

2.4.2 Impairment of financial assets

For details please refer to notes 4.2.5 to these financial statements.

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

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

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of 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 IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

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

4.2 Financial Instruments

4.2.1 Financial Assets

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

4.2.2 Initial recognition and measurement

Financial assets are recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs associated with these financial assets are charged to the income statement.

4.2.3 Classification

Debt Instruments

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

- the asset is held within a business model whose objective is 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.

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

4.2.4 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost

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

Debt investments at FVOCI

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

Debt investments at FVTPL

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

4.2.5 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.6 Regular way contracts

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

4.2.7 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.

4.2.8 Offsetting of financial instruments

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

4.2.9 Financial liabilities

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

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

4.3 Unit holders' Fund

Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

4.4 Issuance and redemption of units

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

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption application during business hours of that day. The redemption price shall be 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 as processing fee.

4.5 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.

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.

4.6 Net asset value - per unit

The net asset value per unit 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.

4.7 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent (90%) of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed to the unit holders.

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

The Fund does not account for deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least 90% of its accounting income for the year as reduced by capital gains, whether realized or unrealized, to its unit holders.

4.8 Revenue recognition

- Mark-up on deposits with banks and mark-up / return on investments in debt securities are recognized using effective yield method.
- Capital gains / (loss) arising on sale of investments are recognized when the risk and rewards are transferred.
- Unrealized Gains / Loss recognized on mark to market investments classified as ' financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.

4.9 Expenses

All expenses including Management's fee, Trustee's fee and annual fee of SECP are recognized in the Income Statement on an accrual basis.

4.10 Provisions

Provisions are recognized in the Statement of Assets and Liabilities when the Fund has a present, legal or constructive obligation as a result of past events and 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.

4.11 Distribution

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognized in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by SECP), distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. 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.

4.12 Earnings per unit (EPU)

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, 2025	June 30, 2024
Note		----- (Rupees in '000) -----	
5. BANK BALANCES			
Bank balances	5.1	12,236,496	5,439,633
		<u>12,236,496</u>	<u>5,439,633</u>

5.1 This represents saving accounts held with various commercial banks carrying profit rates ranging from 10.00% to 11.05% (2024: 19.25% to 21.50%) per annum.

5.2 This includes a balance of Rs. 7,870.05 million (2024: Rs. 5,414.29 million) with Bank AL Habib Limited, (Parent Company of Fund's Management Company) carrying profit at the rate of 11% (2024: 21.00%) per annum.

		June 30, 2025	June 30, 2024
Note		----- (Rupees in '000) -----	
6. INVESTMENTS			
At fair value through profit or loss Government securities	6.1	38,783,299	35,688,702
		<u>38,783,299</u>	<u>35,688,702</u>

6.1 Government securities - Market Treasury Bills

Description	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
	(Number of Units)				(Rupees in '000)			%	
Treasury Bills									
1 Months									
T - BILL 01 MONTHS (02-05-2025)	-	2,500,000	2,500,000	-	-	-	-	0.00%	0.00%
T - BILL 01 MONTHS (12-06-2025)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T - BILL 01 MONTHS (15-05-2025)	-	221,600,000	221,600,000	-	-	-	-	0.00%	0.00%
T - BILL 01 MONTHS (29-05-2025)	-	5,020,000	5,020,000	-	-	-	-	0.00%	0.00%
T - BILL 01 MONTHS (03-04-2025)	-	317,600,000	317,600,000	-	-	-	-	0.00%	0.00%
T - BILL 01 MONTHS (17-04-2025)	-	42,000,000	42,000,000	-	-	-	-	0.00%	0.00%
	-	593,720,000	593,720,000	-	-	-	-		
3 Months									
T - BILL 03 MONTHS (13-06-2024)	5,000,000	39,450,000	44,450,000	-	-	-	-	0.00%	0.00%
T -BILL 03 MONTHS (16-05-2024)	5,000,000	-	5,000,000	-	-	-	-	0.00%	0.00%
T -BILL 03 MONTHS (18-04-2024)	2,500,000	-	2,500,000	-	-	-	-	0.00%	0.00%
T -BILL 03 MONTHS (30-05-2024)	5,000,000	3,000,000	8,000,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (12-06-2025)	-	75,000,000	75,000,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (15-05-2025)	-	26,250,000	-	26,250,000	2,595,944	2,595,584	(360)	5.15%	6.69%
T - BILL 03 MONTHS (26-06-2025)	-	4,000,000	-	4,000,000	390,751	390,669	(82)	0.78%	1.01%
T - BILL 03 MONTHS (29-05-2025)	-	5,100,000	-	5,100,000	502,266	502,198	(68)	1.00%	1.29%
T - BILL 03 MONTHS (03-04-2025)	-	398,900	398,900	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (05-09-2024)	-	540,000	540,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (06-02-2025)	-	28,740,000	28,740,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (06-03-2025)	-	121,400,000	121,400,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (08-08-2024)	-	8,000,000	8,000,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (09-01-2025)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (12-12-2024)	-	231,850,000	231,850,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (14-11-2024)	-	20,550,000	20,550,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (17-04-2025)	-	65,650,000	65,650,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (17-10-2024)	-	15,260,000	15,260,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (20-02-2025)	-	42,650,000	42,650,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (22-08-2024)	-	2,500,000	2,500,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (23-01-2025)	-	10,600,000	10,600,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (26-12-2024)	-	233,407,000	233,407,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (27-06-2024)	-	11,000,000	11,000,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (28-11-2024)	-	35,000,000	35,000,000	-	-	-	-	0.00%	0.00%
T - BILL 03 MONTHS (31-10-2024)	-	8,300,000	8,300,000	-	-	-	-	0.00%	0.00%
	17,500,000	993,645,900	975,795,900	35,350,000	3,488,961	3,488,451	(510)		

AL HABIB CASH FUND

Description	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
(Number of Units)			(Rupees in '000)			%			
Treasury Bills									
6 Months									
T-BILL 06 MONTHS (30-05-2024)	16,000,000	39,250,000	55,250,000	-	-	-	-	0.00%	0.00%
T - BILL 06 MONTHS (12-06-2025)	-	10,000,000	10,000,000	-	-	-	-	0.00%	0.00%
T - BILL 06 MONTHS (15-05-2025)	-	5,290,000	5,000,000	290,000	27,876	27,871	(5)	0.06%	0.07%
T - BILL 06 MONTHS (26-06-2025)	-	2,000,000	-	2,000,000	189,922	189,912	(10)	0.38%	0.49%
T - BILL 06 MONTHS (29-05-2025)	-	5,000,000	-	5,000,000	478,508	478,641	133	0.95%	1.23%
T- BILL 06 MONTHS (02-05-2024)	-	16,000,000	16,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (03-10-2024)	-	19,000,000	19,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (05-09-2024)	-	138,500,000	138,500,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (06-02-2025)	-	10,000,000	-	10,000,000	988,960	988,794	(166)	1.96%	2.55%
T- BILL 06 MONTHS (06-03-2025)	-	85,206,050	85,206,050	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (08-08-2024)	-	12,640,000	12,640,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (09-01-2025)	-	161,661,800	161,661,800	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (11-07-2024)	-	53,145,900	53,145,900	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (12-12-2024)	-	60,580,000	60,580,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (13-06-2024)	-	4,200,000	4,200,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (14-11-2024)	-	327,010,000	327,010,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (16-05-2024)	-	35,000,000	35,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (17-04-2025)	-	15,264,300	100,000	15,164,300	1,467,340	1,469,111	1,771	2.92%	3.79%
T- BILL 06 MONTHS (17-10-2024)	-	161,556,400	161,556,400	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (22-08-2024)	-	80,690,000	80,690,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (23-01-2025)	-	12,500,000	-	12,500,000	1,241,418	1,241,225	(193)	2.46%	3.20%
T- BILL 06 MONTHS (25-07-2024)	-	15,000,000	15,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (26-12-2024)	-	16,602,250	16,602,250	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (28-11-2024)	-	16,000,000	16,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (31-10-2024)	-	67,250,000	67,250,000	-	-	-	-	0.00%	0.00%
	16,000,000	1,369,346,700	1,340,392,400	44,954,300	4,394,024	4,395,554	1,530		
12 Months									
T- BILL 12 MONTHS (13-07-2023)	23,550,000	-	23,550,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (16-11-2023)	8,500,000	122,371,650	130,871,650	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (19-10-2023)	46,610,000	300,560,000	347,170,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (28-12-2023)	33,000,000	138,892,100	171,892,100	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (30-11-2023)	10,000,000	110,665,000	120,665,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (02-11-2023)	77,500,000	166,959,000	244,459,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (02-05-2024)	-	57,592,600	57,592,600	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (03-10-2024)	-	58,500,000	30,000,000	28,500,000	2,770,436	2,772,258	1,822	5.50%	7.15%
T- BILL 12 MONTHS (04-04-2024)	-	3,965,250	3,965,250	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (05-09-2024)	-	121,580,000	121,580,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (07-03-2024)	-	10,000,000	10,000,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (08-08-2024)	-	58,250,000	-	58,250,000	5,757,917	5,759,725	1,808	11.43%	14.85%
T- BILL 12 MONTHS (11-01-2024)	-	25,123,000	25,123,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (11-07-2024)	-	83,159,250	83,159,250	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (12-12-2024)	-	80,959,200	40,000,000	40,959,200	3,906,640	3,905,587	(1,053)	7.75%	10.07%
T- BILL 12 MONTHS (13-06-2024)	-	144,886,000	144,886,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (14-11-2024)	-	15,584,450	15,584,450	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (16-05-2024)	-	52,000,000	52,000,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (17-10-2024)	-	61,538,200	60,000,000	1,538,200	148,747	149,020	273	0.30%	0.38%
T- BILL 12 MONTHS (18-04-2024)	-	87,378,500	87,378,500	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (21-03-2024)	-	35,734,000	35,734,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (22-08-2024)	-	96,358,000	69,010,000	27,348,000	2,692,598	2,692,963	365	5.35%	6.94%
T- BILL 12 MONTHS (25-07-2024)	-	41,641,000	-	41,641,000	4,134,750	4,134,868	118	8.21%	10.66%
T- BILL 12 MONTHS (28-11-2024)	-	8,425,700	-	8,425,700	806,240	806,577	337	1.60%	2.08%
T- BILL 12 MONTHS (30-05-2024)	-	9,130,000	9,130,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (31-10-2024)	-	55,000,000	55,000,000	-	-	-	-	0.00%	0.00%
T-BILLS 12 MONTHS (14-12-2023)	-	249,080,000	249,080,000	-	-	-	-	0.00%	0.00%
	77,500,000	-	-	77,500,000	-	-	-	0.00%	0.00%
	276,660,000	2,195,332,900	2,187,830,800	284,162,100	20,217,328	20,220,998	3,670		
Total Treasury Bills as at June 30, 2025				364,466,400	28,100,313	28,105,003	4,690		

Description	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
	(Number of Units)				(Rupees in '000)			%	
Pakistan Investment Bond									
2 Years									
PIB 2 YEAR (08-09-2022)	85,570	-	85,570	-	-	-	-	0.00%	0.00%
PIB 02 YEAR (09-02-2023)	-	55,000	55,000	-	-	-	-	0.00%	0.00%
PIB 2 YEAR (21-09-2023)	-	25,250	25,250	-	-	-	-	0.00%	0.00%
PIB 2 YEARS (06-04-2023)	-	229,821	229,821	-	-	-	-	0.00%	0.00%
	85,570	310,071	395,641	-	-	-	-		
3 Years									
PIB 3 YEARS (05-08-2021)	1,535	-	1,535	-	-	-	-	0.00%	0.00%
PIB 3 YEARS (07-10-2021)	42,220	169,840	212,060	-	-	-	-	0.00%	0.00%
PIB 3 YEARS (07-04-2022)	-	10,000	10,000	-	-	-	-	0.00%	0.00%
PIB 3 YEARS (08-09-2022)	-	106,815	-	106,815	10,677,173	10,678,296	1,123	21.20%	27.53%
	43,755	906,797	1,014,877	106,815	10,677,173	10,678,296	1,123		
5Years									
PIB 5 YEARS (19-09-2019)	9,166	-	9,166	-	-	-	-	0.00%	0.00%
	9,166	-	9,166	-	-	-	-		
Total Pakistan Investment Bond as at June 30, 2025				106,815	10,677,173	10,678,296	1,123		
Total Investment as at June 30, 2025					38,777,486	38,783,299	5,813		
Total Investment as at June 30, 2024					35,840,472	35,688,702	(151,770)		

		June 30, 2025	June 30, 2024
	Note	(Rupees in '000)	
7. PROFIT RECEIVABLE			
Profit receivable on saving accounts	7.1	59,713	20,903
Profit receivable on debt securities		75,171	356,238
		134,884	377,141

7.1 This includes profit receivable from Bank Al Habib Limited.

		June 30, 2025	June 30, 2024
	Note	(Rupees in '000)	
8. ADVANCE TAX, DEPOSITS AND OTHER RECEIVABLES			
Advance tax	8.1	1,301	1,262
Security deposit		100	100
Receivable against Conversion of units		30,246	218,315
		31,647	219,677

8.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. The amount of withholding tax deducted on profit on bank deposits has been shown as advance tax as at June 30, 2025, the management is of the view that, the amount of tax deducted at source will be refunded.

		June 30, 2025	June 30, 2024
	Note	(Rupees in '000)	
9. PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable to management company	9.1	44,942	76,390
Sales Tax Payable	9.2	6,930	9,933
Reimbursement To CIS		59,133	2,976
		111,005	89,299

9.1 The Management has charged its remuneration at rate ranging from 0% to 10% of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.

AL HABIB CASH FUND

Effective from April 10, 2025, the SECP, through SRO 600(I)/2025 dated April 10, 2025, amended the NBFC Regulations to disallow the asset management companies to charge allocated expenses to the Fund. However, prior to such amendment, the management company charged such allocated expenses to the Fund at their discretion, subject to limits and conditions specified in the offering documents and not being higher than actual expenses. The management company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund.

- 9.2 The Sindh Sales Tax has been charged at 15% on the Management Company's remuneration during the year (2024: 13%).

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
10. PROVISION FOR FEDERAL EXCISE DUTY ON REMUNERATION OF THE MANAGEMENT COMPANY		
Provision for Federal Excise Duty on remuneration of the Management Company	13,417	13,417
	<u>13,417</u>	<u>13,417</u>

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 sale load with effect from July 01, 2016. However, as a matter of abundant caution, the provision for FED made prior to this period has been maintained by the Fund which at June 30, 2025 aggregates to Rs. 13.42 (2024: Rs. 13.42) million. Had the provision for FED not been recorded in the financial statements of the Fund, the net assets value of the Fund as at June 30, 2025 would have been higher by Rs. 0.027 (2024: Rs.0.032) per unit.

		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
11. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note		
Payable to Central Depository Company of Pakistan Limited - Trustee	11.1	3,265	1,824
Sales Tax Payable	11.2	488	237
		<u>3,753</u>	<u>2,061</u>

- 11.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document based on the daily Net Asset Value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee is 0.055% per annum of daily net assets of the Fund.

- 11.2 The Sindh Sales Tax has been charged at 15% on the trustee's remuneration charged during the period (2024: 13%).

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
Payable to Securities and Exchange Commission of Pakistan (SECP)	3,645	2,511
	<u>3,645</u>	<u>2,511</u>

This represents annual fee payable to SECP at 0.075% of net assets in accordance with regulation 62 of the NBFC Regulations and pursuant to S.R.O 685(I) 2019, dated 28 June 2019.

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
13. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditor's remuneration	412	797
Printing charges	51	22
Capital gain and withholding tax	601,584	96,432
Settlement charges	14	7
Brokerage	3,504	1,546
Other payable	811	504
	<u>606,376</u>	<u>99,308</u>

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2025. (2024: Nil).

	June 30, 2025	June 30, 2024
	----- Number of Units -----	
15. NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the year	407,829,056	245,571,980
Add: Units issued during the year	1,378,308,487	2,487,415,286
Less: Units redeemed during the year	(1,290,332,567)	(2,325,158,210)
Total units in issue at the end of the year	<u>495,804,976</u>	<u>407,829,056</u>

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
16. AUDITORS' REMUNERATION		
Annual audit fee	412	386
Interim statement review fee	184	176
	<u>596</u>	<u>562</u>

17. TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The management has distributed at least 90% of income earned during current year to the unit holders, therefore, no provision for taxation has been recorded in these financial statements.

18. EARNINGS PER UNIT

Earnings 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 earnings per unit is not practicable.

19. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Related parties/ Connected persons include Al Habib Asset Management Limited being the Management Company, Bank Al Habib Limited being the Sponsor, Central Depository Company of Pakistan Limited being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

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

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Connected persons / related parties include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of AL Habib Asset Management Limited
3	AL Habib Capital Market (Private) Limited	Subsidiary of Bank Al Habib Limited
4	AL Habib Exchange Company Limited	Subsidiary of Bank Al Habib Limited
5	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
12	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Islamic GOKP Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
18	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
19	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
20	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Limited
21	Central depository Company of Pakistan	Trustee

	June 30 2025	June 30 2024
19.1 Details of transactions with connected persons / related parties are as follows:	----- (Rupees in '000) -----	
19.1.1 Bank AL Habib Limited - Parent of AL Habib Asset Management Limited		
Profit on bank deposits	108,335	708,929
19.1.2 AL Habib Asset Management Limited - Management Company		
Remuneration	929,612	392,973
Sindh Sales Tax	139,442	51,090
Expenses allocated by management company	49,372	25,607
Sindh Sales Tax on Expenses allocated by Management Company	7,406	-
19.1.3 Central Depository Company of Pakistan Limited - Trustee		
Remuneration	42,311	18,033
Sindh Sales Tax	6,345	2,344
CDC charges	7	2,061
19.2 Details of the balances with connected persons / related parties at the year end are as follows:		
19.2.1 Bank AL Habib Limited - Parent of AL Habib Asset Management Limited		
Bank balance	7,870,051	15,085
19.2.2 Bank AL Habib Limited - Parent of AL Habib Asset Management Limited		
Profit receivable from Bank Al Habib Limited	59,713	20,903
19.2.3 AL Habib Asset Management Limited - Management Company		
Remuneration payable (inclusive of Sindh Sales Tax)	111,005	89,299
19.2.4 Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable (inclusive of Sindh Sales tax)	3,753	2,061

19.3 Sale / Redemption of units

<u>Units sold to:</u>	June 30, 2025		June 30, 2024	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Management Company				
AL Habib Asset Management Limited	9,989,522	1,119,827	9,799,707	997,512
Other related party				
- Directors & their relatives of the management company	24,356,727	2,691,322	417,581,186	42,426,248
- Habib Sugar Mills Limited	37,422,527	4,000,891	25,834,968	2,624,833
- Atco Pharma International Private Limited	836	113	1,158	118
- Hussaini haematology and oncology trust	198	27	274	28
- Key Management Executives	20	2	15,627	1,591
- Yell Design	2	-	3	-
Connected Parties holding 10% or more of the units in issue:	455,102,876	49,235,022	-	-
 <u>Units redeemed by:</u>				
Management Company				
AL Habib Asset Management Limited	10,014,847	1,128,474	9,775,030	995,000
Other Related Parties				
- Directors & Their Relatives of the Management Company	73,221,668	8,301,268	430,279,557	43,798,156
- Key Management Executives	7,525	856	14,696	1,496
- Habib insurance company limited Emp	-	-	140,000	14,251
- Habib Sugar Mills Limited	39,684,553	4,395,794	24,217,227	2,465,072
 <u>Units held by:</u>				
Management Company				
- AL-Habib Asset Mangement Company	-	-	24,677	2,511,872
Parent of AL Habib Asset Management Limited				
- Bank AL Habib Limited	33,307,275	3,384,019	33,307,275	3,390,348
Othert related parties				
- Directors & their relatives of the management company	2,352	239	15,295,256	1,556,904
- Key Management	20	2	105,127	10,701
- Atco Pharma International Private Limited	8,388	852	6,756	687
- Atco Laboratories Limited	997	101	997	101
- Habib Sugar Mills Limited	-	-	1,626,674	165,579
- Hussaini haematology and oncology trust	1,982	201	1,785	182
- Habib Asset Management Limited Employees Provident Fund	103,522	10,518	131,525	13,388
- Habib Insurance Company Limited	65,544	6,659	65,544	6,672
- Yell Design	20	2	3	0.31
- The Health Foundation	26,219	2,664	-	-
Connected Parties holding 10% or more of the units in issue:	325,030,938	33,023,143	-	-

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

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

Financial Assets which are tradable in an open market are carried at the price prevailing at the reporting date. The estimated fair value of all other assets and liabilities considered not to be significantly different from respective base values.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

		June 30, 2025			
		Fair value			
		Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----			
Investments at fair value through profit or loss					
Investment					
Market Treasury Bills	-	28,105,003	-	28,105,003	
Investment					
Pakistan Investment Bond	-	10,678,296	-	10,678,296	
	-	38,783,299	-	38,783,299	

		June 30, 2024			
		Fair value			
		Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----			
Investments at fair value through profit or loss					
Investment					
Market Treasury Bills	-	21,906,740	-	21,906,740	
Investment					
Pakistan Investment Bond	-	13,781,962	-	13,781,962	
	-	35,688,702	-	35,688,702	

21. TOTAL EXPENSE RATIO (TER)

SECP vide its directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016 requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the year ended June 30, 2025 is 1.62% which includes 0.26% representing Government levy and SECP fee. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as money market scheme.

22. FINANCIAL RISK MANAGEMENT

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

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

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

22.1 Market risk

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

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

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

22.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

Presently the fund holds KIBOR based units which are expose the fund cashflow interest rate risk. In case of 100 basis points increase / decrease in interest rates at year end with all other variables held constant, the net income for the year and the net assets of the Al-Habib Cash fund would have been higher / lower by Rs 122.36 million and Rs. 387.83 million respectively.

b) Sensitivity analysis for fixed rate instruments

The fund does not hold any fixed profit based investment exposing the fund to cash flow interest rate risk.

c) Fair value interest rate risk

Yield / Interest rate sensitivity position for financial instrument is as follows:

Particulars	Effective yield / interest rate	June 30, 2025				
		Al-Habib Cash fund				
		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	10.00%-11.05%	12,236,496	-	-	-	12,236,496
Investments - net	7.00%-23.00%	3,488,451	24,616,552	10,678,296	-	38,783,299
Profit receivables		75,171	-	-	59,713	134,884
		15,800,118	24,616,552	10,678,296	59,713	51,154,679
Financial liabilities						
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	111,005	111,005
Provision for Federal Excise Duty on remuneration of the Management Company		-	-	-	13,417	13,417
Payable against redemption/Purchase of units		-	-	-	74,847	74,847
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	3,753	3,753
Payable to Securities and Exchange Commission of Pakistan		-	-	-	3,645	3,645
Accrued expenses and other liabilities		-	-	-	4,792	4,792
		-	-	-	211,459	211,459
On-balance sheet gap		15,800,118	24,616,552	10,678,296	(151,746)	50,943,220

AL HABIB CASH FUND

Particulars	Effective yield / interest rate	June 30, 2024				
		Al-Habib Cash fund				
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total
		Upto 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	19.25%-21.50%	5,439,633	-	-	-	5,439,633
Investments	7.00%-23.00%	13,619,696	22,069,006	-	-	35,688,702
Other Receivables		356,238	-	-	20,903	377,141
		19,415,567	22,069,006	-	20,903	41,505,476
Financial liabilities						
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	89,299	89,299
Provision for Federal Excise Duty on remuneration of the Management Company		-	-	-	13,417	13,417
Payable against redemption/Purchase of units		-	-	-	7,104	7,104
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	2,061	2,061
Payable to Securities and Exchange Commission of Pakistan		-	-	-	2,511	2,511
Accrued expenses and other liabilities		-	-	-	2,876	2,876
		-	-	-	117,268	117,268
On-balance sheet gap		19,415,567	22,069,006	-	(96,365)	41,388,208

d) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed off.

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.

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 summarizes the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

e) 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 (financial institutions) and profit receivables from banks.

Management of credit risk

The Fund keeps deposits with reputed financial institutions. The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2025.

Bank	Al-Habib Cash fund	Rating	Rating agency
----- Rupees in '000 -----			
BAHL MAIN BR FHCF	7,870,051	AAA	VIS
HBL DEHLI MERCENTILE BR FHCF	17,557	AAA	PACRA
BANK ALFALAH MAIN BRANCH	691	AAA	PACRA
ALLIED BANK LIMITED STOCK EXH	105	AAA	PACRA
MCB EFFICIENT PAYMENT	884	A+	PACRA
HBL-ADAMJEE NAGAR BRANCH	247,432	AAA	VIS
UBL BANK LIMITED-FHCF	4,089,077	AAA	VIS
DIB BANK LIMITED	10	AA	VIS
HABIB METROPOLITAN BANK	10,689	AA+	PACRA
ALLIED BANK LIMITED - CURRENT	-	AAA	PACRA
	<u>12,236,496</u>		

The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2024.

Bank	Al-Habib Cash fund	Rating	Rating agency
----- Rupees in '000 -----			
BAHL MAIN BR FHCF	5,414,291	AAA	VIS
HBL DEHLI MERCENTILE BR FHCF	15,085	AAA	PACRA
BANK ALFALAH MAIN BRANCH	589	AA+	PACRA
ALLIED BANK LIMITED STOCK EXH	202	AAA	PACRA
MCB EFFICIENT PAYMENT	3,257	A	PACRA
HBL-ADAMJEE NAGAR BRANCH	119,844	AAA	VIS
UBL BANK LIMITED-FHCF	13	AAA	VIS
DIB BANK LIMITED	9	AA	VIS
HABIB METROPOLITAN BANK	5,330	AA+	PACRA
ALLIED BANK LIMITED - CURRENT	9	AAA	PACRA
	<u>5,558,629</u>		

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

	2025	2024
Ratings	(Percentage)	
AAA	99.86%	70%
AA+	0.13%	10.00%
AA	0.00%	10.00%
A+	0.01%	10.00%
A	0.00%	0.00%
	<u>100.00%</u>	<u>100.00%</u>

As of the previous report date, the sovereign entity had never defaults on any of its securities. Therefore, the fund has determined that it is not exposed to credit risk.

f) Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Fund's major asset balances are held with multiple bank. The management believes that these banks are reputed institutions.

23. UNITHOLDERS' FUND RISK MANAGEMENT

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unitholders' fund. Unitholders fund risk management is carried out by the 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 unitholders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the 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.

24. FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	June 30, 2025		
	At fair value through profit or loss	Amortised cost	Total
----- Rupees in '000 -----			
Financial assets			
Bank balances	-	12,236,496	12,236,496
Investments	38,783,299	-	38,783,299
Profit receivable	-	134,884	-
Advance tax, deposits, and other receivable	-	31,647	31,647
	<u>38,783,299</u>	<u>12,403,027</u>	<u>51,051,442</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management company	-	104,075	104,075
Payable to Central Depository Company of Pakistan Limited - Trustee	-	3,265	3,265
Payable against Redemption / Purchase of units	-	74,847	74,847
Accrued expenses and other liabilities	-	4,792	4,792
	<u>-</u>	<u>213,813</u>	<u>213,813</u>
Particulars	June 30, 2024		
	At fair value through profit or loss	Amortised cost	Total
----- Rupees in '000 -----			
Financial assets			
Bank balances	-	5,439,633	5,439,633
Investments	35,688,702	-	35,688,702
Profit receivable	-	377,141	377,141
Advance tax, deposits, and other receivable	-	1,362	1,362
	<u>35,688,702</u>	<u>5,818,136</u>	<u>41,506,838</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management company	-	79,366	79,366
Payable to Central Depository Company of Pakistan Limited - Trustee	-	1,824	1,824
Payable against redemption of units	-	7,104	7,104
Accrued expenses and other liabilities	-	2,876	2,876
	<u>-</u>	<u>118,004</u>	<u>118,004</u>

25. 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 of Director	Designation	Qualification	Experience in years
1	Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24
2	Mr. Zahid Hussain Vaswani	Chief Operating Officer & Company Secretary	CA- Affiliate	25
3	Mr. Fawad Javaid	Head of Fixed Income	ICMAP	14.5
4	Mr. Ahmed Abbas	Fund Manager	MBA	18
5	Mr. Faran Ul Haq	Head of Equity	CFA	14.5
6	Mr. Hamza Abdul Rehman Siddiqui	Fund Manager - Equity	Msc (Hons)	7
7	Mr. Umar Bin Hassan	Senior Reserch Analyst	MS ECO, FMVA	7

26. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 01, 2024 and October 17, 2024 , January 23, 2025, April 25, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S. No.	Name of Director	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Abbas D.Habib	4	4	-	-
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	103rd, 104th and 105th Meeting
5	Mr. Imran Azim	4	2	2	103rd and 106th Meeting
6	Mr. Kashif Rafi	4	4	-	-

27. CORRESPONDING FIGURES

Corresponding figures have been arranged and reclassified, wherever necessary for the purpose of comparison and for better presentation.

28. GENERAL

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

29. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on August 25, 2025 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective

The investment objective of AHCF is to provide its unit holders optimum returns from a portfolio of low risk and short duration assets while maintaining high liquidity.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHCF maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with "AAA" rated Banks and short tenor T-bills.

Performance of the fund with benchmark

The Fund outperformed its benchmark by 69 bps as it posted YTD return of 14.55% as against the benchmark of 13.86%.

Fund Description

Fund Type & Category	Open End - Money Market Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	March 10, 2011	Management Fee	Up to 10% of the gross earnings of the Scheme
Benchmark	90% three (3) months PKRV rates + 10% three (3) months average of highest rates of saving accounts of three (3) AA rated scheduled banks as selected by MUFAP	Sales Load	3% (Management has the discretion to reduce or waive load on any transaction)
Annual Return	14.55%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	13.86%	For Regular Transactions For same Day Redemption	Monday to Thursday 4:00 pm Friday 4:30 pm 9:30 am
Net Assets	Rs. 50.373 billion (June 30, 2025)	Fund Stability Rating	AAA(f) by VIS (December 27, 2024)
NAV per unit	Rs. 101.5990 per unit (June 30, 2025)	AMC Rating	"AM1" by PACRA (December 12, 2024)
Pricing Mechanism	Backward Pricing	Trustee	Central Depository Company of Pakistan Limited.
Risk Profile	Very Low (Principal at very low risk)		

Economic Review:

The main highlights of the outgoing fiscal year were lower than expected inflation, surplus current account balance, IMF's extended financing facility worth USD 7 Billion, narrowing fiscal deficit and record remittances.

CPI witnessed an extensive improvement, increasing only by 4.7%YoY against the forecast of 7%-8%, compared to 26%YoY in FY24. The main contributors were high base effect, lower food prices and decrease in energy charges. Also, the government's keeping the USD/PKR parity in the check played a vital role.

The current account balance stood at USD2.1 billion on the back of shrinking trade gap and higher remittances which reached a record high of USD 38 Billion. Such phenomenon also resulted in higher foreign exchange reserve held by the Central bank at USD14.51 Billion compared to USD9.39 billion in FY'24.

The outgoing year was not without challenges whereby country's GDP recorded an increase of 2.68% against the target of 3.56%. Agricultural sector, the backbone of country's GDP, grew only by 0.56%YoY due to crop failures amid water shortages. Large Scale manufacturing, witnessed a growth of 4.8%YoY, merely covering up for the negative LSM growth in FY'24.

Low inflation, exchange rate stabilization and adequate foreign exchange flows provided room for the SBP to reduce its Policy rate by 1,100bps, from 22% to 11%. Such drastic cut in interest rates was welcomed by the cross section of the market participants. Market is hoping for further cuts in Policy rates amid high real interest rates and satisfactory foreign exchange flows.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	23.91%	13.28%
T-Bills	54.91%	52.35%
PIBs	20.86%	32.94%
Others	0.32%	1.43%

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	664
1001-5000	97
5001-10000	45
10001-50000	82
50001-100000	30
100001-500000	69
500001-1000000	14
1000001-5000000	23
5000001-10000000	6
10000001-100000000	3
Grand Total	1033

AL HABIB CASH FUND

Income Distribution

AHCF made a total distribution of Rs. 14.9535 per unit during FY25 in the form of dividend, the detail of which is given below:

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun 22, 2025	116.2258	101.2723	14.9535

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Cash Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 863,376,716 units valued Rs. 94.219 billion were sold, while 577,479,862 units valued Rs. 64.080 billion were redeemed, resulting in to a net sale of 285,896,854 units valued Rs. 30.139 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2025.

AHCF Performance at a Glance

	2025	2024
Net Assets as at June 30 (Rs. in billion)	50.373 Bn	41.511 Bn
NAV per unit as at June 30 (Rs.)	101.5990	101.7864
Distribution during the year ended June 30 (Rs.)	14.9535	19.9895
Annual Return	14.55%	22.16%

AL HABIB MONEY MARKET FUND
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.

Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S,
Main Shahra-e-Faisal, Karachi.

Bankers to the Fund

Bank AL Habib Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.

Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Rating

AAA(f) Fund Stability Rating by VIS
AM1 Management Company Quality
Rating Assigned by PACRA.

**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

AL HABIB 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 AL Habib Money Market Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Abdul Samad
Chief Operating Officer
Central Depository Company of Pakistan Limited

Karachi, September 24, 2025





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Sarwar Shaheed Road
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Pakistan

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE UNIT HOLDERS' OF AL HABIB MONEY MARKET FUND

Opinion

We have audited the financial statements of Al Habib Money Market ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year ended June 30, 2025, 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, 2025, and its financial performance and its cash flows for the year June 30, 2025 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of investments As disclosed in note 6 to the accompanying financial statements of the Fund for the year June 30, 2025, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs. 48,145.483 million representing 56.14% of the Net Assets Value of the Fund.	Our audit procedures included the following: We obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2025 and traced it with books and records of the Fund;



S.NO	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices the Mutual Fund Association of Pakistan (MUFAP) as at June 30, 2025 and matching the valuation of investment with that appearing in the financial statements. - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance. - Evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment, ensuring compliance with the NBFC Regulations and the relevant accounting requirements.

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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



Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting standards as applicable in Pakistan and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The 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.

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.

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

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

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

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking 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: 29 SEP 2025

UDIN: AR202510166EyhDzOZrc


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
Assets			
Balances with bank	5	42,770,552	2,737,424
Investments	6	48,145,483	21,818,942
Profit receivable	7	120,838	351,224
Preliminary expenses and floatation costs	8	453	523
Receivable against issuance of units		200	-
Other receivable		105	46
Total assets		91,037,631	24,908,159
Liabilities			
Payable to AL Habib Asset Management Limited - Management Company	9	53,508	55,285
Payable to Central Depository Company of Pakistan Limited - Trustee	10	3,678	1,587
Payable to Securities and Exchange Commission of Pakistan	11	3,803	1,563
Payable against redemption of units		4,957,776	390,469
Accrued expenses and other liabilities	12	254,653	73,740
Total liabilities		5,273,418	522,644
NET ASSETS		85,764,213	24,385,515
Unit Holders' Fund (As Per The Statement Attached)		85,764,213	24,385,515
Contingencies and Commitments	13		
			(Number of Units)
Number of units in issue	14	853,636,623	243,855,148
			(Rupees)
Net asset value per unit		100.47	100.00

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	-----	-----
		(Rupees in '000)	(Rupees in '000)
Income			
Profit on bank deposits	15	171,616	657,108
Income from government securities		4,434,541	2,878,588
Gain / (loss) on sale of government securities		77,897	(21,064)
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss		12,560	1,055
Total Income		4,696,614	3,515,687
Expenses			
Remuneration of AL Habib Asset Management Limited - Management Company		377,368	197,429
Sindh sales tax on Management Company's remuneration		56,605	25,666
Expenses allocated by the Management Company	16	21,579	9,668
Sindh sales tax on Expenses allocated by the Management Company		2,952	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		19,033	8,991
Sindh sales tax on remuneration of the Trustee		2,853	1,169
Fee to Securities and Exchange Commission of Pakistan		25,740	12,196
Auditors' remuneration	17	333	321
Brokerage expenses		915	1,123
Annual listing fee		25	25
Other expenses		325	246
Settlement and bank charges		195	7
Amortization of preliminary expenses and floatation costs	8	70	70
Total expenses		507,993	256,911
Net income for the year before taxation		4,188,621	3,258,776
Taxation	18	-	-
Net income for the year after taxation		4,188,621	3,258,776
Allocation of net income for the year after taxation:			
Net income for the year after taxation		4,188,621	3,258,776
Income already paid on units redeemed		(2,476,185)	-
		1,712,436	3,258,776
Accounting income available for distribution:			
Relating to capital gains		90,457	-
Excluding capital gains		1,621,979	3,258,776
		1,712,436	3,258,776

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	----- (Rupees in '000) -----	
Net income for the year after taxation	4,188,621	3,258,776
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>4,188,621</u>	<u>3,258,776</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	2025			2024		
	Capital Value	Undistributed Gain/Losses	Net Asset	Capital Value	Undistributed Gain/Losses	Net Asset
Note	-----	(Rupees in '000)	-----	-----	(Rupees in '000)	-----
Net assets at the beginning of the year	24,385,515	-	24,385,515	8,237,414	-	8,237,414
Issuance of 1,533,218,772 units (2024:602,675,998) units						
- Capital value	153,321,877	-	153,321,877	60,267,600	-	60,267,600
- Element of Income	7,116,631	-	7,116,631	-	-	-
Total proceeds on issuance of units	160,438,508	-	160,438,508	60,267,600	-	60,267,600
Redemption of (923,437,297) units (2024:441,194,985) units						
- Capital value	(92,343,730)	-	(92,343,730)	(44,119,499)	-	(44,119,499)
- Element of loss	(3,979,233)	(2,476,185)	(6,455,418)	-	-	-
Total payments paid on redemption of units	(96,322,963)	(2,476,185)	(98,799,148)	(44,119,499)	-	(44,119,499)
Total comprehensive income for the year	-	4,188,621	4,188,621	-	3,258,776	3,258,776
Distribution for the year ended 30 June 2025:						
Rs. 13.85 (2024: Rs. 20.09) per unit	(3,106,859)	(1,342,424)	(4,449,283)	-	(3,258,776)	(3,258,776)
	(3,106,859)	2,846,197	(260,662)	-	-	-
Net assets at the end of the year	85,394,201	370,012	85,764,213	24,385,515	-	24,385,515
Accounting income available for distribution						
- Relating to capital gains	90,457			-		
- Excluding capital gains	1,621,979			3,258,776		
	1,712,436			3,258,776		
Distribution for the year ended 30 June 2025:	(1,342,424)			(3,258,776)		
Undistributed income carried forward	370,012			-		
	(Rupees)			(Rupees)		
Net assets value per unit at end of the year	100.47			100.00		
Net assets value per unit at beginning of the year	100.00			100.00		

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	2025 (Rupees in '000)	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	4,188,621	3,258,776
Adjustments for non cash and other items		
Amortization of preliminary expenses and floatation costs	70	70
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(12,560)	(1,055)
	4,176,131	3,257,791
(Increase)/decrease in assets		
Investments	(26,313,981)	(13,598,233)
Profit receivable	230,386	(348,862)
Receivable against issuance of units	(200)	-
Other receivable	(59)	(40)
	(26,083,854)	(13,947,135)
Increase/(decrease) in liabilities		
Payable to AL Habib Asset Management Limited - Management Company	(1,777)	46,301
Payable to Central Depository Company of Pakistan Limited - Trustee	2,091	1,243
Payable to Securities and Exchange Commission of Pakistan	2,240	624
Payable against redemption of units	4,567,307	390,469
Accrued expenses and other liabilities	180,913	64,205
	4,750,774	502,842
Net cash used in operating activities	(17,156,949)	(10,186,502)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	160,438,508	60,267,600
Payments against redemption of units	(98,799,148)	(44,119,499)
Dividend paid during the year	(4,449,283)	(3,258,776)
Net cash generated from financing activities	57,190,077	12,889,325
Net increase in cash and cash equivalents during the year	40,033,128	2,702,823
Cash and cash equivalents at beginning of the year	2,737,424	34,601
Cash and cash equivalents at the end of the year	42,770,552	2,737,424

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Money Market Fund ("the Fund") was established under a Trust Deed executed between AL Habib Asset Management Limited the Management Company) and Central Depository Company of Pakistan Limited (CDC) (the Trustee). The Trust Deed was executed on September 27, 2021 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 31, 2021 under Regulation 44 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).
- 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) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 15, 2021, the above mentioned Trust Deed has been registered under Sindh
- 1.3** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non-Banking Finance Company under the NBFC Rules by SECP. The registered office of the management company is situated at 3rd floor, MacKinnon's Building, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.4** The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.
- 1.5** The investment objective of the Fund is to provided its unit-holders optimum return from a portfolio of low risk and short duration assets while being highly liquid.
- 1.6** The Fund has been categorized as an Open-End Money Market Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes.
- 1.7** 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.
- 1.8** The Management Company has been assigned a quality rating of 'AM1' by Pakistan Credit Rating Agency (PACRA) dated December 12, 2024. The Fund has been given a stability rating of AAA(f) by VIS Credit Rating Company Limited dated December 27, 2024.
- 1.9** As per the offering document of the Fund, an investor shall, at the time of opening an account, select the types of units in which the investor wishes to invest, i.e. Growth Unit. Furthermore, at the time of dividend distribution the unit holders receive additional units or cash dividend against Growth Units, respectively.

During the period all the units issued by the Fund are Growth units and dividend has been reinvested on daily basis.

- 1.10** As per the offering document of the Fund, the Management Company may decide to distribute all net profit (after deducting all expenses of the Fund) on a periodic basis (that is Daily, Weekly, Monthly, Quarterly and Yearly) as dividend. Furthermore, as per Regulation 63 of NBFC Regulations, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. During the year, the management has distributed all the net income earned by the Fund as Dividend to the unit holders which has been reinvested on daily basis.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies ordinance, 1984; and
 - the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the NBFC Regulations and the requirements of the Trust Deed.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets as follow:

Classification and measurement of financial assets and financial liabilities

For details please refer notes 4.2.2.1 and 6 to these financial statements.

Impairment of financial assets

For details please refer note 4.2.2.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025**

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Fund's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

3.2 New accounting standards, amendments and interpretations that are not yet effective

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

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

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 to all the years, unless otherwise stated.

4.1 Cash and cash equivalents

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

4.2 Financial instruments

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

4.2.1 Financial assets

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

4.2.2 Initial recognition and measurement

Financial assets are recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs associated with these financial assets are charged to the income Statement.

4.2.2.1 Classification

Debt Instruments

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

- the asset is held within a business model whose objective is 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.

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

4.2.2.2 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost

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

Debt investments at FVOCI

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

Debt investments at FVTPL

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

4.2.2.3 Impairment (other than debt securities)

The fund assesses on a forward-looking basis the expected credit losses (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.

Impairment of financial assets on debt securities

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

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

4.2.2.3 Regular way contracts

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

4.2.2.4 Derecognition

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

4.2.2.5 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.

4.2.3 Financial liabilities

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

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

4.3 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 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 the form of cash among the unit holders. Provided that, for the purpose of determining distribution of at least 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent (90%) of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year. Accordingly, no tax liability or deferred tax has been recognised in these financial statements.

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

4.5 Proposed distributions

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

AL HABIB MONEY MARKET FUND

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

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load, provision of 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 receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

4.7 Element of income / (loss)

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 year. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

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

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

4.10 Expenses

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

5	BALANCES WITH BANK	2025	2024
		(Rupees in '000)	
	Saving accounts	42,770,552	2,737,424

5.1 These carries markup ranging from 11% to 20.75% (2024: 20.50% to 21.50%) per annum.

5.2 It includes balance of Rs. 16,822.75 million (2024: Rs 2,659.81 million) with Bank AL Habib Limited (ultimate parent), a related party carrying profit rate effective at year end is 11.00% (2024: 21.50%) per annum.

6	INVESTMENTS	Note	2025	2024
			(Rupees in '000)	
	Financial assets at fair value through profit or loss			
	Government securities			
	Market Treasury Bills	6.1	45,147,883	12,149,632
	Pakistan Investment Bonds	6.2	2,997,600	9,669,310
			<u>48,145,483</u>	<u>21,818,942</u>

6.1 Government securities - Market Treasury Bills

Description						As at June 30, 2025			
	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation/ (diminution) on investment	Market value as a percentage of net assets	Market value as a percentage of total investments
	(Number of Units)				(Rupees in '000)		%		
T - BILL 01 MONTHS (02-05-2025)	-	4,997,000	4,997,000	-	-	-	-	-	-
T - BILL 01 MONTHS (12-06-2025)	-	5,000,000	5,000,000	-	-	-	-	-	-
T - BILL 01 MONTHS (15-05-2025)	-	138,719,000	138,719,000	-	-	-	-	-	-
T - BILL 01 MONTHS (18-06-2025)	-	160,000,000	160,000,000	-	-	-	-	-	-
T - BILL 01 MONTHS (29-05-2025)	-	5,000,000	5,000,000	-	-	-	-	-	-
T - BILL 01 MONTHS (03-04-2025)	-	8,750,000	8,750,000	-	-	-	-	-	-
T - BILL 01 MONTHS (17-04-2025)	-	6,000,000	6,000,000	-	-	-	-	-	-
T - BILL 03 MONTHS (02-05-2025)	10,000,000	750,000	10,000,000	750,000	74,474	74,474	-	0.09%	0.15%
T - BILL 03 MONTHS (13-06-2024)	5,000,000	3,500,000	8,500,000	-	-	-	-	-	-
T - BILL 03 MONTHS (16-05-2024)	5,000,000	-	5,000,000	-	-	-	-	-	-
T - BILL 03 MONTHS (18-04-2024)	1,500,000	-	1,500,000	-	-	-	-	-	-
T - BILL 03 MONTHS (30-05-2024)	5,000,000	2,500,000	7,500,000	-	-	-	-	-	-
T - BILL 03 MONTHS (12-06-2025)	-	79,250,000	-	79,250,000	7,771,610	7,771,810	200	9.06%	16.14%
T - BILL 03 MONTHS (15-05-2025)	-	15,000,000	10,000,000	5,000,000	494,452	494,397	(55)	0.58%	1.03%
T - BILL 03 MONTHS (26-06-2025)	-	4,000,000	-	4,000,000	390,751	390,669	(82)	0.46%	0.81%
T - BILL 03 MONTHS (29-05-2025)	-	6,500,000	500,000	6,000,000	590,923	590,821	(102)	0.69%	1.23%
T - BILL 03 MONTHS (06-02-2025)	-	57,800,000	57,800,000	-	-	-	-	-	-
T - BILL 03 MONTHS (06-03-2025)	-	130,750,000	130,750,000	-	-	-	-	-	-
T - BILL 03 MONTHS (11-07-2024)	-	1,000,000	1,000,000	-	-	-	-	-	-
T - BILL 03 MONTHS (12-12-2024)	-	185,510,000	185,510,000	-	-	-	-	-	-
T - BILL 03 MONTHS (14-11-2024)	-	14,650,000	14,650,000	-	-	-	-	-	-
T - BILL 03 MONTHS (17-04-2025)	-	70,000,000	70,000,000	-	-	-	-	-	-
T - BILL 03 MONTHS (17-10-2024)	-	8,750,000	8,750,000	-	-	-	-	-	-
T - BILL 03 MONTHS (20-02-2025)	-	16,000,000	16,000,000	-	-	-	-	-	-
T - BILL 03 MONTHS (22-08-2024)	-	3,500,000	3,500,000	-	-	-	-	-	-
T - BILL 03 MONTHS (23-01-2025)	-	11,000,000	11,000,000	-	-	-	-	-	-
T - BILL 03 MONTHS (26-12-2024)	-	84,590,000	84,590,000	-	-	-	-	-	-
T - BILL 03 MONTHS (28-11-2024)	-	32,500,000	32,500,000	-	-	-	-	-	-
T - BILL 03 MONTHS (31-10-2024)	-	5,000,000	5,000,000	-	-	-	-	-	-
T - BILL 06 MONTHS (30-05-2024)	4,000,000	36,000,000	40,000,000	-	-	-	-	-	-
T - BILL 06 MONTHS (02-05-2025)	-	20,000,000	-	20,000,000	1,930,445	1,929,828	(617)	2.25%	4.01%
T - BILL 06 MONTHS (12-06-2025)	-	5,000,000	5,000,000	-	-	-	-	-	-
T - BILL 06 MONTHS (15-05-2025)	-	5,000,000	5,000,000	-	-	-	-	-	-
T - BILL 06 MONTHS (26-06-2025)	-	2,000,000	-	2,000,000	189,922	189,912	(10)	0.22%	0.39%
T - BILL 06 MONTHS (29-05-2025)	-	5,000,000	-	5,000,000	478,508	478,641	133	0.56%	0.99%
T - BILL 06 MONTHS (03-10-2024)	-	20,000,000	20,000,000	-	-	-	-	-	-
T - BILL 06 MONTHS (04-04-2024)	-	3,000,000	3,000,000	-	-	-	-	-	-
T - BILL 06 MONTHS (05-09-2024)	-	60,532,350	60,532,350	-	-	-	-	-	-
T - BILL 06 MONTHS (06-02-2025)	-	10,000,000	-	10,000,000	988,960	988,794	(166)	1.15%	2.05%
T - BILL 06 MONTHS (06-03-2025)	-	68,646,050	5,000,000	63,646,050	6,241,263	6,241,577	314	7.28%	12.96%
T - BILL 06 MONTHS (08-08-2024)	-	6,400,000	6,400,000	-	-	-	-	-	-
T - BILL 06 MONTHS (09-01-2025)	-	176,500,000	176,500,000	-	-	-	-	-	-
T - BILL 06 MONTHS (11-07-2024)	-	45,500,000	45,500,000	-	-	-	-	-	-
T - BILL 06 MONTHS (12-12-2024)	-	54,930,000	54,930,000	-	-	-	-	-	-
T - BILL 06 MONTHS (13-06-2024)	-	4,450,000	4,450,000	-	-	-	-	-	-
T - BILL 06 MONTHS (14-11-2024)	-	83,394,700	83,394,700	-	-	-	-	-	-
T - BILL 06 MONTHS (17-04-2025)	-	5,154,300	5,154,300	-	-	-	-	-	-
T - BILL 06 MONTHS (17-10-2024)	-	70,650,000	70,650,000	-	-	-	-	-	-
T - BILL 06 MONTHS (20-03-2025)	-	5,000,000	-	5,000,000	487,699	488,336	637	0.57%	1.01%
T - BILL 06 MONTHS (22-08-2024)	-	57,710,000	57,710,000	-	-	-	-	0.00%	0.00%
T - BILL 06 MONTHS (23-01-2025)	-	12,500,000	-	12,500,000	1,241,418	1,241,225	(193)	1.45%	2.58%
T - BILL 06 MONTHS (26-12-2024)	-	8,580,000	8,580,000	-	-	-	-	-	-
T - BILL 06 MONTHS (31-10-2024)	-	34,750,000	34,750,000	-	-	-	-	-	-
T - BILL 12 MONTHS (02-11-2023)	40,250,000	-	75,580,000	-	-	-	-	-	-
T - BILL 12 MONTHS (16-11-2023)	20,000,000	5,000,000	25,000,000	-	-	-	-	-	-
T - BILL 12 MONTHS (19-10-2023)	16,000,000	190,250,000	206,250,000	-	-	-	-	-	-
T - BILL 12 MONTHS (27-03-2023)	29,100,000	-	29,100,000	-	-	-	-	-	-
T - BILL 12 MONTHS (28-12-2023)	4,000,000	106,500,000	110,500,000	-	-	-	-	-	-
T - BILL 12 MONTHS (30-11-2023)	18,200,000	36,750,000	54,950,000	-	-	-	-	-	-
T - BILL 12 MONTHS (02-05-2024)	-	6,100,000	6,100,000	-	-	-	-	-	-

AL HABIB MONEY MARKET FUND

Description						As at June 30, 2025			
	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation/ (diminution) on investment	Market value as a percentage of net assets	Market value as a percentage of total investments
	----- (Number of Units) -----				----- (Rupees in '000) -----		----- % -----		
T- BILL 12 MONTHS (03-10-2024)		22,100,000	-	22,100,000	2,147,103	2,149,716	2,613	2.51%	4.47%
T- BILL 12 MONTHS (04-04-2024)		2,000,000	2,000,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (05-09-2024)		202,970,000	150,700,000	52,270,000	5,126,500	5,125,962	(538)	5.98%	10.65%
T- BILL 12 MONTHS (05-10-2023)		1,625,000	1,625,000	-	-	-	-	-	-
T- BILL 12 MONTHS (07-02-2024)		1,000,000	1,000,000	-	-	-	-	-	-
T- BILL 12 MONTHS (08-08-2024)		18,750,000	-	18,750,000	1,853,307	1,853,989	682	2.16%	3.85%
T- BILL 12 MONTHS (11-01-2024)		5,000,000	5,000,000	-	-	-	-	-	-
T- BILL 12 MONTHS (11-07-2024)		13,070,000	13,070,000	-	-	-	-	-	-
T- BILL 12 MONTHS (12-12-2024)		16,500,000	16,500,000	-	-	-	-	-	-
T- BILL 12 MONTHS (13-06-2024)		21,050,000	21,050,000	-	-	-	-	-	-
T- BILL 12 MONTHS (14-11-2024)		2,757,850	-	2,757,850	264,906	265,050	144	0.31%	0.55%
T- BILL 12 MONTHS (16-05-2024)		26,000,000	26,000,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (17-10-2024)		92,250,000	2,500,000	89,750,000	8,686,506	8,694,944	8,438	10.14%	18.06%
T- BILL 12 MONTHS (18-04-2024)		51,000,000	51,000,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (22-08-2024)		46,340,000	13,000,000	33,340,000	3,283,415	3,282,996	(419)	3.83%	6.82%
T- BILL 12 MONTHS (30-05-2024)		10,215,000	10,215,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (31-10-2024)		50,157,800	20,157,800	30,000,000	2,893,501	2,894,742	1,241	3.38%	6.01%
T-BILLS 12 MONTHS (14-12-2023)		98,250,000	98,250,000	-	-	-	-	-	-
Total as at June 30, 2025					45,135,663	45,147,883	12,220		
Total as at June 30, 2024					12,140,061	12,149,632	9,571		

6.1.1 These carries markup ranging from 10.05% to 20.40% (2024: 19.90% to 24.75%) per annum.

6.2 Debt securities - Pakistan Investment Bonds

Description						As at June 30, 2025			
	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation/ (diminution) on investment	Market value as a percentage of net assets	Market value as a percentage of total investments
	----- (Number of Units) -----				----- (Rupees in '000) -----		----- % -----		
PIB 2 YEAR (08-09-2022) - FORTNIGHTLY RESET	45,000	-	45,000	-	-	-	-	-	-
PIB 3 YEARS (07-10-2021) - FLOATER	52,000	88,690	140,690	-	-	-	-	-	-
PIB 02 YEAR (09-02-2023) - FORTNIGHTLY RESET	-	40,000	40,000	-	-	-	-	-	-
PIB 2 YEAR (21-09-2023) - FORTNIGHTLY RESET	-	10,750	10,750	-	-	-	-	-	-
PIB 3 YEARS (07-04-2022) - FLOATER	-	10,000	10,000	-	-	-	-	-	-
PIB 3 YEARS (08-09-2022) - FLOATER	-	29,985	-	29,985	2,997,260	2,997,600	340	3.50%	6.23%
Total as at June 30, 2025					2,997,260	2,997,600	340		
Total as at June 30, 2024					9,677,826	9,669,310	(8,516)		

6.2.1 These carries markup ranging from 11.70% to 22.90% (2024: 21.26% to 23.39%) per annum.

		2025 (Rupees in '000)	2024
7 PROFIT RECEIVABLE	Note		
Recievable on debt securities		20,973	317,244
Bank deposits		99,865	33,980
		120,838	351,224
8 PRELIMINARY EXPENSES AND FLOATATION COSTS			
Balance as at July, 01	8.1	523	593
Amortization for the year		(70)	(70)
Balance as at 30 June		453	523

8.1 This represents expenses incurred on the formation of the Fund. The costs are amortised over a period of ten years.

		2025	2024
		(Rupees in '000)	
9	PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	
	Management remuneration	9.1	24,380
	Sindh sales tax	9.2	3,657
	Formation cost		615
	Allocation of expenses related to registrar services, accounting, operation and valuation services	9.3	24,856
			3,084
			<u>53,508</u>
			<u>55,285</u>
9.1	As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund. The Management Company has charged its remuneration at rate ranging from 0% to 10% of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.		
9.2	The Sindh Sales Tax at the rate of 15% (024: 13%) was charged on the management company's remuneration.		
9.3	In accordance with Regulation 60(3)(s) of the NBFC Regulations. the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme.		
10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	
	Remuneration of the Trustee	10.1	3,203
	Sales tax payable on trustee remuneration	10.2	475
			<u>3,678</u>
			<u>1,587</u>
10.1	The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily Net Asset Value of the Fund. The remuneration of the Trustee is fixed at 0.055% (2024: 0.055%) per annum of net assets.		
10.2	The Sindh Sales Tax at the rate of 15% (2024: 13%) was charged on the Trustee's remuneration.		
11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	
	Payable to Securities and Exchange Commission of Pakistan	11.1	3,803
			<u>1,563</u>
11.1	This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) at 0.075% (30 June 20234 : 0.075%) of net assets in accordance with regulation 62 of the NBFC Regulations.		
12	ACCURED EXPENSES AND OTHER LIABILITIES	2025	2024
		(Rupees in '000)	
	Auditors' remuneration	279	339
	Withholding tax	252,666	71,867
	Brokerage	1,417	1,429
	Listing fee	51	27
	Rating fee	238	78
	Payable against Dividend	2	-
		<u>254,653</u>	<u>73,740</u>
13	CONTINGENCIES AND COMMITMENTS		
	There were no contingencies and commitments as at 30 June 2025 (2024: Nil).		
14	NUMBER OF UNITS IN ISSUE	2025	2024
		(Rupees in '000)	
	Total units in issue at the beginning of the year	243,855,148	82,374,135
	Add: units issued during the year	1,533,218,772	602,675,998
	Less: units redeemed during the year	(923,437,297)	(441,194,985)
	Total units in issue at the end of the year	<u>853,636,623</u>	<u>243,855,148</u>

AL HABIB MONEY MARKET FUND

		2025 (Rupees in '000)	2024 (Rupees in '000)
15 PROFIT ON BANK DEPOSITS	Note		
Saving accounts	15.1	171,616	657,108

15.1 This includes profit on bank deposits with Bank AL Habib Limited, a related party of Rs. 378.27 million (2024: Rs. 98.61 million).

16 EXPENSES ALLOCATED BY THE MANAGEMENT COMPANY

In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated November 25, 2015, the Management Company is entitled for reimbursement of fee and expenses in relation to registrar services, accounting, operation and valuation services related to Collective Investment Scheme.

During the year, Management Company has charged 21.579 (2024:Rs 9.668 million) million to the Fund.

	2025 (Rupees in '000)	2024 (Rupees in '000)
17 AUDITOR'S REMUNERATION		
Audit fee	200	191
Out of pocket expenses	24	35
Half yearly review fee	109	95
	<u>333</u>	<u>321</u>

18 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these financial statements.

19 EARNINGS PER UNIT

Earnings 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 earnings per unit is not practicable.

20 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2025		
	Fair value through profit or loss	Amortised cost	Total
	(Rupees in '000)		
Financial Assets			
Bank balances	-	42,770,552	42,770,552
Investments			
Pakistan Investment Bonds	2,997,600	-	2,997,600
T-Bills	45,147,883	-	45,147,883
Profit receivable	-	120,838	120,838
Other receivable	-	105	105
Receivable against issuance of units	-	200	200
	<u>48,145,483</u>	<u>42,891,695</u>	<u>91,037,178</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	53,508	53,508
Payable to Central Depository Company of Pakistan Limited - Trustee	-	3,678	3,678
Payable to Securities and Exchange Commission of Pakistan	-	3,803	3,803
Payable against redemption of units	-	4,957,776	4,957,776
Accrued expenses and other liabilities	-	1,985	1,985
	<u>-</u>	<u>5,020,750</u>	<u>5,020,750</u>

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Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortised cost	Total
(Rupees in '000)			
Financial Assets			
Bank balances	-	2,737,424	2,737,424
Investments			
Pakistan Investment Bonds	9,669,310	-	9,669,310
T-Bills	12,149,632	-	12,149,632
Profit receivable	-	351,224	351,224
Other receivable	-	46	46
	<u>21,818,942</u>	<u>3,088,694</u>	<u>24,907,636</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	55,285	55,285
Payable to Central Depository Company of Pakistan Limited - Trustee	-	1,587	1,587
Payable to Securities and Exchange Commission of Pakistan	-	1,563	1,563
Payable against redemption of units	-	390,469	390,469
Accrued expenses and other liabilities	-	1,873	1,873
	<u>-</u>	<u>450,777</u>	<u>450,777</u>

21 TRANSACTIONS AND BALANCES WITH RELATED/CONNECTED PERSONS

Related parties/ Connected persons include AL Habib Fund Managers Limited being the Management Company, Bank AL Habib Limited being the Sponsor, Central Depository Company of Pakistan Limited being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

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

Connected persons / related parties include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of AL Habib Asset Management Limited
3	AL Habib Capital Markets (Private) Ltd.	Subsidiary of Bank AL Habib Limited
4	AL Habib Currency Exchange Ltd.	Subsidiary of Bank AL Habib Limited
5	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Cash Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Savings Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Government securities Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GoKP Pension Fund	Managed by AL Habib Asset Management Limited
19	AL Habib Islamic GoKP Pension Fund	Managed by AL Habib Asset Management Limited
20	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Limited
21	Central depository Company	Trustee

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Connected person includes directors and officers of the above entities as at June 30, 2025 and staff retirement benefits fund of the above companies.

	2025	2024
	(Rupees in '000)	
20.1 Details of the transactions with connected persons / related parties are as follows:		
20.1.1 AL Habib Asset Management Limited - Management Company		
- Management company remuneration	377,368	197,429
- Sindh sales tax	56,605	25,666
- Expenses allocated by the Management Company	21,579	9,668
- Dividend paid	10	367
20.1.2 Central Depository Company of Pakistan Limited - Trustee		
- Remuneration to the Trustee	19,033	8,991
- Sindh sales tax	2,853	1,169
20.1.3 Bank AL Habib Limited		
- Profit on Bank deposit	98,613	378,267
- Dividend paid	83,114	121,894
20.2 Details of balances with connected persons / related parties at year end are as follows:		
20.2.3 AL Habib Asset Management Limited - Management Company		
- Management Company payable (Inclusive of Sindh sales tax)	28,037	51,586
- Allocation of expenses related to registrar services, accounting, operation and valuation services	24,856	3,084
- Formation cost payable	585	585
- Initial deposit payable	30	30
20.2.4 Central Depository Company of Pakistan Limited - Trustee		
- Remuneration payable (Inclusive of Sindh sales tax)	3,678	1,587
20.2.5 Bank AL Habib Limited		
- Bank Balance	16,822,746	2,659,813
- Bank Profit receivable	45,369	24,963
20.3 Sale / Redemption of units		
Units sold to:	30 June 2025	30 June 2024
	(Units) (Rupees in '000)	(Units) (Rupees in '000)
Management Company		
AL Habib Asset Management Limited	1,760,686	381,990
Parent of AL Habib Asset Management Limited		
- Bank AL Habib Limited	927,113	1,218,949
Other Related Party		
- Atco Pharma International Private Limited	459	694
- Habib Sugar Mills Limited	13,033,327	5,418,668
- Director's and their relatives	71,003,411	-
Units sold to Connected Party holding 10% or more of the units in issue:	210,755,232	-
Units redeemed by:		
Management Company		
AL Habib Asset Management Limited	2,042,749	99,927
Parent of AL Habib Asset Management Limited		
- Bank AL Habib Limited	191,538	1,216,209
- Habib Sugar Mills Limited	-	5,418,668
Other Related Party		
- Director's and their relatives	848,790	-

<u>Units held by:</u>	30 June 2025		30 June 2024	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Management Company				
AL Habib Asset Management Limited	-	-	282,063	1,235,685
Parent of Al Habib Asset Management Company				
- Bank AL Habib Limited	6,831,144	686,325	6,095,570	609,557
Other Related Party				
- Atco Pharma International Private Limited	4,874	490	4,416	454
- Habib Sugar Mills Limited	13,033,327	1,309,458	-	-
- Director's and their relatives	39,362,170	3,954,717	-	-
Units held by Connected Party holding 10% or more of the units in issue:	210,755,232	21,174,578	12,074,239	1,207,424

22 FINANCIAL RISK MANAGEMENT

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

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

The Fund primarily invests in a portfolio of investments such as Government securities, spread transactions and in other money market instruments, and deposits accounts with banks. These activities expose the Fund to a variety of financial risks, such as market risk, credit risk and liquidity risk.

22.1 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. The fund is exposed to interest rate and price risk only.

22.1.1 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) 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 20.75% per annum, and against investments in Pakistan Investment Bonds and T-Bills, the interest rate on which range between 11.70% to 22.90% and 10.05% to 20.40% respectively.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 909.160 million (2024: Rs. 245.564 million).

b) Sensitivity analysis for fixed rate instruments

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

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 29.976 million.. (2024: 28.796 million).

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

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

Particulars	As at June 30, 2025					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	11 - 20.75	42,770,552	-	-	-	42,770,552
Investments						
Pakistan Investment Bonds - Floating	11.70 - 22.90	-	-	2,997,600	-	2,997,600
T-Bills	10.05 - 20.40	9,322,171	11,558,313	45,147,883	-	66,028,367
Profit receivable		-	-	-	120,838	120,838
Other receivable		-	-	-	105	105
Receivable against issuance of units		-	-	-	200	200
Sub total		52,092,723	11,558,313	48,145,483	121,143	111,917,662
Financial liabilities						
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	53,508	53,508
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	3,678	3,678
Payable to Securities and Exchange Commission of Pakistan -		-	-	-	3,803	3,803
Payable against redemption of units		-	-	-	4,957,776	4,957,776
Accrued expenses and other liabilities		-	-	-	1,985	1,985
Sub total		-	-	-	5,020,750	5,020,750
On-balance sheet gap (a)		52,092,723	11,558,313	48,145,483	(4,899,607)	106,896,912
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		52,092,723	11,558,313	48,145,483	(4,899,607)	106,896,912
Cumulative interest rate sensitivity gap		52,092,723	11,558,313	48,145,483		

Particulars	As at June 30, 2024					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	20.5 - 21.50	2,737,424	-	-	-	2,737,424
Investments						
Pakistan Investment Bonds - Floating	21.26 - 23.39	-	-	9,669,310	-	9,669,310
T-Bills	19.9 - 24.75	2,593,795	9,555,837	12,149,632	-	24,299,264
Profit receivable		-	-	-	351,224	351,224
Other receivable		-	-	-	46	46
Sub total		5,331,219	9,555,837	21,818,942	351,793	37,057,791
Financial liabilities						
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	55,285	55,285
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,587	1,587
Payable to Securities and Exchange Commission of Pakistan -		-	-	-	1,563	1,563
Payable against redemption of units		-	-	-	390,469	390,469
Accrued expenses and other liabilities		-	-	-	1,873	1,873
Sub total		-	-	-	450,777	450,777
On-balance sheet gap (a)		5,331,219	9,555,837	21,818,942	(98,984)	36,607,014
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		5,331,219	9,555,837	21,818,942	(98,984)	36,607,014

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 is primarily attributable to investment in bank balances. Bank balances are maintained with balance with a reasonably high credit rating. The risk of default is considered minimal due to inherent systematic measures taken therein.

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

Name of Banks	Balances held as at	Latest available	Rating agency
Rupees in '000			
Balances with banks by rating category			
Bank Al Habib Limited	16,822,746	AAA	PACRA
Allied Bank Limited	1,654	AAA	PACRA
Dubai Islamic Bank Limited	134	AA	VIS
Habib Bank Limited	486,650	AAA	VIS
Habib Metropolitan Bank Limited	5,580	AA+	PACRA
Bank Al Falah Limited	138	AAA	PACRA
United Bank Limited	25,453,652	AAA	VIS
	42,770,554		

Name of Banks	Balances held as at	Latest available	Rating agency
Rupees in '000			
Balances with banks by rating category			
Bank Al Habib Limited	2,659,813	AAA	PACRA
Allied Bank Limited	567	AAA	PACRA
Dubai Islamic Bank Ltd	118	AA	VIS
Habib Bank Limited	18,328	AAA	VIS
Habib Metropolitan Bank Limited	53,612	AA+	PACRA
Bank Al Falah Limited	4,986	AAA	PACRA
	2,737,424		

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

Rating by rating category	2025	2024
	----- (Percentage) -----	----- (Percentage) -----
AA+ to AA	0.01%	1.96%
AAA	99.98%	98.03%
A-1+	0.00%	0.01%
	<u>100.00%</u>	<u>100.00%</u>

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, having satisfactory credit rating, therefore the fund is not exposed to any concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligation will have to be settled in a manner disadvantageous to the Fund.

AL HABIB MONEY MARKET FUND

The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

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

Particulars	As at June 30, 2025			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	53,508	-	-	53,508
Payable to Central Depository Company of Pakistan Limited - Trustee	3,678	-	-	3,678
Payable to Securities and Exchange Commission of Pakistan (SECP)	3,803	-	-	3,803
Payable against Redemption of Units	4,957,776	-	-	4,957,776
Accrued expenses and other liabilities	254,653	-	-	254,653
	5,273,418	-	-	5,273,418

Particulars	As at June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	55,285	-	-	55,285
Payable to Central Depository Company of Pakistan Limited - Trustee	1,587	-	-	1,587
Payable to Securities and Exchange Commission of Pakistan (SECP)	1,563	-	-	1,563
Payable against Redemption of Units	390,469	-	-	390,469
Accrued expenses and other liabilities	73,740	-	-	73,740
	522,644	-	-	522,644

23 UNITS HOLDERS' FUND RISK MANAGEMENT

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

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

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

- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

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

24 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:

- Level 1 Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities ;
- Level 2 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); and
- Level 3 Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

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	-----2025-----						
	Carrying amount			Fair value			
	At fair value through profit or loss	Amortised	Total	Level 1	Level 2	Level 3	Total
Note ----- (Rupees in '000) -----							
On-balance sheet financial instruments							
Financial assets - measured at fair value	24.1						
Treasury Bills	45,147,883	-	45,147,883	-	45,147,883	-	-
Pakistan Investment Bonds	2,997,600	-	2,997,600	-	2,997,600	-	-
	48,145,483	-	48,145,483	-	48,145,483	-	-

AL HABIB MONEY MARKET FUND

Particulars	2024						
	Carrying amount			Fair value			
	At fair value through profit or loss	Amortised	Total	Level 1	Level 2	Level 3	Total

Note

(Rupees in '000)

On-balance sheet financial instruments

Financial assets - measured at fair value 24.1

Treasury Bills	12,149,632	-	12,149,632	-	12,149,632	-	-
Pakistan Investment Bonds	9,669,310	-	9,669,310	-	9,669,310	-	-
	21,818,94	-	21,818,942	-	21,818,942	-	-

24.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in respect of Treasury Bills, Pakistan Investment Bonds and GOP Ijarah Sukuks, Fund uses the rates which are derived from PKRV, PKFRV and PKISRV rates at reporting date per certificate multiplied by the number of certificates held as at year end.

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

24.3 Transfers during the year

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

25 BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

Broker name	2025	2024
	(Percentage)	
Continental Exchange (Pvt.) Limited	30.00%	34.77%
Optimus Markets (Pvt) Limited	4.00%	18.62%
Invest One Markets Limited	9.00%	11.51%
C&M Management Limited	10.00%	9.07%
Icon Securities (Pvt) Limited	7.00%	5.31%
Akd Securities Limited	18.00%	5.08%
Js Global Capital Limited	6.00%	3.36%
Arif Habib Limited	5.00%	3.24%
Paramount Capital (Pvt) Ltd.	2.00%	3.09%
Magenta Capital (Pvt) Limited	2.00%	2.95%
Vector Capital (Pvt) Limited	1.00%	2.69%
Summit Capital (Pvt) Limited	1.00%	0.29%
Bma Capital Management Ltd	5.00%	0.04%
Bipl Securities Limited	0.00%	0.00%
Al Habib Capital Securities	0.00%	0.00%
First Credit And Investment Bank Limited	1.00%	0.00%
	100.00%	100.00%

26 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

26.1 Details of investment committee members of the Fund are as follows:

S. No.	Name of Director	Designation	Qualification	Experience in years
1	Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24
2	Mr. Zahid Hussain Vaswani	Chief Operating Officer & Company Secretary	CA- Affiliate	25
3	Mr. Fawad Javaid	Head of Fixed Income	ICMAP	14.5
4	Mr. Ahmed Abbas	Fund Manager	MBA	18
5	Mr. Faran Ul Haq	Head of Equity	CFA	14.5
6	Mr. Hamza Abdul Rehman Siddiqui	Fund Manager - Equity	Msc (Hons)	7
7	Mr. Umar Bin Hassan	Senior Reserch Analyst	MS ECO, FMVA	7

26.2 The Fund Manager of the Fund is Imran Raza Kazmi other funds being managed by the Fund Manager is Al Habib Islamic Income Fund.

27 PATTERN OF UNITHOLDING

Unit holding pattern of the Fund as at June 30, 2025 is as follows:

Category	Number of unit holders	Number of units	Investment amount (Rupees in '000)	Percentage of total investment
Individuals	466	311,673,872	31,313,874	36.51%
Associated Companies and Directors	5	28,543,755	2,867,791	3.34%
Retirement Funds	9	8,041,925	807,972	0.94%
Others	84	505,377,071	50,774,576	59.20%
	564	853,636,623	85,764,213	100.00%

Unit holding pattern of the Fund as at June 30, 2024 is as follows:

Category	Number of unit holders	Number of units	Investment amount (Rupees in '000)	Percentage of total investment
Individuals	80	4,939,805	493,981	2.03%
Associated Companies and Directors	2	6,377,632	637,763	2.62%
Insurance Companies	1	51,800	5,180	0.02%
Retirement Funds	5	615,127	61,513	0.25%
Others	76	231,870,784	23,187,078	95.09%
	164	243,855,148	24,385,515	100.00%

28 MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Four meetings of the Board of Directors were held on August 01, 2024 and October 17, 2024 , January 23, 2025, April 25, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S. No.	Name of Director	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Abbas D.Habib	4	4	-	-
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	103rd, 104th and 105th Meeting
5	Mr. Imran Azim	4	2	2	103rd and 106th Meeting
6	Mr. Kashif Rafi	4	4	-	-

29 TOTAL EXPENSE RATIO

Total Expenses Ratio of the Fund is 1.48% as on June 30, 2025 (June 30, 2024: 1.59%) and this includes 0.26% (June 30, 2024: 0.24%) representing Government Levy and Securities Exchange Commission of Pakistan fee.

30 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, whenever necessary to facilitate comparison and to conform with changes in presentation in the current year. No material rearrangements or reclassifications have been made in these financial statements during the current year.

AL HABIB MONEY MARKET FUND

31 GENERAL

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

32 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on **August 25, 2025** by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective

The investment objective of AHMMF is to provide its unit-holders optimum returns from a portfolio of low risk and short duration assets while being highly liquid.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHMMF maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with "AAA" rated Banks and short tenor T-bills.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 53 bps as it posted YTD return of 14.39% as against the benchmark of 13.86%.

Fund Description

Fund Type & Category	Open End - Money Market Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	December 20, 2021	Management Fee	Up to 10% of the gross earnings of the Scheme
Benchmark	90% three (3) months PKRV rates + 10% three (3) months average of highest rates of saving accounts of three (3) AA rated scheduled banks as selected by MUFAP	Sales Load	3% (Management has the discretion to reduce or waive load on any transaction)
Annual Return	14.39%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	13.86%	For Regular Transactions For same Day Redemption	Monday to Thursday 4:00 pm Friday 4:30 pm 9:30 am
Net Assets	Rs. 85.764 billion (June 30, 2025)	Fund Stability Rating	AAA(f) by VIS (December 27, 2024)
NAV per unit	Rs. 100.4692 per unit (June 30, 2025)	AMC Rating	"AM1" by PACRA (December 12, 2024)
Pricing Mechanism	Backward Pricing	Trustee	Central Depository Company of Pakistan Limited.
Risk Profile	Very Low (Principal at very low risk)		

Economic Review:

The main highlights of the outgoing fiscal year were lower than expected inflation, surplus current account balance, IMF's extended financing facility worth USD 7 Billion, narrowing fiscal deficit and record remittances.

CPI witnessed an extensive improvement, increasing only by 4.7%YoY against the forecast of 7%-8%, compared to 26%YoY in FY24. The main contributors were high base effect, lower food prices and decrease in energy charges. Also, the government's keeping the USD/PKR parity in the check played a vital role.

AL HABIB MONEY MARKET FUND

The current account balance stood at USD2.1 billion on the back of shrinking trade gap and higher remittances which reached a record high of USD 38 Billion. Such phenomenon also resulted in higher foreign exchange reserve held by the Central bank at USD14.51 Billion compared to USD9.39 billion in FY'24.

The outgoing year was not without challenges whereby country's GDP recorded an increase of 2.68% against the target of 3.56%. Agricultural sector, the backbone of country's GDP, grew only by 0.56%YoY due to crop failures amid water shortages. Large Scale manufacturing, witnessed a growth of 4.8%YoY, merely covering up for the negative LSM growth in FY'24.

Low inflation, exchange rate stabilization and adequate foreign exchange flows provided room for the SBP to reduce its Policy rate by 1,100bps, from 22% to 11%. Such drastic cut in interest rates was welcomed by the cross section of the market participants. Market is hoping for further cuts in Policy rates amid high real interest rates and satisfactory foreign exchange flows.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	46.98%	10.99%
T-Bills	49.59%	48.78%
PIBs	3.29%	38.82%
Others	0.13%	1.41%

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	59
1001-5000	44
5001-10000	23
10001-50000	103
50001-100000	52
100001-500000	119
500001-1000000	55
1000001-5000000	75
5000001-10000000	23
10000001-100000000	11
Grand Total	564

Income Distribution

AHMMF made a total distribution of Rs. 13.8524 during FY25 in the form of dividend, the details of which is as follows;

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun 15, 2025	113.8524	100.0000	13.8524

During the period under question:

There has been no significant change in the state of affairs of the Fund. AL Habib Money Market Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year 644,794,160 units valued of Rs. 69.318 billion were sold, while 573,884,382 units valued Rs. 61.083 billion were redeemed, resulting in to a net sale of 70,909,778 units valued Rs. 8.235 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2025, please refer to note 26 of the Annual Accounts 2025.

AHMMF Performance at a Glance

	2025	2024
Net Assets as at June 30 (Rs. in billion)	85.764 Bn	24.386 Bn
NAV per unit as at June 30 (Rs.)	100.4692	100.0000
Distribution during the year ended June 30 (Rs.)	13.8524	20.0868
Annual Return	14.39%	22.14%

AL HABIB INCOME FUND
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Rating

AA (f) Fund Stability Rating Rating by PACRA
AM1 Management Company Quality Rating
Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Bank Alfalah Limited
Allied Bank Limited
JS bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**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

AL HABIB 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 AL Habib Income Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Abdul Samad
Chief Operating Officer
Central Depository Company of Pakistan Limited

Karachi, September 26, 2025





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Sarwar Shaheed Road
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Pakistan

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE UNIT HOLDERS' OF AL HABIB INCOME FUND

Opinion

We have audited the financial statements of AL Habib Income Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2025, 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 give a true and fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current 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.	Existence and valuation of investments As disclosed in note 6 to the financial statements of the Fund for the year June 30, 2025, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs. 16,220 million representing 65.20% of the net assets value of the Fund. As these investments represent a significant element of the statement of assets and liabilities, any discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated.	Our audit procedures included the following: - We obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2025 and traced it with books and records of the Fund; - We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices the Mutual Fund Association of Pakistan (MUFAP) as at June 30, 2025 and matching the valuation of investment with that appearing in the financial statements.

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S.No	Key Audit Matter	How the matter was addressed in our audit
	In view of the significance of the above-mentioned balances in relation to the Fund's total assets and NAV, we considered the existence and valuation of investments as a key audit matter.	- We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance. - Evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment, ensuring compliance with the NBFC Regulations and the relevant accounting requirements.

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 the Management and Board of Directors 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 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.

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

Auditor's responsibilities for the audit of the financial statements

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



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

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

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

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

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. 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, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking 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: 29 SEP 2025

UDIN: AR202510166Cn5Zs9kOD

BDO Ebrahim & Co.
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

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STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

	Note	2025 (Rupees in '000)	2024
Assets			
Balances with banks	5	8,675,112	373,946
Investments	6	16,220,458	6,574,907
Profit receivable	7	237,540	140,278
Advances, deposits and other receivables	8	6,696	3,445
Total assets		25,139,806	7,092,576
Liabilities			
Payable to AL Habib Asset Management Limited - Management Company	9	19,881	16,982
Provision for Federal Excise Duty on remuneration of the Management Company	10	8,746	8,746
Payable to Central Depository Company of Pakistan Limited - Trustee	11	1,311	449
Payable to Securities and Exchange Commission of Pakistan	12	1,042	397
Payable against redemption of units		21,103	161,642
Accrued expenses and other liabilities	13	209,696	64,180
Total liabilities		261,779	252,396
Net assets		24,878,027	6,840,180
Unit holders' Fund (as per statement attached)		24,878,027	6,840,180
Contingencies and commitments	14		
		(Number of Units)	
Number of units in issue	15	243,306,622	67,234,210
		(Rupees)	
Net asset value per unit		102.25	101.74

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in '000)	2024
Income			
Profit on bank deposits	16	60,793	97,057
Profit on investments		1,649,178	1,017,501
Profit on term deposit receipt		-	6,721
Realised (loss) / gain on sale of investments - net		141,337	(21,606)
Unrealised (diminution) / appreciation on re-measurement of investments as financial assets classified at 'fair value through profit or loss' - net		24,472	(3,611)
		<u>165,809</u>	<u>(25,217)</u>
Total income		<u>1,875,780</u>	<u>1,096,062</u>
Expenses			
Remuneration of AL Habib Asset Management Limited - Management Company		147,933	66,861
Sindh Sales Tax on Management Company's remuneration		22,190	8,692
Expense allocated by the Management Company		9,083	3,616
Remuneration of Central Depository Company of Pakistan Limited - Trustee		9,198	3,776
Sindh Sales tax on remuneration of Trustee		1,380	491
Fees to Securities and Exchange Commission of Pakistan		9,198	3,776
Brokerage expense		579	1,097
Settlement and bank charges		373	400
Annual listing fee		25	25
Auditor's remuneration	17	530	502
Mutual fund rating fee		557	558
Printing charges		58	65
Fees and subscription		287	141
Other expense		90	-
Total expenses		<u>201,481</u>	<u>90,000</u>
Net income for the year before taxation		<u>1,674,299</u>	<u>1,006,062</u>
Taxation	18	-	-
Net income for the year after taxation		<u>1,674,299</u>	<u>1,006,062</u>
Allocation of net income for the year after taxation			
Net income for the year after taxation		1,674,299	1,006,062
Income already paid on units redeemed		<u>(1,427,304)</u>	<u>(578,130)</u>
		<u>246,995</u>	<u>427,932</u>
Accounting Income available for distribution:			
- Relating to capital gains		165,809	-
- Excluding capital gains		81,186	427,932
		<u>246,995</u>	<u>427,932</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	(Rupees in '000)	
Net income for the year after taxation	1,674,299	1,006,062
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>1,674,299</u>	<u>1,006,062</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	2025			2024		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the year	6,769,762	70,418	6,840,180	2,864,876	39,656	2,904,532
Issuance of 556,030,403 units (2024: 215,324,480)						
- Capital value	56,570,533	-	56,570,533	21,798,589	-	21,798,589
- Element of income	2,938,871	-	2,938,871	1,257,100	-	1,257,100
Total proceeds on issuance of units	59,509,404	-	59,509,404	23,055,689	-	23,055,689
Redemption of 379,957,991 units (2024: 176,780,959)						
- Capital value	(38,656,926)	-	(38,656,926)	(17,896,597)	-	(17,896,597)
- Element of loss	(1,858,901)	(1,427,304)	(3,286,205)	(510,130)	(578,130)	(1,088,260)
Total payments on redemption of units	(40,515,827)	(1,427,304)	(41,943,131)	(18,406,727)	(578,130)	(18,984,857)
Total comprehensive income for the year	-	1,674,299	1,674,299	-	1,006,062	1,006,062
Distribution during the year	(1,134,899)	(67,826)	(1,202,725)	(744,076)	(397,170)	(1,141,246)
Net income for the year less distribution	(1,134,899)	1,606,473	471,574	(744,076)	608,892	(135,184)
Net assets at end of the year	24,628,440	249,587	24,878,027	6,769,762	70,418	6,840,180
Undistributed income brought forward						
- Realised gain		74,029			47,491	
- Unrealised loss		(3,611)			(7,835)	
		<u>70,418</u>			<u>39,656</u>	
Accounting income available for distribution						
- Relating to capital gains		165,809			-	
- Excluding capital gains		81,186			427,932	
		<u>246,995</u>			<u>427,932</u>	
Distribution during the year @ Rs. 15.106 per unit declared on June 14, 2025 (2024: Rs. 21.3177 per unit declared)		(67,826)			(397,170)	
Undistributed income carried forward		<u><u>249,587</u></u>			<u><u>70,418</u></u>	
Undistributed income carried forward comprises of						
- Realised gain		225,115			74,029	
- Unrealised gain / (loss)		24,472			(3,611)	
		<u>249,587</u>			<u>70,418</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year	<u><u>101.74</u></u>			<u><u>101.24</u></u>		
Net assets value per unit at end of the year	<u><u>102.25</u></u>			<u><u>101.74</u></u>		

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in '000)	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		1,674,299	1,006,062
Adjustments for:			
Net unrealised diminution/(appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss		(24,472)	3,611
		1,649,827	1,009,673
Decrease / (increase) in assets			
Investments - net		(9,621,079)	(3,712,835)
Profit receivable		(97,262)	(83,358)
Advances, deposits and other receivables		(3,251)	(129)
		(9,721,592)	(3,796,322)
Increase / (decrease) in liabilities			
Payable to AL Habib Asset Management Limited - Management Company		2,899	14,161
Payable to Central Depository Company of Pakistan Limited - Trustee		862	246
Payable to Securities and Exchange Commission of Pakistan		645	(122)
Payable against redemption of units		(140,539)	161,642
Accrued expenses and other liabilities		145,516	46,343
		9,383	222,270
Net cash used in operating activities		(8,062,382)	(2,564,379)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance of units		59,509,404	23,055,689
Payment made against redemption of units		(41,943,131)	(18,984,857)
Dividend paid		(1,202,725)	(1,141,246)
Net cash generated from financing activities		16,363,548	2,929,586
Net increase in cash and cash equivalents		8,301,166	365,207
Cash and cash equivalents at beginning of the year		373,946	8,739
Cash and cash equivalents at end of the year	5	8,675,112	373,946

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Income Fund (the Fund) was established under a Trust Deed executed between AL Habib Asset Management Limited (AHAML) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on September 06, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 03, 2006 under Regulation 67 of the Non- banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 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) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 15, 2021, the above mentioned Trust Deed has been registered under Sindh Trust Act.
- 1.3** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the Management Company is situated at 3rd Floor, MacKinnon's Building, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.4** The Fund is an open-end mutual fund and is listed on Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.
- 1.5** The Fund has been formed to provide reasonable rate of return consistent with reasonable concern for safety of principal amount to the unit holders, along with facility to join or leave the Fund at their convenience. The management team would seek to enhance returns through active portfolio management using efficiency tools.
- 1.6** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as a Trustee of the Fund.
- 1.7** The management company and the fund has been assigned a rating of AM1 and AA-(f) on December 12, 2024 and April 23, 2025 respectively by Pakistan Credit Rating Agency (PACRA).

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the functional and presentation currency.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except that investments are required to be stated at fair value.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, 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 the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 the revision and future year if the revision affects both current and future year.

Estimates and judgements that have significant effect on the financial statements relate to classification and valuation and impairment of financial assets are as follows:

Classification and valuation of investment

For details please refer notes 4.2.2.1 and 6 to these financial statements.

Impairment of investment

For details please refer note 4.2.2.2 to these financial statements.

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the 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 IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 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 revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

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

4.2 Financial Instruments

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

4.2.1 Financial assets

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

4.2.2 Initial recognition and measurement

Financial assets are recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs associated with these financial assets are charged to the income statement.

4.2.2.1 Classification

Debt Instruments

Amortized cost

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

- the asset is held within a business model whose objective is 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.

Fair value through profit or loss

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. A financial asset at FVTPL is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost

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

Debt investments at FVOCI

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

Debt investments at FVTPL

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

4.2.2.2 Impairment (other than debt securities)

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

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions."
- The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

4.2.2.3 Impairment loss on debt securities

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

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

4.2.2.4 Regular way contracts

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

4.2.2.5 Derecognition

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

4.2.2.6 Offsetting of financial instruments

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

4.2.3 Financial liabilities

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

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition of financial assets is taken to the Income Statement.

4.3 Provisions

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

4.4 Taxation

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

The Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent (90%) of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year. Accordingly, no tax liability or deferred tax has been recognised in these financial statements.

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

4.5 Proposed distributions

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

Distributions declared subsequent to the reporting date are subject to the approval of Board of Directors of the Management Company and are considered as non-adjusting events and are not recognised before the reporting date.

4.6 Issuance 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 the day when the application is received. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load, provision of 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 receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

4.7 Element of income / (loss)

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 year. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net asset value per unit

The Net Asset Value (NAV) per unit 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

- Mark-up on deposits with banks and mark-up / return on investments in debt securities are recognized using effective yield method.
- Gains / (losses) arising on sale of investments are recognized on the date at which the transaction takes place;
- Unrealized Gains / Loss recognized on mark to market investments classified as ' financial assets at fair value through profit or loss'

4.10 Expenses

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

	Note	2025 (Rupees in '000)	2024
5 BALANCES WITH BANKS			
In current accounts	5.1 &	590	9,378
In savings accounts	5.2	8,674,522	364,568
		<u>8,675,112</u>	<u>373,946</u>

5.1 These carries profit ranging from 6.1% to 11.05% (2024: 19.25% to 21.50%) per annum.

5.2 It includes balance of Rs 1.350 billion (2024: Rs 338.28 million) with Bank Al Habib Limited, a related party.

	Note	2025 (Rupees in '000)	2024
6 INVESTMENTS			
At fair value through profit or loss			
Government securities			
- Market Treasury Bills	6.1	11,162,420	2,640,361
- Pakistan Investment Bonds	6.2	4,950,109	3,794,558
- GOP Ijarah Sukuks	6.3	57,472	54,963
Sukuk Certificates	6.4	-	25,325
Term Finance Certificates	6.5	50,457	59,700
		<u>16,220,458</u>	<u>6,574,907</u>

6.1 Government securities - Market Treasury Bills

Name of the security	Issue date	Maturity date	As at July 01 2024	Purchased during the year	Sold during during the year	Matured during the year	As at June 30 2025	Balance as at June 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
								Carrying value	Market value	Unrealised appreciation / (diminution)		
(Number of units)								(Rupees in '000)			%	
T- BILL 12 MONTHS (03-04-2025)	3-Apr-25	3-Apr-25	-	35,336,000	-	-	35,336,000	3,260,955	3,264,845	3,890	13.12%	20.13%
T- BILL 12 MONTHS (06-03-2025)	6-Mar-25	6-Mar-25	-	38,865,000	11,865,000	-	27,000,000	2,510,798	2,514,210	3,412	10.11%	15.50%
T- BILL 12 MONTHS (26-12-2024)	26-Dec-24	26-Dec-24	-	37,135,100	11,540,000	-	25,595,100	2,427,492	2,430,406	2,914	9.77%	14.98%
T- BILL 12 MONTHS (05-09-2024)	5-Sep-24	5-Sep-24	-	37,200,000	30,000,000	-	7,200,000	706,103	706,082	(21)	2.84%	4.35%
T - BILL 03 MONTHS (15-05-2025)	15-May-25	15-May-25	-	5,000,000	-	-	5,000,000	494,461	494,397	(62)	1.99%	3.05%
T - BILL 03 MONTHS (29-05-2025)	29-May-25	29-May-25	-	10,000,000	5,000,000	-	5,000,000	492,391	492,351	(40)	1.98%	3.04%
T - BILL 03 MONTHS (12-06-2025)	12-Jun-25	12-Jun-25	-	5,000,000	-	-	5,000,000	490,491	490,335	(156)	1.97%	3.02%
T - BILL 03 MONTHS (26-06-2025)	26-Jun-25	26-Jun-25	-	4,000,000	-	-	4,000,000	390,751	390,669	(82)	1.57%	2.41%
T - BILL 06 MONTHS (26-06-2025)	26-Jun-25	26-Jun-25	-	2,000,000	-	-	2,000,000	189,922	189,912	(10)	0.76%	1.17%
T- BILL 12 MONTHS (09-01-2025)	9-Jan-25	9-Jan-25	-	5,000,000	3,000,000	-	2,000,000	189,016	189,213	197	0.76%	1.17%
T- BILL 03 MONTHS (13-06-2024)	13-Jun-24	13-Jun-24	5,000,000	20,580,000	25,580,000	-	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (18-04-2024)	18-Apr-24	18-Apr-24	2,300,000	-	2,300,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (02-05-2024)	2-May-24	2-May-24	5,000,000	-	5,000,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (13-06-2024)	13-Jun-24	13-Jun-24	5,000,000	5,251,400	7,921,400	2,330,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (11-01-2024)	11-Jan-24	11-Jan-24	3,000,000	1,000,000	3,500,000	500,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (16-05-2024)	16-May-24	16-May-24	5,000,000	6,700,000	11,700,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (28-12-2023)	28-Dec-23	28-Dec-23	4,110,000	12,250,000	13,860,000	2,500,000	-	-	-	-	0.00%	0.00%
T - BILL 01 MONTHS (02-05-2025)	2-May-25	2-May-25	-	2,650,000	2,500,000	150,000	-	-	-	-	0.00%	0.00%
T - BILL 01 MONTHS (15-05-2025)	15-May-25	15-May-25	-	14,040,000	9,940,000	4,100,000	-	-	-	-	0.00%	0.00%
T - BILL 01 MONTHS (18-06-2025)	18-Jun-25	18-Jun-25	-	70,000,000	70,000,000	-	-	-	-	-	0.00%	0.00%
T - BILL 01 MONTHS (29-05-2025)	29-May-25	29-May-25	-	5,000,000	5,000,000	-	-	-	-	-	0.00%	0.00%
T - BILL 12 MONTHS (02-05-2025)	2-May-25	2-May-25	-	10,240,000	10,240,000	-	-	-	-	-	0.00%	0.00%
T - BILL 12 MONTHS (12-06-2025)	12-Jun-25	12-Jun-25	-	3,000,000	3,000,000	-	-	-	-	-	0.00%	0.00%
T - BILL 12 MONTHS (15-05-2025)	15-May-25	15-May-25	-	5,000,000	5,000,000	-	-	-	-	-	0.00%	0.00%
T - BILL 12 MONTHS (26-06-2025)	26-Jun-25	26-Jun-25	-	4,000,000	4,000,000	-	-	-	-	-	0.00%	0.00%
T - BILL 12 MONTHS (29-05-2025)	29-May-25	29-May-25	-	17,690,000	17,690,000	-	-	-	-	-	0.00%	0.00%
T- BILL 01 MONTHS (03-04-2025)	3-Apr-25	3-Apr-25	-	13,500,000	13,500,000	-	-	-	-	-	0.00%	0.00%
T- BILL 01 MONTHS (17-04-2025)	17-Apr-25	17-Apr-25	-	2,000,000	2,000,000	-	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (05-09-2024)	5-Sep-24	5-Sep-24	-	1,600,000	-	1,600,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (06-02-2025)	6-Feb-25	6-Feb-25	-	4,325,000	4,250,000	75,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (06-03-2025)	6-Mar-25	6-Mar-25	-	23,800,000	12,000,000	11,800,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (11-07-2024)	11-Jul-24	11-Jul-24	-	15,000	15,000	-	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (12-12-2024)	12-Dec-24	12-Dec-24	-	23,600,000	23,600,000	-	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (14-11-2024)	14-Nov-24	14-Nov-24	-	21,000,000	21,000,000	-	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (17-04-2025)	17-Apr-25	17-Apr-25	-	6,500,000	6,500,000	-	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (17-10-2024)	17-Oct-24	17-Oct-24	-	2,500,000	2,500,000	-	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (20-02-2025)	20-Feb-25	20-Feb-25	-	2,500,000	2,500,000	-	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (22-08-2024)	22-Aug-24	22-Aug-24	-	1,500,000	-	1,500,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (23-01-2025)	23-Jan-25	23-Jan-25	-	7,130,000	6,500,000	630,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (26-12-2024)	26-Dec-24	26-Dec-24	-	31,010,000	16,150,000	14,860,000	-	-	-	-	0.00%	0.00%

AL HABIB INCOME FUND

Name of the security	Issue date	Maturity date	As at July 01 2024	Purchased during the year	Sold during during the year	Matured during the year	As at June 30 2025	Balance as at June 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
								Carrying value	Market value	Unrealised appreciation / (diminution)		
(Number of units)								(Rupees in '000)			%	
T- BILL 03 MONTHS (28-11-2024)	28-Nov-24	28-Nov-24	-	5,000,000	5,000,000	-	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (31-10-2024)	31-Oct-24	31-Oct-24	-	7,300,000	7,300,000	-	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (03-10-2024)	3-Oct-24	3-Oct-24	-	5,000,000	5,000,000	-	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (05-09-2024)	5-Sep-24	5-Sep-24	-	25,610,000	16,800,000	8,810,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (06-02-2025)	6-Feb-25	6-Feb-25	-	5,000,000	5,000,000	-	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (08-08-2024)	8-Aug-24	8-Aug-24	-	5,000,000	5,000,000	-	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (09-01-2025)	9-Jan-25	9-Jan-25	-	5,000,000	5,000,000	-	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (12-12-2024)	12-Dec-24	12-Dec-24	-	6,050,000	6,050,000	-	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (14-11-2024)	14-Nov-24	14-Nov-24	-	5,000,000	5,000,000	-	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (16-05-2024)	16-May-24	16-May-24	-	10,000,000	-	10,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (17-10-2024)	17-Oct-24	17-Oct-24	-	22,110,000	21,860,000	250,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (22-08-2024)	22-Aug-24	22-Aug-24	-	2,500,000	2,500,000	-	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (23-01-2025)	23-Jan-25	23-Jan-25	-	5,000,000	5,000,000	-	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (30-05-2024)	30-May-24	30-May-24	-	7,500,000	1,000,000	6,500,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (31-10-2024)	31-Oct-24	31-Oct-24	-	24,000,000	24,000,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (02-11-2023)	2-Nov-23	2-Nov-23	-	29,400,000	8,000,000	21,400,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (03-10-2024)	3-Oct-24	3-Oct-24	-	91,350,000	91,350,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (06-02-2025)	6-Feb-25	6-Feb-25	-	5,000,000	5,000,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (08-08-2024)	8-Aug-24	8-Aug-24	-	3,500,000	3,500,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (11-07-2024)	11-Jul-24	11-Jul-24	-	3,399,750	3,399,750	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (12-12-2024)	12-Dec-24	12-Dec-24	-	14,200,000	14,200,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (14-11-2024)	14-Nov-24	14-Nov-24	-	12,507,850	12,507,850	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (16-11-2023)	16-Nov-23	16-Nov-23	-	5,500,000	-	5,500,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (17-04-2025)	17-Apr-25	17-Apr-25	-	5,000,000	5,000,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (17-10-2024)	17-Oct-24	17-Oct-24	-	56,800,000	56,800,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (18-04-2024)	18-Apr-24	18-Apr-24	-	13,930,000	10,000,000	3,930,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (19-10-2023)	19-Oct-23	19-Oct-23	-	45,265,000	45,265,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (22-08-2024)	22-Aug-24	22-Aug-24	-	7,500,000	7,500,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (23-01-2025)	23-Jan-25	23-Jan-25	-	5,000,000	5,000,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (25-01-2024)	25-Jan-24	25-Jan-24	-	500,000	500,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (25-07-2024)	25-Jul-24	25-Jul-24	-	35,320,000	35,320,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (28-11-2024)	28-Nov-24	28-Nov-24	-	1,000,000	1,000,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (30-05-2024)	30-May-24	30-May-24	-	3,000,000	2,500,000	500,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (30-11-2023)	30-Nov-23	30-Nov-23	-	11,680,000	11,680,000	-	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (31-10-2024)	31-Oct-24	31-Oct-24	-	56,807,800	56,807,800	-	-	-	-	-	0.00%	0.00%
T-BILLS 12 MONTHS (14-12-2023)	14-Dec-23	14-Dec-23	-	18,000,000	5,950,000	12,050,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025			29,410,000	1,062,647,900	864,941,800	108,985,000	118,131,100	11,152,380	11,162,420	10,042		
Total as at June 30, 2024								2,640,475	2,640,361	(114)		

6.1.1 These carries markup ranging from 18.85% - 22.89% (2024 18.85% - 22.89%)

6.2 Government securities - Pakistan Investment Bonds

Name of the security	Issue date	Maturity date	As at July 01 2024	Purchased during the year	Sold during during the year	As at June 30 2025	Balance as at June 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
							Carrying value	Market value	Unrealised appreciation / (diminution)		
(Number of units)						(Rupees in '000)			%		
PIB 05 YEARS (17-11-2022)	17-Nov-22	17-Nov-27	12,000	44,860	12,000	44,860	4,438,830	4,451,009	12,179	17.89%	27.44%
PIB 3 YEARS (09-02-2023) - FLOATER	9-Feb-23	9-Feb-26	-	5,000	-	5,000	498,173	499,100	927	2.01%	3.08%
PIB 3 YEARS (08-09-2022) - FLOATER	8-Sep-22	8-Sep-25	10,000	15,000	25,000	-	-	-	-	0.00%	0.00%
PIB 2 YEARS (06-04-2023) - FLOATER	6-Apr-23	6-Apr-25	6,100	6,100	12,200	-	-	-	-	0.00%	0.00%
PIB 03 YEARS (04-07-2023) - FIXED	4-Jul-23	4-Jul-26	2,875	-	2,875	-	-	-	-	0.00%	0.00%
PIB 05 YEARS (18-04-2024) - FLOATER	18-Apr-24	18-Apr-29	8,000	-	8,000	-	-	-	-	0.00%	0.00%
PIB 02 YEARS (20-09-2024) - ZERO COUPON	20-Sep-24	20-Sep-26	-	2,500	2,500	-	-	-	-	0.00%	0.00%
PIB 03 YEARS (16-01-2025) - FIXED	16-Jan-25	16-Jan-28	-	3,000	3,000	-	-	-	-	0.00%	0.00%
PIB 03 YEARS (20-09-2024) - FIXED	20-Sep-24	20-Sep-27	-	6,000	6,000	-	-	-	-	0.00%	0.00%
PIB 05 YEARS (16-01-2025) - FIXED	16-Jan-25	16-Jan-30	-	2,500	2,500	-	-	-	-	0.00%	0.00%
PIB 05 YEARS (17-01-2024) - FIXED	17-Jan-24	17-Jan-29	-	1,000	1,000	-	-	-	-	0.00%	0.00%
PIB 05 YEARS (20-09-2024) - FIXED	20-Sep-24	20-Sep-29	-	6,000	6,000	-	-	-	-	0.00%	0.00%
PIB 10 YEARS (20-09-2024) - FIXED	20-Sep-24	20-Sep-34	-	3,750	3,750	-	-	-	-	0.00%	0.00%
PIB 3 YEARS (07-10-2021) - FLOATER	7-Oct-21	7-Oct-24	-	21,850	21,850	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025			38,975	117,560	106,675	49,860	4,937,003	4,950,109	13,106		
Total as at June 30, 2024							3,798,710	3,794,558	(4,152)		

6.2.1 These carries markup ranging from 11.25% - 21.57% (2024 10.00% - 23.39%)

6.3 GOP Ijarah Sukuks

Name of the security	Issue date	Maturity date	As at July 01 2024	Purchased during the year	Sold during during the year	As at June 30 2025	Balance as at June 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
							Carrying value	Market value	Unrealised appreciation / (diminution)		
(Number of units)						(Rupees in '000)			%		
GOP IJARA SUKUK 3 YEAR VVR (24-01-2024)	24-Jan-25	24-Jan-28	10,938	-	-	10,938	54,852	55,450	598	0.22%	0.34%
GOP IJARA SUKUK 5 YEAR VRR (21-10-2024)	21-Oct-24	21-Oct-29	-	200	-	200	986	1,019	33	0.00%	0.01%
GOP IJARA SUKUK 3 YEAR VRR (21-10-2024)	21-Oct-24	21-Oct-27	-	200	1	199	987	1,003	16	0.00%	0.01%
GOP IJARA SUKUK - VRR (26-10-2022)	26-Oct-22	26-Oct-27	-	12,000	12,000	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 03 YEAR VRR (09-01-2025)	9-Jan-25	9-Jan-28	-	421	421	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 05 YEAR VRR (09-01-2025)	9-Jan-25	9-Jan-30	-	220	220	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 3 YEAR VRR (18-09-2024)	18-Sep-24	18-Sep-27	-	600	600	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025			10,938	13,641	13,242	11,337	56,825	57,472	647		
Total as at June 30, 2024							54,692	54,963	271		

6.3.1 These carries markup ranging from 11.19% - 14.15% (2024 21.11% - 23.70%)

6.4 Sukuk Certificates

Description	Issue date	Maturity date	As at July 01 2024	Purchased during the year	Sold during the year	As at June 30 2025	Balance as at June 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
							Carrying value	Market value	Unrealised appreciation / (diminution)		
(Number of units)						(Rupees in '000)			%		
Unquoted											
Meezan Bank Ltd. - Sukuk (09-01-20)	9-Jan-20	9-Jan-30	25	-	25	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025			25	-	25	-	-	-	-		
Total as at June 30, 2024							24,823	25,325	502		

6.4.1 These carries markup ranging from 17.98% - 23.87% (2024 17.98% - 23.87%)

6.5 Term Finance Certificates

Description	Issue date	Maturity date	As at July 01 2024	Purchased during the year	Sold during during the year	As at June 30 2025	Balance as at June 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
							Carrying value	Market value	Unrealised appreciation / (diminution)		
(Number of certificates)						(Rupees in '000)			%		
Askari Bank Limited-TFC VII (17-03-2020) (certificates of Rs. 100,000 each)	17-Mar-20	17-Mar-30	60	-	10	50	49,780	50,457	677	0.20%	0.31%
Total as at June 30, 2025			60	-	10	50	49,780	50,457	677		
Total as at June 30, 2024							59,818	59,700	(118)		

6.5.1 These carries markup ranging from 18.18% - 22.52% (2024 18.18% - 22.52%)

7 PROFIT RECEIVABLE

	Note	2025 (Rupees in '000)	2024
Receivable on debt securities		212,711	133,752
Bank deposits	7.1	24,829	6,526
		<u>237,540</u>	<u>140,278</u>

7.1 This includes Rs. 5.55 million (2024 Rs. 6.23 million) receivable from Bank AL Habib Limited (a related party).

8 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	Note	2025 (Rupees in '000)	2024
Advance tax	8.1	4,761	1,979
Deposits with:			
Central Depository Company of Pakistan Limited		100	100
NCCPL against Margin Trading System		250	250
National Clearing Company of Pakistan Limited		1,000	1,000
Other receivables		585	116
		<u>6,696</u>	<u>3,445</u>

- 8.1** The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule to the 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 12 May 2015 made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150, 150A and 151 of ITO 2001.

9 PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2025 (Rupees in '000)	2024
Remuneration payable to the Management	9.1	9,480	12,886
Sindh Sales Tax on Management Company's	9.2	1,318	1,675
Re-imbursement to CIS maximum upto 0.1%	9.3	9,083	2,421
		<u>19,881</u>	<u>16,982</u>

- 9.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) I 2019 dated 20 June 2019, the Management Company has set and disclosed in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund. The Management Company has charged its remuneration at rate ranging from 0% to 10% of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.

- 9.2** Sindh Sales Tax has been charged at 15% (2024: 13%) on the management company's remuneration charged during the year.

- 9.3** As per Regulation 60(3)(s) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to the CIS.

10 PROVISION FOR FEDERAL EXCISE DUTY ON REMUNERATION OF THE MANAGEMENT COMPANY

As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the Sindh High Court (SHC) on 4 September 2013.

While disposing the above petition through order dated 16 July 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from 01 July 2016. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

Furthermore, the Finance Act 2016 also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provincial sales tax. Therefore, in the current year, provision for FED has not been recorded.

However, since the appeal is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from 13 June 2013 to 30 June 2016 aggregating to Rs. 8.746 million. Had the provision not been made, NAV per unit of the Fund as at 30 June 2025 would have been higher by Rs. 0.04 (2024: Rs. 0.13) per unit.

11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2025 (Rupees in '000)	2024
Trustee fee payable	11.1	1,043	397
Sindh Sales Tax on remuneration of the Trustee	11.2	268	52
		<u>1311</u>	<u>449</u>

- 11.1** The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily Net Asset Value of the Fund. The remuneration of the Trustee during the year 0.075% (2024: 0.075%) of net assets per annum.

- 11.2** The Sindh Sales Tax has been charged at 15% (2024: 13%) on the Trustee's remuneration charged during the year.

		2025	2024
		(Rupees in '000)	
12	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	
	Annual fee payable	12.1	<u>1,042</u> <u>397</u>
12.1	This represents annual fee payable to Securities and Exchange Commission of Pakistan in accordance with regulation 62 of the NBFC Regulations. The fee of the SECP Charged during the year at 0.075% (2024: 0.075%) of net assets.		
13	ACCRUED EXPENSES AND OTHER LIABILITIES		<u>2025</u> <u>2024</u> (Rupees in '000)
	Auditors' remuneration		452 530
	Others		<u>209,244</u> <u>63,650</u>
			<u>209,696</u> <u>64,180</u>
14	CONTINGENCIES AND COMMITMENTS		
	There are no contingencies and commitments as at June 30, 2025 (2024: Nil).		
15	NUMBER OF UNITS IN ISSUE	Note	<u>2025</u> <u>2024</u> (Rupees in '000)
	Total units in issue at the beginning of the year		67,234,210 28,690,689
	Add: Units issued during the year		556,030,403 215,324,480
	Less: Units redeemed during the year		<u>(379,957,991)</u> <u>(176,780,959)</u>
	Total units in issue at the end of the year		<u>243,306,622</u> <u>67,234,210</u>
16	PROFIT ON BANK DEPOSITS		
	Savings accounts	16.1	<u>60,793</u> <u>97,057</u>
16.1	This includes profit on bank deposits with Bank AL Habib Limited, a related party of Rs.37.370 million (2024: Rs.84.952 million).		
17	AUDITOR'S REMUNERATION		<u>2025</u> <u>2024</u> (Rupees in '000)
	Annual audit fee		332 299
	Half yearly review fee		163 148
	Out of pocket expenses		<u>35</u> <u>55</u>
			<u>530</u> <u>502</u>
18	TAXATION		
	The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current year as the management intends to distribute in cash atleast 90 percent of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders.		
	The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.		
19	Earnings per unit (EPU)		
	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.		

20 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2025		
	Fair value through profit or loss	Amortised cost	Total
Rupees in '000			
Financial assets			
Bank balances	-	8,675,112	8,675,112
Investments			
Market Treasury Bills	11,162,420	-	11,162,420
Pakistan Investment Bonds	4,950,109	-	4,950,109
GOP Ijarah Sukuks	57,472	-	57,472
Sukuk Certificates	-	-	-
Term Finance Certificates	50,457	-	50,457
Profit receivable	-	237,540	237,540
Advances, deposits and other receivables	-	6,696	6,696
	16,220,458	8,919,348	25,139,806
Financial Liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	19,881	19,881
Payable to Central Depository Company of Pakistan Limited - Trustee	-	1,311	1,311
Payable to Securities and Exchange Commission of Pakistan (SECP)	-	1,042	1,042
Payable against redemption of units	-	21,103	21,103
Accrued expenses and other liabilities	-	209,696	209,696
	-	253,033	253,033

Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortised cost	Total
Rupees in '000			
Financial assets			
Bank balances	-	373,946	373,946
Investments			
Market Treasury Bills	2,640,361	-	2,640,361
Pakistan Investment Bonds	3,794,558	-	3,794,558
GOP Ijarah Sukuks	54,963	-	54,963
Sukuk Certificates	25,325	-	25,325
Term Finance Certificates	59,700	-	59,700
Profit receivable	-	140,278	140,278
Advance, deposits and other receivable	-	3,445	3,445
	6,574,907	517,669	7,092,576
Financial Liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	16,982	16,982
Payable to Central Depository Company of Pakistan Limited - Trustee	-	449	449
Payable to Securities and Exchange Commission of Pakistan (SECP)	-	397	397
Payable against redemption of units	-	161,642	161,642
Accrued expenses and other liabilities	-	64,180	64,180
	-	243,650	243,650

21 TRANSACTIONS AND BALANCES WITH RELATED/ CONNECTED PERSONS

21.1 Related party/ Connected persons include AL Habib 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 person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of Fund and the directors and officers of the Management Company and the Trustee and unit holders holding Ten percent or more units of the Fund.

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

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

21.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at the end of reporting year are as follows:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent company of Bank AL Habib Limited
3	AL Habib Capital Market (Private) Limited	Subsidiary company of Bank AL Habib Limited
4	AL Habib Currency Exchange Ltd	Subsidiary of Bank AL Habib Limited
5	AL Habib Stock Fund	Managed by AL Habib Asset Management Ltd
6	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Ltd
7	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Ltd
8	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Ltd
9	AL Habib Cash Fund	Managed by AL Habib Asset Management Ltd
10	AL Habib Money Market Fund	Managed by AL Habib Asset Management Ltd
11	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Ltd
12	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Ltd
13	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Ltd
14	AL Habib Pension Fund	Managed by AL Habib Asset Management Ltd
15	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Ltd
16	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Ltd
17	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Ltd
18	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Ltd
19	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Ltd
20	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Ltd
21	Central depository Company	Trustee

Connected persons include directors and officers of the above entities as at June 30, 2025 and staff retirement benefit funds of the above companies.

Details of transactions with connected persons / related parties are as follows:

	2025	2024
	(Rupees in '000)	
AL Habib Asset Management Limited - Management Company		
- Management fee	147,933	66,861
- Sales tax	22,190	8,692
- Allocated Expenses	9,083	3,616
- Dividend paid	3	16,967
Bank AL Habib Limited		
- Profit on bank deposits	37,370	84,952
- Dividend paid	58,086	41,154
Central Depository Company of Pakistan Limited - Trustee		
- Remuneration to the Trustee	9,198	3,776
- Sales tax	1,380	491

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

Bank AL Habib Limited		
- Bank balance	1,350,181	338,278
- Profit receivable	5,550	6,234
AL Habib Asset Management Limited - Management Company		
- Management Company fee payable	19,881	16,982
- Federal Excise duty payable	8,746	8,746
Central Depository Company of Pakistan Limited - Trustee		
- Remuneration payable	1,311	449
- Security deposit - Non interest bearing	100	100

Sale / Redemption of units

	2025		2024	
Units sold to:	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Management Company				
AL Habib Asset Management Limited	1,767,403	197,012	20,247,087	2,152,005
Other related parties:				
- Directors and their relatives of the Management Company	54,661,073	5,564,476	19,817	2,360
Connected Parties holding 10% or more of the units in issue	34,551,697	3,731,511	28,561,580	2,977,013
Units redeemed by:				
Management Company				
AL Habib Asset Management Limited	1,800,685	202,235	22,936,678	2,383,706
Other related parties				
- Directors and their relatives of the Management Company	125,788	14,561	-	-
- Habib Insurance Company Limited Pakistan- EPF	-	-	140,000	14,684
Connected Parties holding 10% or more of the units in issue	6,890,818	804,834	6,278,900	697,599
Units held by:				
Management Company				
AL Habib Asset Management Limited	-	-	33,282	3,403
Parent Company				
- Bank AL Habib Limited	3,845,202	393,172	3,845,202	393,172
Other related parties				
- Directors and their relatives of the Management Company	31,668,128	3,238,066	125,795	12,863
- Habib Insurance Company Limited Pakistan - Employee Provident Fund	65,422	6,689	65,422	6,656
Connected Parties holding 10% or more of the units in issue	34,551,697	3,532,911	22,282,681	2,278,404

22 FINANCIAL RISK MANAGEMENT

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

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

The Fund primarily invests in a portfolio of investments such as Government securities, spread transactions, other money market instruments, and deposit accounts with banks. These activities expose the Fund to a variety of financial risks, such as market risk, credit risk and liquidity risk.

22.1 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, the fund is exposed to interest rate and price risk only.

22.1.1 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) Sensitivity analysis of variable rate

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 6.1% to 11.05% per annum, and against investments in Pakistan Investment Bonds, Term Finance Certificates and Sukuks, the interest rate on which range between 11.25% to 21.57%, 18.18% to 22.52% and 11.19%-23.87% respectively.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 248.38 million (2024: Rs. 66.85 million).

b) Sensitivity analysis of fixed rate

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

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 111.62 million.. (2024: 2.64 million).

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

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

Particulars	----- As at June 30, 2025 -----					Total
	Yield / effective interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	-----%-----	----- Rupees in '000 -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	9.25 - 20.75	8,675,112	-	-	-	8,675,112
Investments						
Pakistan Investment Bonds - Floating	11.25 - 21.57	-	-	499,100	-	499,100
Pakistan Investment Bonds - Non-floating		-	-	4,451,009	-	4,451,009
GOP Ijara Sukkuks	11.19 - 14.15			57,472		57,472
T-bills	18.85 - 22.89	2,763,746	8,398,674		-	11,162,420
Corporate Sukuk	17.98 - 23.87	-	-	-	-	-
Term Finance Certificates	18.18 - 22.52	-	-	50,457	-	50,457
Profit receivable		-	-	-	237,540	237,540
Deposits and other receivables		-	-	-	1,935	1,935
Sub total		11,438,858	8,398,674	5,058,038	239,475	25,135,045
Financial liabilities						
Payable to the Management Company		-	-	-	19,881	19,881
Payable to the Trustee		-	-	-	1,311	1,311
Payable to Security Exchange Commission of Pakistan		-	-	-	1,042	1,042
Payable against redemption of units		-	-	-	21,103	21,103
Accrued expenses and other liabilities		-	-	-	209,696	209,696
Sub total		-	-	-	253,033	253,033
On-balance sheet gap (a)		11,438,858	8,398,674	5,058,038	(13,558)	24,882,012
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		11,438,858	8,398,674	5,058,038	(13,558)	24,882,012
Cumulative interest rate sensitivity gap		11,438,858	8,398,674	5,058,038		

Particulars	Yield / effective interest rate	As at June 30, 2024				Total
		Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
-----%-----		----- Rupees in '000 -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	19.25 - 21.50	373,946	-	-	-	373,946
Investments						
Pakistan Investment Bonds - floating	10.00 - 23.39	-	-	3,530,404	-	3,530,404
Pakistan Investment Bonds - non- floating		-	-	264,154	-	264,154
GOP Ijarah Sukkuk	21.11 - 23.70			54,963		54,963
T-bills	18.85 - 22.89	711,102	1,929,259	-	-	2,640,361
Corporate Sukuk	17.98-23.87	-	-	25,325	-	25,325
Term Finance Certificates	18.18-22.52	-	-	59,700	-	59,700
Profit / mark-up receivable		-	-	-	140,278	140,278
Deposits and other receivables		-	-	-	1,466	1,466
Sub total		1,085,048	1,929,259	3,934,546	141,744	7,090,597
Financial liabilities						
Payable to the Management Company		-	-	-	16,982	16,982
Payable to the Trustee		-	-	-	449	449
Payable to Security Exchange Commission of Pakistan		-	-	-	397	397
Payable against redemption of units		-	-	-	161,642	161,642
Accrued expenses and other liabilities		-	-	-	26,704	26,704
Sub total		-	-	-	206,174	206,174
On-balance sheet gap (a)		1,085,048	1,929,259	3,934,546	(64,430)	6,884,424
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		1,085,048	1,929,259	3,934,546	(64,430)	6,884,423
Cumulative interest rate sensitivity gap		1,085,048	1,929,259	3,934,546		

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 is primarily attributable to investment in debt securities such as Term finance certificates, Sukuks and Bank balances. Bank balances are maintained with balance with a reasonably high credit rating. The risk of default is considered minimal due to inherent systematic measures taken therein.

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

Name of Banks	Balances held as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
Rupees in '000			
Balances with banks by rating category			
Bank Al Falah Limited	1,542	AAA	PACRA
Bank Al Habib Limited	1,350,181	AAA	PACRA
MCB Bank Limited	447	AAA	PACRA
United Bank Limited	7,018,207	AAA	VIS
Allied Bank Limited	918	AAA	PACRA
Habib Bank Limited	303,661	AAA	VIS
Habib Metropolitan Bank Limited	9	AA+	PACRA
JS Bank Limited	34	AA	PACRA
Dubai Islamic Bank Limited	21	AA	VIS
Bank Islami Pakistan Limited	4	AA-	PACRA
Bank Makramah Limited	39	N/A	VIS
U Microfinance Bank Limited	49	A+	VIS
	8,675,112		

Name of Banks	Balances held as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency
Rupees in '000			
Balances with banks by rating category			
Bank AL Falah Limited	5,622	AAA	PACRA
Bank AL Habib Limited	338,278	AAA	PACRA
MCB Bank Limited	1,417	AAA	PACRA
United Bank Limited	8	AAA	VIS
Allied Bank Limited	138	AAA	PACRA
Habib Bank Limited	28,385	AAA	VIS
Habib Metropolitan Bank Limited	9	AA+	PACRA
JS Bank Limited	28	AA	PACRA
Dubai Islamic Bank Limited	19	AA	VIS
Bank Islami Pakistan Limited	3	AA-	PACRA
Summit Bank Limited	39	N/A	
	373,946		

22.2.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, investments (other than in government backed securities) and mark-up accrued thereon. The credit rating profile of balances with banks is as follows:

Bank balance by rating category	2025	2024
	----- (Percentage) -----	
AAA	99.998%	99.998%
AA+	0.000%	0.000%
AA	0.001%	0.001%
AA-	0.000%	0.000%
A+	0.001%	0.000%
A-	0.000%	0.000%
N/A	0.000%	0.000%
	100%	100%

22.2.3 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 market treasury bills, GOP ijarah sukkuks, pakistan investment bonds, sukkuk certificates, term finance certificates and bank balances, while the remaining transactions are entered into with diverse credit-worthy counterparties, thereby mitigating any significant concentration of credit risk to counterparties. At the reporting date the fund is not exposed to a concentration of credit risk.

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

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

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current year (2024: 10%).

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.

22.3.1 The maturity profile of the Fund's financial liabilities based on contractual maturities is given below:

	2025		
	Upto three months	More than three months and upto one year	More than one year
	Total		
	(Rupees in '000)		
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	19,881	-	-
Provision for Federal Excise Duty on remuneration of the management company	8,746	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	1,311	-	-
Payable to Securities Exchange Commission of Pakistan	1,042	-	-
Payable against redemption of units	21,103	-	-
Accrued expenses and other liabilities	209,696	-	-
	261,779	-	-
	2024		
	Upto three months	More than three months and upto one year	More than one year
	Total		
	(Rupees in '000)		
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	16,982	-	-
Provision for Federal Excise Duty on remuneration of the management company	8,746	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	449	-	-
Payable to Securities Exchange Commission of Pakistan	397	-	-
Payable against redemption of units	161,642	-	-
Accrued expenses and other liabilities	64,180	-	-
	252,396	-	-

23 UNITS HOLDERS' FUND RISK MANAGEMENT

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

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

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

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

24 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 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:

- Level 1 Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 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 3 Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

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

		2025							
		Carrying amount				Fair value			
		At fair value through profit and loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	Note	(Rupees in '000)							
Market Treasury Bills	6.1	11,162,420	-	-	11,162,420	-	11,162,420	-	11,162,420
Pakistan Investment Bonds	6.2	4,950,109	-	-	4,950,109	-	4,950,109	-	4,950,109
GOP Ijarah Sukuk	6.3	57,472	-	-	57,472	-	57,472	-	57,472
Sukuk Certificates	6.4	-	-	-	-	-	-	-	-
Term Finance Certificates	6.5	50,457	-	-	50,457	-	50,457	-	50,457
		16,220,458	-	-	16,220,458	-	16,220,458	-	16,220,458
		2024							
		Carrying amount				Fair value			
		At fair value through profit and loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets 'at fair value through profit or loss'	Note	(Rupees in '000)							
Market Treasury Bills	6.1	2,640,361	-	-	2,640,361	-	2,640,361	-	2,640,361
Pakistan Investment Bonds	6.2	3,794,558	-	-	3,794,558	-	3,794,558	-	3,794,558
GOP Ijarah Sukuk	6.3	54,963	-	-	54,963	-	54,963	-	54,963
Sukuk Certificates	6.4	25,325	-	-	25,325	-	25,325	-	25,325
Term Finance Certificates	6.5	59,700	-	-	59,700	-	59,700	-	59,700
		6,574,907	-	-	6,574,907	-	6,574,907	-	6,574,907

AL HABIB INCOME FUND

24.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in respect of GOP Ijarah Sukuks, Fund uses the rates which are derived from PKRV, PKFRV and PKISRV rates at reporting date per certificate multiplied by the number of certificates held as at year end.

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

24.3 Transfers during the year

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

25 UNIT HOLDING PATTERN OF THE FUND

----- As at June 30, 2025 -----				
Category	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment (%)
Individuals	745	135,788,804	13,884,331	55.81%
Associated companies and directors	4	47,047,246	4,810,581	19.34%
Insurance companies	4	6,187,296	632,651	2.54%
Banks and DFIs	1	40,951	4,187	0.02%
Retirement funds	16	4,516,288	461,790	1.86%
Others	37	49,726,037	5,084,487	20.44%
	807	243,306,622	24,878,027	100.01%

----- As at June 30, 2024 -----				
Category	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment (%)
Individuals	1,524	23,674,221	2,408,615	35.21%
Associated companies and directors	4	3,878,484	394,597	5.77%
Insurance companies	8	5,923,614	602,668	8.81%
Banks and DFIs	5	35,657	3,628	0.05%
Retirement funds	37	1,398,437	142,277	2.09%
Others	89	32,323,797	3,288,623	48.08%
	1,667	67,234,210	6,840,408	100.01%

26 LIST OF TOP 10 BROKERS BY PERCENTAGE OF COMMISSION PAID

----- 2025 -----		----- 2024 -----	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Invest One Markets (Pvt) Ltd.	27.92%	Intermarket Securities Ltd.	44.07%
C&M Management (Pvt) Ltd.	19.45%	Pearl Securities Ltd.	17.80%
Continental Exchange (Pvt) Ltd.	18.95%	Vector Securities (Pvt) Ltd.	14.46%
AKD Securities Ltd.	7.46%	Topline Securities (Pvt) Ltd.	13.00%
ICON Capital (Pvt) Ltd.	6.45%	MRA Securities (Pvt) Ltd.	9.65%
Arif Habib Ltd.	4.76%	Abaali Securities Ltd.	0.96%
JS Global Capital Ltd.	3.52%	Munir Khanani Securities Ltd.	0.00%
BMA Capital Management Ltd.	2.75%	Reliance Securities (Pvt) Ltd.	0.00%
Optimus Capital Management (Pvt) Ltd.	1.61%	Asda Securities (Pvt) Ltd.	0.00%

27 DETAILS OF MEMBERS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

S. No.	Name of Director	Designation	Qualification	Experience in years
1	Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24
2	Mr. Zahid Hussain Vaswani	Chief Operating Officer & Company Secretary	CA- Affiliate	25
3	Mr. Fawad Javaid	Head of Fixed Income	ICMAP	14.5
4	Mr. Ahmed Abbas	Fund Manager	MBA	18
5	Mr. Faran Ul Haq	Head of Equity	CFA	14.5
6	Mr. Hamza Abdul Rehman Siddiqui	Fund Manager - Equity	Msc (Hons)	7
7	Mr. Umar Bin Hassan	Senior Reserch Analyst	MS ECO, FMVA	7

27.1	Name of Director	Designation	Qualification	Other funds managed by the Fund Manager
	Mr. Ahmed Abbas	Fund Manager	MBA	AL Habib Cash Fund, AL Islamic Cash Fund, AL Habib Income Fund, AL Habib Islamic Savings Funds, AL Habib Islamic Income Fund, AL Habib Fixed Return Fund & AL Habib Islamic Munafa Fund.

28 MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 103rd, 104th, 105th, and 106th meetings of the Board of Directors were held on August 01, 2024, October 17, 2024, January 23, 2025, and April 25, 2025 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

Name of Director	Designation	Meeting attended	Meetings Held on			
			August 01, 2024	October 17, 2024	January 23, 2025	April 25, 2025
Mr. Abbas D.Habib	Chairman	4	Yes	Yes	Yes	Yes
Mr. Mansoor Ali Khan	Director	4	Yes	Yes	Yes	Yes
Mr. Saeed Allawala	Director	4	Yes	Yes	Yes	Yes
Ms. Zarine Aziz	Director	1	No	No	No	Yes
Mr. Imran Azim	Director	2	No	Yes	Yes	No
Mr. Kashif Rafi	Chief Executive	4	Yes	Yes	Yes	Yes

29 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at June 30, 2025 is 1.68% (June 30, 2024: 1.80%) which included 0.28% (June 30, 2024: 0.26%) representing Government levies on the Fund such as provision for sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.50% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an "Income scheme".

30 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, whenever necessary to facilitate comparison and to conform with changes in presentation in the current year. No material rearrangements or reclassifications have been made in these financial statements during the current year.

31 GENERAL

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

32 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on August 25, 2025 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective

The investment objective of the AHIF and Allocation Plan(s) is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium- and short-term debt instruments while taking into account liquidity considerations.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHIF maintained strategy to get exposure in broadly diversified portfolio of high quality fixed and floating rate instruments with focus to maintain high liquidity in the fund while taking minimum risk.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 165 bps as it posted YTD return of 15.43% as against the benchmark of 13.77%.

Fund Description

Fund Type & Category	Open Ended - Income Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	June 2, 2007	Management Fee	Up to 10% of the gross earnings of the Scheme
Benchmark	75% six (6) months KIBOR + 25% six (6) months average of the highest rates on savings account of three (3) AA rated Commercial Banks as selected by MUFAP	Sales Load	3.00% (Management has the discretion to reduce or waive load on any transaction)
Annual Return	15.43%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	13.77%	Dealing Days/ Timings	Monday to Thursday 4:00 pm Friday 9:30 am to 4:30 pm
Net Assets	Rs. 24.878 billion (June 30, 2025)	Fund Stability Rating	"AA (f)" by PACRA (April 22, 2025)
NAV per unit	Rs. 102.2498 (June 30, 2025)	AMC Rating	"AM1" by PACRA (December 12, 2024)
Pricing Mechanism	Forward Pricing	Trustee	Central Depository Company of Pakistan Limited.
Risk Profile	Medium (Principal at medium risk)		

Economic Review:

The main highlights of the outgoing fiscal year were lower than expected inflation, surplus current account balance, IMF's extended financing facility worth USD 7 Billion, narrowing fiscal deficit and record remittances.

CPI witnessed an extensive improvement, increasing only by 4.7%YoY against the forecast of 7%-8%, compared to 26%YoY in FY24. The main contributors were high base effect, lower food prices and decrease in energy charges. Also, the government's keeping the USD/PKR parity in the check played a vital role.

The current account balance stood at USD2.1 billion on the back of shrinking trade gap and higher remittances which reached a record high of USD 38 Billion. Such phenomenon also resulted in higher foreign exchange reserve held by the Central bank at USD14.51 Billion compared to USD9.39 billion in FY'24.

AL HABIB INCOME FUND

The outgoing year was not without challenges whereby country's GDP recorded an increase of 2.68% against the target of 3.56%. Agricultural sector, the backbone of country's GDP, grew only by 0.56%YoY due to crop failures amid water shortages. Large Scale manufacturing, witnessed a growth of 4.8%YoY, merely covering up for the negative LSM growth in FY'24.

Low inflation, exchange rate stabilization and adequate foreign exchange flows provided room for the SBP to reduce its Policy rate by 1,100bps, from 22% to 11%. Such drastic cut in interest rates was welcomed by the cross section of the market participants. Market is hoping for further cuts in Policy rates amid high real interest rates and satisfactory foreign exchange flows.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	34.51%	5.27%
T-Bills	44.40%	37.23%
PIBs	19.69%	53.30%
Sukuk	0.00%	0.36%
TFC	0.20%	0.84%
GoP Ijarah Sukuk	0.23%	0.77%
Others	0.97%	2.02%

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	359
1001-5000	52
5001-10000	35
10001-50000	113
50001-100000	40
100001-500000	116
500001-1000000	47
1000001-5000000	38
5000001-10000000	3
10000001-100000000	4
Grand Total	807

Income Distribution

AHIF made a total distribution of Rs. 15.106 per unit during FY25 in the form of dividend, the details of which is as follows;

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun 14, 2025	116.8426	101.7366	15.106

During the period under question:

There has been no significant change in the state of affairs of the Fund. AL Habib Income Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 108,701,757 units valued Rs. 11.777 billion were sold, while 126,839,115 units valued Rs. 13.844 billion were redeemed resulting in to a net redemption of 18,137,358 units valued Rs. 2.067 billion during the year.

Unit Holder Pattern

For the breakdown of unit holding by size as on June 30, 2025, please refer to note 25 of the Annual Accounts 2025.

AHIF Performance at a Glance

	2025	2024
Net Assets as at June 30 (Rs. in billion)	24.878	6.840
NAV per unit as at June 30 (Rs.)	102.2498	101.7366
Distribution during the year ended June 30 (Rs.)	15.106	21.3177
Annual Return	15.43%	22.71%

AL HABIB ASSET ALLOCATION FUND
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Block 9,
Kehkashan, Clifton, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Karachi, Karachi City, Sindh 74200

Trustee

Central Depository Company of Pakistan Limited
Quality
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Rating

AM1 Management Company
Rating Assigned by PACRA.

Bankers to the Fund

JS Bank Limited
MCB Bank Limited
Bank Al Habib Limited
Dubai Islamic Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**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

AL HABIB ASSET ALLOCATION FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Asset Allocation Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Abdul Samad
Chief Operating Officer
Central Depository Company of Pakistan Limited

Karachi, September 24, 2025





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Pakistan

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE UNIT HOLDERS' OF AL HABIB ASSET ALLOCATION FUND

Opinion

We have audited the financial statements of AL Habib Asset Allocation Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2025, 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 give a true and fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current 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.	Existence and valuation of investments As disclosed in note 6 to the financial statements of the Fund for the year June 30, 2025, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs. 123.253 million representing 40.53% of the net assets value of the Fund. As these investments represent a significant element of the statement of assets and liabilities, any discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated.	Our audit procedures included the following: - We obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2025 and traced it with books and records of the Fund; - We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices the Mutual Fund Association of Pakistan (MUFAP) as at June 30, 2025 and matching the valuation of investment with that appearing in the financial statements.



S.No	Key Audit Matter	How the matter was addressed in our audit
	In view of the significance of the above-mentioned balances in relation to the Fund's total assets and NAV, we considered the existence and valuation of investments as a key audit matter.	- We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance. - Evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment, ensuring compliance with the NBFC Regulations and the relevant accounting requirements.

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 the Management and Board of Directors 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 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.

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:

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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.



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

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

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

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. 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, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking 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: 29 SEP 2025

UDIN: AR202510166psFlqYUfB

BDO Ebrahim & Co.
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

		2025	2024
	Note	----- Rupees in '000 -----	-----
ASSETS			
Balances with banks	5	36,652	23,088
Investments	6	124,156	83,303
Profit and dividend receivable	7	188	652
Receivable against sale of investment		4,362	-
Receivable against issuance of units		150,100	-
Advances and deposits	8	6,151	2,312
TOTAL ASSETS		321,609	109,355
LIABILITIES			
Payable to AL Habib Asset Management Limited - Management Company	9	613	712
Payable to Central Depository Company of Pakistan Limited- Trustee	10	32	42
Payable to Securities and Exchange Commission of Pakistan	11	13	18
Payable against redemption of units		553	-
Accrued expenses and other liabilities	12	16,281	6,942
TOTAL LIABILITIES		17,492	7,714
NET ASSETS		<u>304,117</u>	<u>101,641</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>304,117</u>	<u>101,641</u>
CONTINGENCIES AND COMMITMENTS	13	-	-
		(Number of Units)	
Number of units in issue	14	<u>3,033,067</u>	<u>1,022,979</u>
		(Rupees)	
Net asset value per unit		<u>100.27</u>	<u>99.36</u>

The annexed notes 1 to 31 form an integral part of these financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
Note	---- (Rupees in '000) ----	
INCOME		
Profit on bank deposits	15 6,300	4,551
Profit on investments	-	128
Dividend income	23,217	10,370
Realised gain / (loss) on sale of investments - net	86,268	33,972
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial at 'fair value through profit or loss' - net	25,504	25,543
	141,289	74,564
EXPENSES		
Remuneration of AL Habib Asset Management Limited - Management Company	4,568	2,319
Sindh Sales Tax on management fee	684	301
Remuneration of Central Depository Company of Pakistan Limited - Trustee	457	225
Sindh Sales Tax on trustee remuneration of Trustee	68	28
Fee to Securities and Exchange Commission of Pakistan	217	111
Registrar staff cost	-	540
Brokerage expense	1,905	605
Settlement and bank charges	396	423
Annual listing fee	25	25
Auditors' remuneration	16 337	304
Printing charges	44	40
	8,701	4,921
Net income for the year before taxation	132,588	69,643
Taxation	17 -	-
Net income for the year after taxation	132,588	69,643
Allocation of net income for the year:		
Net income for the year after taxation	132,588	69,643
Income already paid on units redeemed	(109,214)	(27,676)
	23,374	41,967
Accounting income available for distribution:		
- Relating to capital gains	111,772	59,515
- Excluding capital loss	(88,398)	(17,548)
	23,374	41,967

The annexed notes 1 to 31 form an integral part of these financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	----- (Rupees in '000) -----	
Net income for the year after taxation	132,588	69,643
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>132,588</u>	<u>69,643</u>

The annexed notes 1 to 31 form an integral part of these financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	2025			2024		
	Capital Value	Undistributed Losses	Net Asset	Capital Value	Undistributed Losses	Net Asset
	(Rupees in '000)					
Net assets at the beginning of the year	108,837	(7,196)	101,641	115,800	(9,762)	106,038
Issuance of 11,870,245 units (2024: 563,496 units)						
- Capital value	1,179,428	-	1,179,428	53,718	-	53,718
- Element of income	234,209	-	234,209	9,591	-	9,591
Total proceeds on issuance of units	1,413,637	-	1,413,637	63,309	-	63,309
Redemption of 9,860,157 Units (2024: 652,897 units)						
- Capital value	(979,705)	-	(979,705)	(62,241)	-	(62,241)
- Element of loss	(186,433)	(109,214)	(295,647)	(8,031)	(27,676)	(35,707)
Total payments on redemption of units	(1,166,138)	(109,214)	(1,275,352)	(70,272)	(27,676)	(97,948)
Total comprehensive income for the year	-	132,588	132,588	-	69,643	69,643
Distribution during the year	(45,568)	(22,829)	(68,397)	-	(39,401)	(39,401)
Net income / (loss) for the year less distribution	(45,568)	109,759	64,191	-	30,242	30,242
Net assets at end of the year	310,768	(6,651)	304,117	108,837	(7,196)	101,641
Undistributed loss brought forward						
- Realised loss		(32,739)			(8,427)	
- Unrealised loss		25,543			(1,335)	
		<u>(7,196)</u>			<u>(9,762)</u>	
Accounting income available for distribution						
- Relating to capital gains		111,772			59,515	
- Excluding capital gains		(88,398)			(17,548)	
		<u>23,374</u>			<u>41,967</u>	
Distribution during the year @ Rs 67.8608 per unit declared on June 28, 2025		(22,829)			(39,401)	
Undistributed loss carried forward		<u>(6,651)</u>			<u>(7,196)</u>	
Undistributed loss carried forward comprises of:						
- Realised loss		(32,155)			(32,739)	
- Unrealised gain		25,504			25,543	
		<u>(6,651)</u>			<u>(7,196)</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		<u>99.36</u>			<u>95.33</u>	
Net assets value per unit at end of the year		<u>100.27</u>			<u>99.36</u>	

The annexed notes 1 to 31 form an integral part of these financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the year before taxation	132,588	69,643
Adjustments		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or	(25,504)	(25,543)
	107,084	44,100
(Increase) / decrease in assets		
Investments	(15,349)	31,268
Profit and dividend receivable	464	(457)
Receivable against sale of investment	(4,362)	-
Receivable against issuance of investment	(150,100)	-
Advances and deposits	(3,839)	(23)
	(173,186)	30,788
Increase / (decrease) in liabilities		
Payable to AL Habib Asset Management Limited - Management Company	(99)	490
Payable to Central Depository Company of Pakistan Limited - Trustee	(10)	21
Payable to Securities and Exchange Commission of Pakistan	(5)	(2)
Payable against redemption of units	553	-
Accrued expenses and other liabilities	9,339	3,419
	9,778	3,928
Net cash (used in) / generated from operating activities	(56,324)	78,816
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(22,829)	(39,401)
Amount received on issuance of units	1,368,069	63,309
Amount paid on redemption of units	(1,275,352)	(97,948)
Net cash generated / (used in) from financing activities	69,888	(74,040)
Net increase in cash and cash equivalents	13,564	4,776
Cash and cash equivalents at beginning of the year	23,088	18,312
Cash and cash equivalents at the end of the year	36,652	23,088

The annexed notes 1 to 31 form an integral part of these financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Asset Allocation Fund (the Fund) was established under a Trust Deed executed between AL Habib Asset Management Limited (AHAML) as the Management Company and Central Depository Company of Pakistan Limited as Trustee. The Trust Deed was executed on August 06, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 26, 2017 under Rule 67 of the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non-Banking Finance Company under the NBFC Rules by SECP. The registered office of the Management Company is situated at 3rd floor, Mackinnons Building, I, I Chundrigar Road Karachi, Pakistan.
- 1.3** The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange (PSX). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.
- 1.4** The Fund has been formed to provide reasonable rate of return consistent with reasonable concern for safety of principal amount to the unit holders, along with facility to join or leave the fund at their convenience. The management team would seek to enhance returns through active portfolio management using efficiency tools. The Fund has been categorized as an Open-End Shairah Complaint (Islamic) Income Scheme as per criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Scheme (CIS).
- 1.5** The Fund is registered under the Sindh Trusts Act, 2020, after the promulgation of Provincial Trust Act.
- 1.6** The Title to the assets of the Fund is held in the name of Central Depository Company (CDC) of Pakistan Limited as a Trustee of the Fund.
- 1.7** The management company has assigned a rating of 'AM1' by Pakistan Credit rating agency PACRA dated December 12, 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Functional and presentation currency

These financial statement is presented in Pakistan rupee ('Rupees' or 'Rs.'), which is the Fund's functional and presentational currency.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost basis except for certain investments which are required to be measured at fair value.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, 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 the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 the revision and future year if the revision affects both current and future year.

Estimates and Judgments that have significant effect on the financial statements relates to classification and valuation and impairment of financial assets are as follows:

Classification and valuation of investment

For details please refer notes 4.2.2.1 and 6 to these financial statements.

Impairment of investment

For details please refer note 4.2.2.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025**

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting 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 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 IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 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 revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

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

4.2 Financial instruments

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

4.2.1 Financial assets

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

4.2.2 Initial recognition and measurement

Financial assets are recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs associated with these financial assets are charged to the income statement.

4.2.2.1 Classification

Equity Instruments

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

Debt Instruments

Amortized cost

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

- the asset is held within a business model whose objective is 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.

Fair value through profit or loss

Financial assets not classified as measured at amortised cost are measured at FVTPL. A financial asset at FVTPL is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition.

Subsequent, the financial measured at:

Debt investments at amortized cost

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

Debt investments at FVOCI

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

Debt investments at FVTPL

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

Equity investments at FVTPL

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

4.2.2.2 Impairment of financial assets

The Fund assesses on a forward-looking basis the expected credit losses (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 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.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012 dated October 24, 2012 in relation to impairment of debt securities.

4.2.2.3 Regular way contracts

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

4.2.2.4 Derecognition

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

4.2.2.5 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.

4.2.3 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the income statement.

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

The Fund intends to continue availing the tax exemption in future years by distributing at least ninety (90%) percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year. Accordingly, no tax liability or deferred tax has been recognised in these financial statements.

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

4.5 Proposed distributions

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

4.6 Issue and redemption of units

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

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 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.

4.7 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 year. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

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

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized using the effective interest method.
- Unrealised gains / (losses) arising on investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.

AL HABIB ASSET ALLOCATION FUND

4.10 Expenses

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

5	BALANCES WITH BANKS	Note	2025	2024
			----- Rupees in '000 -----	----- Rupees in '000 -----
	Saving accounts	5.1	36,652	23,088
			<u>36,652</u>	<u>23,088</u>

5.1 These carry profit rates ranging from 7.75% to 11.05% (2024: 19.50% to 21.50%) per annum.

5.2 It includes balance of Rs. 34.37 million (2024: Rs 16.657 million) with Bank AL Habib Limited, a related party carrying profit rate effective at year end is 9.25% (2024: 21.50%) per annum.

6	INVESTMENTS	Note	2025	2024
			----- Rupees in '000 -----	----- Rupees in '000 -----
	At fair value through profit or loss			
	Listed equity securities	6.1	124,156	83,303
			<u>124,156</u>	<u>83,303</u>

6.1 Listed equity securities

Name of the Investee	Note	As at July 01, 2024	Purchased during the year	Bonus / Right during the year	Sold during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealized appreciation / dimunation as at June 30, 2025	Percentage in relation to	
										Net Assets of the fund	Total market value of Investments
------(Number of shares)----- (Rupees in '000)----- % -----											
AUTOMOBILES ASSEMBLER											
Ghandhara Automobiles Limited		-	41,000	-	35,130	5,870	2,163	2,215	52	0.73%	1.78%
Sazgar Engineering Works Limited		10,500	10,700	-	21,200	-	-	-	-	-	-
		10,500	51,700	-	56,330	5,870	2,163	2,215	52		
AUTOMOBILE PARTS AND ACCESSORIES											
Baluchistan Wheels Limited		5,000	-	-	905	4,095	532	582	50	0.19%	0.47%
Exide Pakistan Limited		2,000	2,200	-	2,020	2,180	1,372	1,852	480	0.61%	1.49%
Treet Battery Limited		-	40,000	-	40,000	-	-	-	-	-	-
		7,000	42,200	-	42,925	6,275	1,904	2,434	530		
BANKS											
Askari Bank Limited		-	200,000	-	200,000	-	-	-	-	-	-
Bank Alfalah Limited		25,000	306,000	-	241,000	90,000	6,079	7,222	1,143	2.37%	5.82%
Bank of Punjab		-	1,025,000	-	1,025,000	-	-	-	-	-	-
Bank Islami Pakistan Limited		75,000	-	-	75,000	-	-	-	-	-	-
Faysal Bank Limited		-	150,000	-	150,000	-	-	-	-	-	-
Habib Bank Limited		16,000	74,500	-	90,500	-	-	-	-	-	-
Habib Metro Bank Limited		-	65,000	-	65,000	-	-	-	-	-	-
MCB Bank		12,000	12,000	-	24,000	-	-	-	-	-	-
Meezan Bank Limited	6.1.1	30,000	40,000	-	63,185	6,815	1,911	2,263	352	0.74%	1.82%
National Bank of Pakistan		-	162,000	-	132,000	30,000	2,414	3,261	847	1.07%	2.63%
United Bank Limited		30,000	160,040	-	139,326	50,714	9,805	13,995	4,190	4.60%	11.27%
		188,000	2,194,540	-	2,205,011	177,529	20,209	26,741	6,532		
INVESTMENT BANKS/COMPANIES/SECURITIES											
Engro Holdings Limited		-	71,708	-	46,008	25,700	4,561	4,692	131	1.54%	3.78%
		-	71,708	-	46,008	25,700	4,561	4,692	131		
FERTILIZER											
Engro Corporation Limited		10,000	55,500	-	65,500	-	-	-	-	-	-
Fatima Fertilizer Limited		-	268,000	-	268,000	-	-	-	-	-	-
Engro Fertilizer Limited	6.1.1	24,000	10,000	-	24,000	10,000	2,245	1,856	(389)	0.61%	1.49%
Fauji Fertilizer Bin Qasim Limited		50,000	401,568	-	451,568	-	-	-	-	-	-
Fauji Fertilizer Company Limited		11,000	142,649	-	134,339	19,310	5,297	7,577	2,280	2.49%	6.10%
		95,000	877,717	-	943,407	29,310	7,542	9,433	1,891		
CABLE AND ELECTRICAL GOODS											
Fast Cables Limited		-	130,000	-	130,000	-	-	-	-	-	-
		-	130,000	-	130,000	-	-	-	-		

AL HABIB ASSET ALLOCATION FUND

Name of the Investee	Note	As at July 01, 2024	Purchased during the year	Bonus / Right during the year	Sold during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealized appreciation / diminution as at June 30, 2025	Percentage in relation to	
										Net Assets of the fund	Total market value of Investments
			(Number of shares)			(Rupees in '000)			%		
CEMENT											
Attock Cement Pakistan Limited		16,000	-	-	16,000	-	-	-	-	-	-
Bestway Cement Limited		-	14,601	-	-	14,601	3,755	5,921	2,166	1.95%	4.77%
Cherat Cement Company Limited		10,000	14,500	-	19,500	5,000	866	1,452	586	0.48%	1.17%
D.G. Khan Cement Company Limited		-	30,000	-	13,000	17,000	2,065	2,815	750	0.93%	2.27%
Fauji Cement Company Ltd		50,000	385,000	-	393,620	41,380	1,045	1,848	803	0.61%	1.49%
Kohat Cement Company Limited		11,829	-	-	11,829	-	-	-	-	-	-
Lucky Cement		1,000	37,500	-	14,000	24,500	5,929	8,703	2,774	2.86%	7.01%
Maple Leaf Cement Company Limited		70,000	5,000	-	75,000	-	-	-	-	-	-
Pioneer Cement Limited		-	35,000	-	27,015	7,985	1,428	1,822	394	0.60%	1.47%
		158,829	521,601	-	569,964	110,466	15,088	22,561	7,473		
CHEMICAL											
Biafo Industries Limited		-	18,347	-	18,347	-	-	-	-	-	-
		-	18,347	-	18,347	-	-	-	-		
FOOD AND PERSONAL CARE PRODUCT											
The Organic Meat Company Limited		50,000	27,020	-	77,020	-	-	-	-	-	-
Barkat Frisian Agro Limited		-	181,247	-	181,247	-	-	-	-	-	-
National Foods Limited		-	15,000	-	3,035	11,965	3,015	3,915	900	1.29%	3.15%
		50,000	223,267	-	261,302	11,965	3,015	3,915	900		
LEATHER AND TANNERIES											
Service GlobalFootwear Limited		-	6,338	-	6,338	-	-	-	-	-	-
Service Industries Limited		-	1,000	-	1,000	-	-	-	-	-	-
		-	7,338	-	7,338	-	-	-	-		
MISCELLANEOUS											
Shifa International Hospitals Limited		-	7,500	-	1,800	5,700	2,565	2,708	143	0.89%	2.18%
Pakistan Hotels Developers Limited		-	17,000	-	17,000	-	-	-	-	-	-
Pakistan Aluminium Beverage Cans Limited		10,000	-	-	10,000	-	-	-	-	-	-
		10,000	24,500	-	28,800	5,700	2,565	2,708	143		
OIL AND GAS EXPLORATION COMPANIES											
Mari Energies Limited (formerly Mari Petroleum Company Limited)	6.1.2	1,500	9,000	14,400	22,020	2,880	1,463	1,805	342	0.59%	1.45%
Oil and Gas Development Company Limited	6.1.1	42,500	166,500	-	159,000	50,000	9,146	11,028	1,882	3.63%	8.88%
Pakistan Oilfield Limited	6.1.1	4,500	27,000	-	31,500	-	-	-	-	-	-
Pakistan Petroleum Limited	6.1.1	39,000	178,000	-	177,500	39,500	5,818	6,722	904	2.21%	5.41%
		87,500	380,500	14,400	390,020	92,380	16,427	19,555	3,128		
OIL AND GAS MKTG. COMPANIES											
Pakistan State Oil Company Limited		-	58,800	-	47,800	11,000	3,588	4,153	565	1.37%	3.34%
Sui Northern Gas Pipelines Limited		-	30,000	-	5,000	25,000	2,798	2,918	120	0.96%	2.35%
		-	88,800	-	52,800	36,000	6,386	7,071	685		
PAPER AND BOARDS											
Security Papers Limited		3,400	-	-	3,400	-	-	-	-	-	-
		3,400	-	-	3,400	-	-	-	-		
POWER GENERATION & DISTRIBUTION											
Hub Power Company Limited		40,000	165,000	-	182,500	22,500	3,233	3,101	(132)	1.02%	2.50%
Engro Powergen Qadirpur Limited		70,000	-	-	70,000	-	-	-	-	-	-
		110,000	165,000	-	252,500	22,500	3,233	3,101	(132)		
PHARMACEUTICAL											
Abbott Laboratories (Pakistan) Limited		-	2,200	-	800	1,400	1,470	1,361	(109)	0.45%	1.10%
BF Biosciences Limited		-	91,200	-	91,200	-	-	-	-	-	-
Citi Pharma Ltd		-	102,000	-	102,000	-	-	-	-	-	-
GlaxoSmithKline Pakistan Limited		-	47,000	-	29,246	17,754	4,690	6,937	2,247	2.28%	5.59%
Haleon Pakistan Limited		-	14,906	-	5,906	9,000	5,108	6,627	1,519	2.18%	5.34%
		-	257,306	-	229,152	28,154	11,268	14,925	3,657		
TECHNOLOGY AND COMMUNICATIONS											
Pakistan Telecommunication Company Ltd		-	545,000	-	485,000	60,000	1,391	1,526	135	0.50%	1.23%
		-	545,000	-	485,000	60,000	1,391	1,526	135		
TEXTILE COMPOSITE											
Nishat Chunian Limited		-	35,000	-	-	35,000	1,453	1,439	(14)	0.47%	1.16%
Nishat Mills Limited		-	77,008	-	77,008	-	-	-	-	-	-
		-	112,008	-	77,008	35,000	1,453	1,439	(14)		
GLASS AND CERAMICS											
Tariq Glass Industries Limited		-	12,500	-	5,173	7,327	1,448	1,840	392	0.61%	1.48%
		-	12,500	-	5,173	7,327	1,448	1,840	392		
Total as at June 30, 2025		-	5,724,032	-	5,804,485	654,176	98,653	124,156	25,504		
Total as at June 30, 2024		-	-	-	-	-	57,760	83,303	25,543		

AL HABIB ASSET ALLOCATION FUND

- 6.1.1** Following shares were pledged with National Clearing Company Pakistan Limited (NCCPL) as collateral against exposure margin and mark to market losses:

	June 30, 2025	June 30, 2024
	(Number of shares)	
Pakistan Petroleum Limited	10,000	-
Oil and Gas Development Company Limited	50,000	-
Engro Fertilizer Limited	-	5,000
Pakistan Oilfield Limited	-	1,000
Meezan Bank Limited	-	24,000
	<u>60,000</u>	<u>30,000</u>

- 6.1.2** During the tax year 2023, section 236Z of the Income Tax Ordinance, 2001 introduced for levy a withholding tax at the rate of 10% of amount of bonus shares declared by company. During the period, the Fund has received 14,400 bonus shares from Mari Petroleum Company Limited, against which 1,440 shares were withheld by the investee company as withholding tax under section 236Z of the income tax ordinance, 2001. The Management Company in consultation with other CISs, has formed a considered view that since the fund is a pass through entity and its income, upon distribution of 90% to unit holders, is not subject to tax. Therefore, the provision of Section 236Z - withholding tax is not applicable to the Fund as no tax incidence will eventually arise.

Further, a Petition having reference no. C.P. No. D-4747 of 2024 and C.P. No D-5461 of 2024 have been filed by the Central Depository Company of Pakistan Limited (CDC) as Trustee on behalf of CISs and management companies against the investee companies before the Honorable High court of Sindh (the Court) against implementation of Section 236Z on CISs and to seek exemption certificates from Income tax authorities. The Court has issued order and directed the investee companies to retain 10% of the bonus shares being issued to petitioners (i.e. investment management companies) and shall not pay any tax to Inland Revenue Department until further order received from the Court. In order to cater the fair value differences and resulting withholding tax amount as requested by the investee company, the Court has further directed to retain additional 10% shares. Accordingly, the CDC being the custodian of the shares has frozen additional 10% shares in the investment account held with them.

Based on Islamabad High Court order, Mari Energies Limited has disposed of the shares withheld and the proceeds has been deposited with government treasury except those entities which are in litigation with SHC. As a result, CDC released frozen additional 10% shares in the investment account held by CDC irrespective of litigation. However, SHC decision is still pending adjudication.

	2025	2024
	----- Rupees in '000 -----	
7 PROFIT AND DIVIDEND RECEIVABLE		
Profit receivable on bank deposit	188	264
Dividend receivable	-	388
	<u>188</u>	<u>652</u>

8 ADVANCES AND DEPOSITS

Deposits with		
National Clearing Company of Pakistan Limited	1,000	1,000
Central Depository Company of Pakistan Limited - Trustee	100	100
	1,100	1,100
Advance tax	8.1 4,664	1,211
Others	387	1
	<u>6,151</u>	<u>2,312</u>

- 8.1** The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule to the 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 12 May 2015 made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150, 150A and 151 of ITO 2001.

		2025	2024
		----- Rupees in '000 -----	
9 PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT	Note		
Management remuneration	9.1	278	369
Sindh sales tax	9.2	40	48
Allocation of expenses related to registrar services, accounting, operation and valuation services	9.3	295	295
		<u>613</u>	<u>712</u>

- 9.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed

expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund. The Management has charged its remuneration at rate ranging from 0% to 10% of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.

9.2 The Sindh Sales Tax has been charged at 15% on the Management Company's remuneration during the year (2024: 13%).

9.3 In accordance with Regulation 60(3)(s) of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme.

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2025 ----- Rupees in '000 -----	2024 ----- Rupees in '000 -----
Trustee remuneration	10.1	28	37
Sales tax payable on trustee remuneration	10.2	4	5
		<u>32</u>	<u>42</u>

10.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document based on the daily Net Asset Value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the Trustee fee has been revised effective from July 01, 2019, whereby the revised tariff is 0.075% of average daily net assets of the Fund.

10.2 Sindh Sales Tax has been charged at 15% on the Trustee's remuneration charged during the year (2024: 13%).

11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2025 ----- Rupees in '000 -----	2024 ----- Rupees in '000 -----
Annual fee payable	11.1	<u>13</u>	<u>18</u>

11.1 This represents annual fee payable to Securities and Exchange Commission of Pakistan at 0.095% (2024: 0.095%) of net assets in accordance with regulation 62 of the NBFC Regulations.

12 ACCRUED EXPENSES AND OTHER LIABILITIES	2025 ----- Rupees in '000 -----	2024 ----- Rupees in '000 -----
Auditors' remuneration	246	207
Settlement charges	337	144
Withholding tax	1,874	3,859
Brokerage	-	552
Dividend	13,582	-
Others	242	2,180
	<u>16,281</u>	<u>6,942</u>

13 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2025 (2024: Nil).

14. NUMBER OF UNITS IN ISSUE	2025 ---- Number of units ----	2024 ---- Number of units ----
Total units in issue at the beginning of the year	1,022,979	1,112,380
Add: Units issued during the year	11,870,245	563,496
Less: Units redeemed during the year	(9,860,157)	(652,897)
Total units in issue at the end of the year	<u>3,033,067</u>	<u>1,022,979</u>

15. PROFIT ON BANK DEPOSITS	2025 ----- Rupees in '000 -----	2024 ----- Rupees in '000 -----
Saving accounts	<u>6,300</u>	<u>4,551</u>

16 AUDITORS' REMUNERATION	2025	2024
Annual audit fee	236	209
Fee for half yearly review	101	95
Other certifications and out of pocket expenses	-	-
	<u>337</u>	<u>304</u>

17 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current year as the management intends to distribute in cash atleast 90 percent of the Fund's accounting income for the year ending June 30, 2025 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

18 EARNINGS PER UNIT

Earnings 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 earnings per unit is not practicable.

19 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2025		
	Fair value through profit or loss	Amortized cost	Total
----- Rupees in '000 -----			
Financial assets			
Balances with banks	-	36,652	36,652
Investments	124,156	-	124,156
Profit and dividend receivable	-	188	188
Advances and deposits	-	1,100	1,100
Receivable against issuance of units	-	150,100	150,100
Receivable against sale of units	-	4,362	4,362
	124,156	192,402	316,558
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	573	573
Payable to Central Depository Company of Pakistan Limited- Trustee	-	28	28
Payable to Securities and Exchange Commission of Pakistan	-	13	13
Payable against redemption of units	-	553	553
Accrued expenses and other liabilities	-	14,407	14,407
	-	15,574	15,574
----- Rupees in '000 -----			
Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortized cost	Total
----- Rupees in '000 -----			
Financial assets			
Balances with banks	-	23,088	23,088
Investments	83,303	-	83,303
Profit and dividend receivable	-	652	652
Advances and deposits	-	1,100	1,100
Receivable against issuance of units	-	-	-
Receivable against sale of units	-	-	-
	83,303	24,840	108,143
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	664	664
Payable to Central Depository Company of Pakistan Limited- Trustee	-	37	37
Payable to Securities and Exchange Commission of Pakistan	-	18	18
Payable against redemption of units	-	-	-
Accrued expenses and other liabilities	-	3,083	3,083
	-	3,802	3,802

20 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

20.1 Related party/ Connected persons include AL Habib 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 person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of Fund and the directors and officers of the Management Company and the Trustee and unit holders holding Ten percent or more units of the Fund.

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

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

20.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at the end of reporting year are as follows:

Connected persons / related parties include:

S.No	Company Name	Relationship
1	Al Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of Al Habib Management Company.
3	AL Habib Capital Market Company (Private) Ltd.	Subsidiary of Bank AL Habib Limited
4	AL Habib Currency Exchange Ltd	Subsidiary of Bank AL Habib Limited
5	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Cash Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
19	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
20	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Limited
21	Central Depository Company	Trustee

Connected persons includes directors and officers of the above entities as at June 30, 2025 and staff retirement benefit funds of the above companies.

	2025	2024
Details of transactions with connected persons are as follows:	----- (Rupees in '000) -----	
AL Habib Asset Management Limited - Management Company		
- Management Remuneration	4,568	2,319
- Sindh Sales Tax on Management Company's remuneration	684	301
- Expense Allocated	-	-
- Dividend Paid	-	13,712
AL Habib Capital Markets (Private) Limited- Brokerage House		
- Brokerage	326	8
Central Depository Company of Pakistan Limited - Trustee		
-Trustee Remuneration	457	225
- Sindh Sales Tax on Trustee Remuneration	68	28

AL HABIB ASSET ALLOCATION FUND

	2025	2024
	----- (Rupees in '000) -----	
Details of balances with connected persons at year end are as follows:		
Bank AL Habib Limited		
- Bank balance	34,369	16,657
- Dividend paid	13,582	-
AL Habib Asset Management Limited - Management Company		
- Management Company fee payable	613	712
Central Depository Company of Pakistan Limited - Trustee		
- Remuneration payable	32	42
- Security deposit - Non interest bearing	100	100

Sale / redemption of units during the year	2025		2024	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units sold to:				
Management Company				
AL Habib Asset Management Limited	4,274,688	520,229	368,114	40,980
Other related parties				
- Key executive of the Management Company	2,347	319	2,420	322
Connected party holding 10% or more of the units issue	4,274,688	520,229	724,130	72,571
Units redeemed by:				
Management Company				
AL Habib Asset Management Limited	2,627,025	336,563	623,518	80,106
Other related parties				
- Key executive of the Management Company	-	-	1,833	278
Connected party holding 10% or more of the units issue	2,627,025	336,563	623,518	80,106
Units held by:				
Management Company				
AL Habib Asset Management Limited	2,301,972	230,819	654,309	65,012
Parent Companies				
- Bank AL Habib Limited	200,149	20,069	200,149	19,887
Other related parties				
- Key executive of the Management Company	2,884	289	537	53
Connected party holding 10% or more of the units issue	2,301,972	230,819	1,010,325	101,386

21 FINANCIAL RISK MANAGEMENT

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

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

The Fund primarily invests in a portfolio of equity instruments and deposit current account balances. These activities expose the Fund to a variety of financial risks, such as market risk, credit risk and liquidity risk.

21.1 Market risk

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

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

Market risk comprises of three types of risk; currency risk, interest rate risk and other price risk. The fund is exposed to interest rate and provision only.

21.1.1 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) Sensitivity analysis of variable rate

The Fund is exposed to cash flow interest rate risk for balances in certain savings account, the interest rates on which range between 7.75% to 11.05% per annum.

In case of 100 basis points increase / (decrease) in interest rates on June 30, 2025 with all other variable held constant, the net income for the year and the net assets would have been higher / lower by Re. 0.400 million (2024: Re. 0.231 million).

b) Sensitivity analysis of fixed rate

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. Yield / Interest rate sensitivity position for financial instrument is as follows:

As at June 30, 2025						
Particulars	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	7.75 - 11.05	36,652	-	-	-	36,652
Investments		-	-	-	124,156	124,156
Profit and dividend receivable		-	-	-	188	188
Advances and deposits		-	-	-	1,100	1,100
Sub total		36,652	-	-	125,444	162,096
Financial liabilities						
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	573	573
Payable to Central Depository Company of Pakistan Limited- Trustee		-	-	-	28	28
Payable to Securities and Exchange Commission of Pakistan -		-	-	-	13	13
Accrued expenses and other liabilities		-	-	-	14,407	14,407
Sub total		-	-	-	15,021	15,021
On-balance sheet gap (a)		36,652	-	-	110,423	147,075
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		36,652	-	-	110,423	147,075
Cumulative interest rate sensitivity gap		36,652	-	-	-	-

AL HABIB ASSET ALLOCATION FUND

		----- As at June 30, 2024 -----				
Particulars	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
		%	----- Rupees in '000 -----			
On-balance sheet financial instruments						
Financial assets						
Bank balances	15.50% - 20.50%	23,088	-	-	-	23,088
Investments		-	-	-	83,303	83,303
Profit and dividend receivable		-	-	-	652	652
Advances and deposits		-	-	-	1,100	1,100
Sub total		23,088	-	-	85,055	108,143
Financial liabilities						
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	664	664
Payable to Central Depository Company of Pakistan Limited- Trustee		-	-	-	37	37
Payable to Securities and Exchange Commission of Pakistan -		-	-	-	18	18
Accrued expenses and other liabilities		-	-	-	3,083	3,083
Sub total		-	-	-	3,138	3,138
On-balance sheet gap (a)		23,088	-	-	81,917	105,005
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		23,088	-	-	81,917	105,005
Cumulative interest rate sensitivity gap		23,088	-	-	-	-

21.1.2 Price risk

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

The Fund is exposed to equity price risk because of investments held by the Fund in listed equity securities classified as financial assets at 'fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within eligible stocks. The Fund's constitutive document and NBFC Regulations also limit investment in individual equity securities to no more than 15% of net assets of the Fund, or issued capital of the investee company respectively.

In case of 5% increase / decrease in price of all shares held by Fund at the year end, net income for the year would increase / decrease by Rs 6.163 million (2024: Rs 4.165 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 a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to Bank balances. Bank balances are maintained with balance with a reasonably high credit rating. The risk of default is considered minimal due to inherent systematic measures taken therein.

21.2.1 The analysis below summarises the credit quality of the Fund's bank balances as at June 30, 2025 and June 30, 2024:

Bank	Balances held by the Fund as at June 30, 2025	Latest available published rating as at June 30, 2024	Rating agency
(Rupees in '000')			
Balances with banks by rating category			
JS Bank Limited	384	AA	PACRA
Dubai Islamic Bank Limited	116	AA	VIS
MCB Bank Limited	5,237	AAA	PACRA
Bank Al Habib Limited	34,179	AAA	PACRA
Bank Al Habib Limited	190	AAA	PACRA
	40,106		

Bank	Balances held by the Fund as at June 30, 2024	Latest available published rating as at June 30, 2023	Rating agency
Balances with banks by rating category			
	(Rupees in '000')		
JS Bank Limited	6,088	AA	PACRA
Dubai Islamic Bank Limited	107	A-1+	VIS
MCB Bank Limited	235	AAA	PACRA
Bank Al Habib Limited	16,089	AAA	PACRA
Bank Al Habib Limited	567	AAA	PACRA
	<u>23,086</u>		

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

Rating by rating category		2025 (Percentage)	2024 (Percentage)
A- to A+		0.00%	3.00%
AA	1.25%	1.25%	1.00%
AAA		98.75%	96.00%
		<u>100.00%</u>	<u>100.00%</u>

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, while the remaining transactions are entered into with diverse credit-worthy counterparties, thereby mitigating any significant concentration of credit risk to counterparties. At the reporting date the fund is not exposed to a concentration of credit risk.

21.3 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.

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 year at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Particulars	As at June 30, 2025			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				

Financial liabilities

Payable to AL Habib Asset Management Limited - Management Company	573	-	-	573
Payable to Central Depository Company of Pakistan Limited- Trustee	28	-	-	28
Payable to Securities and Exchange Commission of Pakistan	13	-	-	13
Accrued expenses and other liabilities	14,407	-	-	14,407
	<u>15,021</u>	<u>-</u>	<u>-</u>	<u>15,021</u>

AL HABIB ASSET ALLOCATION FUND

Particulars	As at June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----				
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	664	-	-	664
Payable to Central Depository Company of Pakistan Limited- Trustee	37	-	-	37
Payable to Securities and Exchange Commission of Pakistan	18	-	-	18
Accrued expenses and other liabilities	3,083	-	-	3,083
	3,802	-	-	3,802

22 UNITS HOLDERS' FUND RISK MANAGEMENT

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

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

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

23 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 i.e. listed equity shares 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:

- Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - 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 3 - Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

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

AL HABIB ASSET ALLOCATION FUND

Particulars	2025							
	Carrying amount			Fair value				
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
	Note	Rupees in '000'						
Financial assets measured at fair value								
Listed equity securities		124,156	-	124,156	124,156	-	-	124,156
Financial assets not measured at fair value								
Balances with banks		-	36,652	36,652				
Profit and dividend receivable		-	188	188				
Advances and deposits		-	1,100	1,100				
		-	37,940	37,940				
Financial liabilities not measured at fair value								
Payable to AL Habib Asset Management Limited - Management Company		-	573	573				
Payable to Central Depository Company of Pakistan Limited- Trustee		-	28	28				
Payable to Securities and Exchange Commission of Pakistan		-	13	13				
Accrued expenses and other liabilities		-	14,407	14,407				
		-	15,021	15,021				

Particulars	2024							
	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								
Listed equity securities		83,303	-	83,303	83,303	-	-	83,303
Financial assets not measured at fair value								
Balances with banks		-	23,088	23,088				
Profit and dividend receivable		-	652	652				
Advances and deposits		-	1,100	1,100				
		-	24,840	24,840				
Financial liabilities not measured at fair value								
Payable to AL Habib Asset Management Limited - Management Company		-	664	664				
Payable to Central Depository Company of Pakistan Limited- Trustee		-	37	37				
Payable to Securities and Exchange Commission of Pakistan		-	18	18				
Accrued expenses and other liabilities		-	3,083	3,083				
		-	3,802	3,802				

23.1 Valuation techniques

For level 1 investments at fair value through profit or loss - Investment in respect of equity securities, the Fund uses daily quotation rates which are taken from Pakistan Stock Exchange Limited at the reporting date.

23.2 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 yearly. Therefore, their carrying amounts are reasonable approximation of fair value.

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

24 PATTERN OF UNITHOLDING

Pattern of unit holding at June 30, 2025 is as follows:

Category	As at June 30, 2025			
	No. of unit holders	Number of units held	Investment amount	Percentage of total
Individuals	169	473530	47,481	15.61%
Associated Companies and Directors	2	2,502,121	250,888	82.50%
Retirement Funds	1	20,231	2,029	0.67%
Others	1	37,185	3,720	1.22%
	173	3,033,067	304,118	100%

AL HABIB ASSET ALLOCATION FUND

Category	----- As at June 30, 2024 -----			
	No. of unit holders	Number of units held	Investment amount	Percentage of total
Individuals	79	2,518	241,000	16.47%
Associated Companies and Directors	2	1,109,862	105,797,000	83.53%
	81	1,112,380	106,038,000	100%

25 BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

Broker name		2025 (Percentage)	2024
1	Next Capital Limited	4.10%	9.35%
2	Al-Habib Capital Market (Pvt) Limited	19.69%	21.84%
3	DJM Securities Limited	7.62%	7.54%
4	Habib Metropolitan Financial Services Limited	7.23%	3.14%
5	Arif Habib Limited	8.07%	11.29%
6	Optimus Market Private Limited	7.37%	11.10%
7	Topline Securities (Pvt) Limited	6.54%	10.23%
8	BMA Capital Management Limited	11.25%	8.55%
9	Ismail Iqbal Securities (Pvt) Limited	5.34%	3.76%
10	Taurus Securities Limited	0.00%	0.00%
11	JS Global Capital Limited	11.13%	4.83%
12	K Trade	11.24%	8.39%
		100%	100%

26 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 follow:

S. No.	Name of Director	Designation	Qualification	Experience in years
1	Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24
2	Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	25
3	Mr. Farhan UL Haq	Head of Equity	CFA	14.5
4	Mr. Hamza Abdur Rehman	Fund manager-Equity	Msc(Hons)	7
5	Mr. Ahmed Abbas	Fund Manager	MBA	18
6	Mr. Fawad Jawed	Head of Fixed Income	CMA	14.5
7	Mr. Umar Bin Hassan	Manager Risk & Research	MS ECO,FMVA	7

26.1 Mr. Ahmed Abbas is also Fund Manager of AL Habib Cash Fund, AL Islamic Cash Fund, AL Habib Income Fund, AL Habib Islamic Savings Funds, AL Habib Islamic Income Fund, AL Habib Fixed Return Fund & AL Habib Islamic Munafa Fund.

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

Four meetings of the Board of Directors were held on August 01, 2024 and October 17, 2024 , January 23, 2025, April 25, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below

S. No.	Name of Director	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Abbas D.Habib	4	4	-	-
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	103rd, 104th and 105th Meeting
5	Mr. Imran Azim	4	2	2	103rd and 106th Meeting
6	Mr. Kashif Rafi	4	4	-	-

28 TOTAL EXPENSE RATIO (TER)

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the year ended June 30, 2025 is 3.79% (June 30, 2024: 4.23%) which includes 0.53% (June 30, 2024: 0.44%) representing Government levy and SECP fee.

29 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.

30 GENERAL

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

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2025 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective:

The objective of AHAAF is to provide risk adjusted competitive returns to its investor by investing in multiple asset classes based on market outlook.

Fund Objective Achieved:

The fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHAAF maintained its strategy of reaping maximum benefits emanating from volatility experienced in both equity and debt markets. The selection criterion for equity securities is based upon hybrid investment approach with companies having sound financial history backed by strong fundamentals. The exposure in debt portion was also in line with the investment objectives with preference given to highly rated and liquid debt securities.

Performance of the fund with benchmark

The Fund outperformed its benchmark by 2187 bps as it posted YTD return of 69.40% as against the benchmark of 47.53%.

Fund Description

Fund Type & Category	Open Ended - Asset Allocation Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	November 08, 2017	Management Fee	2% per annum of average daily net assets.
Benchmark	Weighted average of daily return of KSE 100 Index, plus 75% six (6) months KIBOR + 25% six (6) months average of the highest rates on savings account of three (3) AA rated Commercial Banks, plus 90% three (3) months PKRV rates + 10% three (3) months average of highest rates of saving accounts of three (3) AA rated scheduled banks as selected by MUFAP, based on the actual allocation of the Fund.	Sales Load	2% front-end-load (Management has the discretion to reduce or waive load on any transaction)
Annual Return	69.40%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	47.53%	Dealing Days/ Timings	Monday to Thursday 9:00 am to 3:30 pm Friday 9:00 am to 4:30 pm
Net Assets	Rs. 304.12 million (June 30, 2024)	AMC Rating	"AM1" by PACRA
NAV per unit	Rs. 100.2669 per unit (June 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Risk Profile	High (Principal at High Risk)

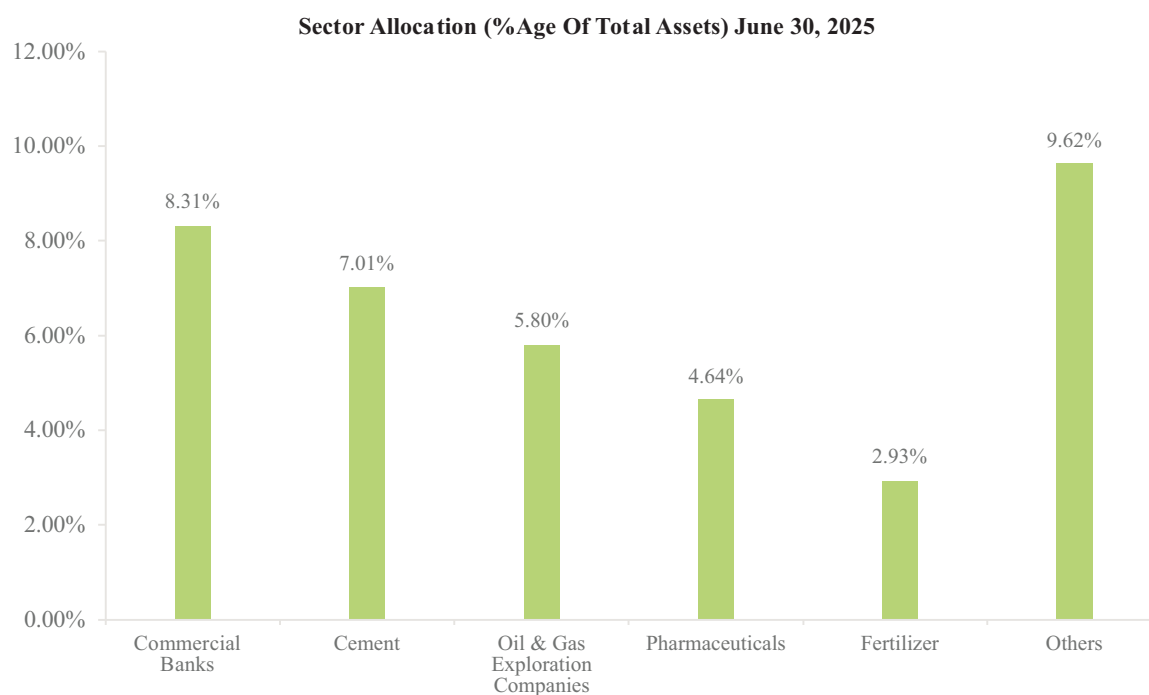
Market Review:

During FY25, Pakistan's economy extended its recovery momentum, recording GDP growth of 2.68% YoY against a target of 3.56%, as industry and services gained traction while agriculture lagged at just 0.56% amid water shortages. CPI rose by only 4.7% YoY versus 26% in FY24, supported by lower food and energy prices, high base effect, and stable PKR, enabling SBP to slash the policy rate from 22% to 11%. The current account posted a surplus of USD 2.1 billion, underpinned by record remittances of USD 38 billion and narrowing trade gap, which also lifted SBP reserves to USD 14.5 billion from USD 9.4 billion a year earlier. On

the equity front, the KSE-100 index surged by 58.6% in PKR terms, closing at 124,379 points. The rally was driven by falling interest rates, IMF program support, and robust trading activity. Looking ahead, with attractive valuations, low inflation, and expectations of sustained reforms, the equity market is well positioned for continued momentum in FY26.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

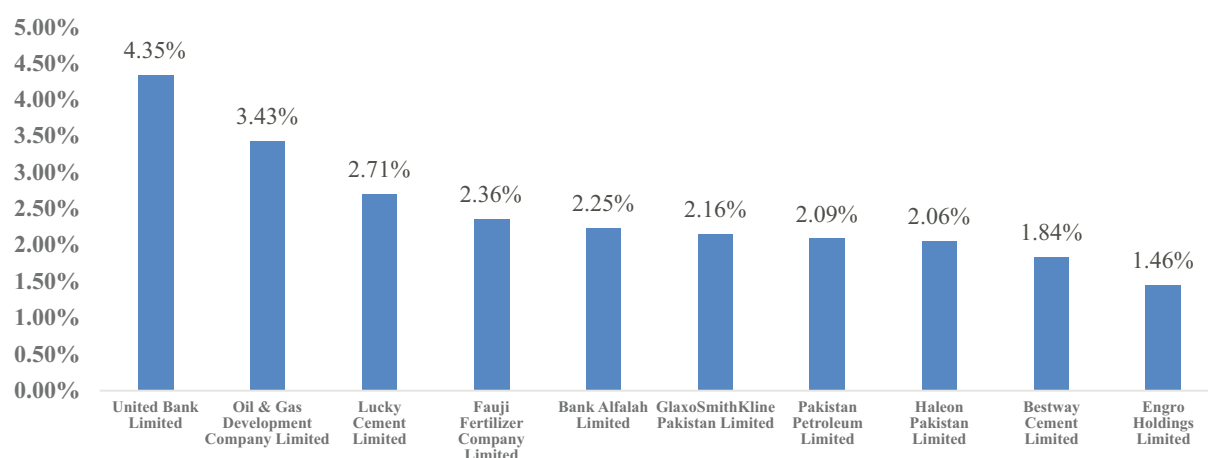
Particulars	30-Jun-25	30-Jun-24
Cash	12.47%	21.11%
Equity	38.32%	76.18%
Others	49.21%	2.71%

Asset Allocation of Fund (as a % of total assets)

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	135
1001-5000	22
5001-10000	4
10001-50000	8
50001-100000	1
100001-500000	2
1000001-5000000	1
Grand Total	173

AL HABIB ASSET ALLOCATION FUND

Top Ten holding (%age of Total Asset) June 30, 2025



Income Distribution

AHAAF made a total distribution of Rs.67.8608 per unit during FY25 in the form of dividend, the details of which is as follows;

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun-25	167.8608	100	67.8608

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Asset Allocation Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year ended June 30, 2025, 782,526 units valued Rs. 0.100 billion were sold while 221,209 units valued of Rs 0.025 billion were redeemed resulting in a net sale of 561,317 units valued Rs. 0.075 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2025, please refer to note 24 of the Annual Accounts 2025.

AHAAF Performance at a Glance

	2025	2024
Net Assets as at June 30 (Rs. in billion)	304.12	101.64
NAV per unit as at June 30 (Rs.)	100.2669	99.3584
Distribution during the year ended June 30 (Rs.)	67.8608	68.5108
Annual Return	69.40%	75.64%

AL HABIB STOCK FUND
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION**Management Company**

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.

Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200
Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S,
Main Shahra-e-Faisal, Karachi.

Bankers to the Fund

Bank AL Habib Limited
MCB Bank Limited
National Bank of Pakistan Limited
Dubai Islamic Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.

Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton,

Rating

AM1 Management Company Quality
Rating Assigned by PACRA.

**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

AL HABIB 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 AL Habib Stock Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Abdul Samad
Chief Operating Officer
Central Depository Company of Pakistan Limited

Karachi, September 24, 2025





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

**INDEPENDENT AUDITORS' REPORT ON THE AUDIT FINANCIAL STATEMENTS TO THE UNIT HOLDERS' OF
AL HABIB STOCK FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AL Habib Stock Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2025, 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 give a true & fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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



Following are the key audit matters:

S.NO	Key audit matter	How the matter was addressed in our audit
1.	Existence and valuation of investments As Disclosed in note 6 to the accompanying financial statements, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs. 4,980.64 million representing 100.72% of the net assets value of the Fund. As these investments represents a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments in the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	Our audit procedures included the following: - We obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2025 and traced it with books and records of the Fund; - We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement and re-performance of valuations as per valuation methodology specified in accounting policies; and - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

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 the Management and Board of Directors 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 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.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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



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

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

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. 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, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking 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: 29 SEP 2025

UDIN: AR202510166E6ft4Ls3i

BDO Ebrahim & Co.
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

	Note	2025 ----- (Rupees in '000) -----	2024
ASSETS			
Balances with banks	5	487,636	23,751
Investments	6	4,989,666	1,188,280
Dividend and profit receivable	7	6,602	3,855
Receivable against sale of units		13,899	333,645
Advances and deposits	8	1,318	3,693
TOTAL ASSETS		5,499,121	1,553,224
LIABILITIES			
Payable to AL Habib Asset Management Limited - Management Company	9	8,242	1,840
Provision for Federal Excise Duty on remuneration of the Management Company	10	2,043	2,043
Payable to Central Depository Company of Pakistan Limited - Trustee	11	919	173
Payable to Securities and Exchange Commission of Pakistan	12	328	111
Payable against purchase of investment		455,393	137,340
Payable against redemption of units		32,279	-
Accrued expenses and other liabilities	13	55,073	16,858
TOTAL LIABILITIES		554,277	158,365
NET ASSETS		<u>4,944,844</u>	<u>1,394,859</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>4,944,844</u>	<u>1,394,859</u>
CONTINGENCIES AND COMMITMENTS	14		
		----- (Number of units) -----	
Number of units in issue	15	<u>38,335,523</u>	<u>13,947,192</u>
		(Rupees)	
Net assets value per unit		<u>128.99</u>	<u>100.01</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 ----- (Rupees in '000) -----	2024
INCOME			
Profit on saving accounts with banks	16	21,795	9,508
Dividend income		241,473	32,527
Net gain on investments designated at fair value through profit or loss			
- Capital gain on sale of investments		935,814	95,161
- Unrealised appreciation on re-measurement of investments classified at 'fair value through profit or loss' - net		567,192	99,491
		1,503,006	194,652
Total income		1,766,274	236,687
EXPENSES			
Remuneration of AL Habib Asset Management Limited - Management Company		60,293	6,740
Sindh Sales Tax on Management Company's remuneration		9,035	876
Expenses allocated by the Management Company		-	140
Remuneration of Central Depository Company of Pakistan Limited - Trustee		4,008	667
Sindh Sales Tax on remuneration of the Trustee		601	87
Fee to the Securities and Exchange Commission of Pakistan		2,864	308
Brokerage expense		28,010	4,440
Settlement and bank charges		824	436
Annual listing fee		1	25
Auditors' remuneration	17	425	390
Printing charges		1	65
Total expenses		106,062	14,174
Net income for the year before taxation		1,660,212	222,513
Taxation	18	-	-
Net income for the year after taxation		1,660,212	222,513
Allocation of net income for the year after taxation			
Net income for the year after taxation		1,660,212	222,513
Income already paid on units redeemed		(982,104)	(136,408)
		678,108	86,105
Accounting income available for distribution:			
- Relating to capital gains		1,503,00	695,161
- Excluding capital loss		(824,898)	(9,056)
		678,108	86,105

The annexed notes 1 to 32 form an integral part of these financial statements.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	---- (Rupees in '000) ----	
Net income for the year after taxation	1,660,212	222,513
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>1,660,212</u>	<u>222,513</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	2025			2024		
	Capital Value	(Accumulated loss) / Undistributed Income	Total	Capital Value	(Accumulated loss) / Undistributed Income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the year	1,427,572	(32,713)	1,394,859	173,705	(61,111)	112,594
Issuance of 103,185,400 units (2024: 28,688,045 units)						
- Capital value	10,319,572	-	10,319,572	2,200,086	-	2,200,086
- Element of income	4,473,428	-	4,473,428	1,557,201	-	1,557,201
Total proceeds on issuance of units	14,793,000	-	14,793,000	3,757,287	-	3,757,287
Redemption of 78,797,069 units (2024: 16,209,039 units)						
- Capital value	(7,880,495)	-	(7,880,495)	(1,243,071)	-	(1,243,071)
- Element of loss	(2,607,901)	(982,104)	(3,590,005)	(903,335)	(136,408)	(1,039,743)
Total payments on redemption of units	(10,488,396)	(982,104)	(11,470,500)	(2,146,406)	(136,408)	(2,282,814)
Total comprehensive income for the year	-	1,660,212	1,660,212	-	222,513	222,513
Distribution during the year	(1,194,796)	(237,931)	(1,432,727)	(357,014)	(57,707)	(414,721)
Net assets at end of the year	4,537,380	407,464	4,944,844	1,427,572	(32,713)	1,394,859
Accumulated loss brought forward						
- Realised loss		(132,204)			(50,642)	
- Unrealised Income/(loss)		99,491			(10,469)	
		<u>(32,713)</u>			<u>(61,111)</u>	
Accounting income available for distribution						
- Relating to capital gain		1,503,006			95,161	
- Excluding capital (loss)		(824,898)			(9,056)	
		<u>678,108</u>			<u>86,105</u>	
Distribution for the year @ Rs. 52 per unit (2024: 55.329 per unit) declared on June 28, 2025		(237,931)			(57,707)	
Accumulated loss carried forward		<u>407,464</u>			<u>(32,713)</u>	
Accumulated loss carried forward comprises of:						
- Realised (loss)		(159,728)			(132,204)	
- Unrealised gain		567,192			99,491	
		<u>407,464</u>			<u>(32,713)</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		<u>100.01</u>			<u>76.69</u>	
Net assets value per unit at end of the year		<u>128.99</u>			<u>100.01</u>	

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	1,660,212	222,513
Adjustments for:		
Unrealised (appreciation) on re-measurement of investments classified at financial assets at 'fair value through profit or loss' - net	(567,192)	(99,491)
	1,093,020	123,022
(Increase) / decrease in assets		
Investments	(3,234,194)	(983,606)
Dividend and profit receivable	(2,747)	(3,769)
Receivable against sale of units	319,746	(333,645)
Receivable against sale of investment	-	5,452
Advances and deposits	2,375	(2,375)
	(2,914,820)	(1,317,943)
Increase/ (decrease) in liabilities		
Payable to AL Habib Asset Management Limited - Management Company	6,402	1,840
Payable to Central Depository Company of Pakistan Limited - Trustee	746	150
Payable to Securities and Exchange Commission of Pakistan	217	87
Payable against purchase of investment	318,053	137,340
Payable against redemption of units	32,279	-
Accrued expenses and other liabilities	38,215	16,109
	395,912	155,526
Net cash (used in) operating activities	(1,425,888)	(1,039,395)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	13,598,204	3,757,287
Payments made on redemption of units	(11,470,500)	(2,282,814)
Dividend paid during the year	(237,931)	(414,721)
Net cash generated from financing activities	1,889,773	1,059,752
Net increase in cash and cash equivalents during the year	463,885	20,357
Cash and cash equivalents at beginning of the year	23,751	3,394
Cash and cash equivalents at end of the year	5 487,636	23,751

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Stock Fund (the "Fund") was established under a Trust Deed between AL Habib Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed on August 21, 2008 and was approved by the Securities and Exchange Commission of Pakistan on August 11, 2008 under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the Management Company is situated at 3rd Floor, MacKinnon's Building, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3** The Fund has been categorized as an Open-End Equity Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes and is listed on Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder. Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a Trustee of the Fund.
- 1.4** The objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio invested primarily in diversified pool of listed equities and related instruments. The Fund will primarily focus on investment in undervalued shares listed on Stock Exchanges. From time to time the Fund may invest in money and debt markets, Continuous Funding System, ready future spread transactions, fixed income securities or low risk assets when it has a bearish view on stock market.
- 1.5** The trust deed is registered under the Sindh Act 2020, after the promulgation of Provincial Trust Act.
- 1.6** The Management Company has been assigned a rating of 'AM1' by Pakistan Credit Rating Agency (PACRA) dated December 12, 2024.
- 1.7** The title to the assets of the Fund are 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

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations 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 stated at fair value.

2.3 Functional and presentation currency

These financial statement is presented in Pakistan rupee ('Rupees' or 'Rs.'), which is the Fund's functional and presentational currency.

2.4 Use of judgements and estimates

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectation of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 the revision and future years if the revision affects both current and future years.

Estimates and judgments that have significant effect on the financial statements and relate to classification and valuation and impairment of financial assets are as follow:

2.4.1 Classification and valuation of financial assets

For details please refer notes 4.2.1.1 and 6 to these financial statements.

2.4.2 Impairment of financial assets

For details please refer notes 4.2.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025**

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Fund's operations or did not have significant impact on the financial statements other than certain additional disclosures

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting 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 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

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

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability January 01, 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

IFRS 17 Insurance Contracts January 01, 2027

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 revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 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).

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

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

4.2 Financial instruments

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

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss. The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.1.1 Classification

4.2.1.1.1 Equity Instruments

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

4.2.1.1.2 Debt Instruments

Amortized cost

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

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

Fair value through profit or loss

Financial assets not classified as measured at amortised cost are measured at FVTPL. A financial asset at FVTPL is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent, the financial asset measured at:

Debt investments at amortised cost

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

Debt investments at FVOCI

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

Debt investments at FVTPL

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

Equity investments at FVTPL

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

4.2.1.2 Regular way purchase and sale of financial asset

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.

4.2.1.3 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 Impairment of financial assets

The Fund assesses on a forward-looking basis the expected credit losses (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 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.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012 dated October 24, 2012 in relation to impairment of debt securities.

4.2.3 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the income statement.

4.2.4 Offsetting of financial assets and liabilities

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

4.3 Provisions

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

4.4 Taxation

The income of the Fund is exempt from income tax under clause 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 to the unit holders. 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) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.5 Proposed distributions

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

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. 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 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.

4.7 Net assets value per unit

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

4.8 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 year. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend (NAV) of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.9 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized using the effective interest method. Dividend income from equity securities is recognised when the right to receive the dividend is established.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.

4.10 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

AL HABIB STOCK FUND

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

4.11 Expenses

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

		2025	2024
	Note	----- Rupees in 000 -----	
5. BALANCES WITH BANKS			
Saving accounts	5.1 & 5.2	487,636	23,751
		<u>487,636</u>	<u>23,751</u>

5.1 These carries profit rates ranging from 10% to 11.05% (2024: 20.50% to 21.50%) per annum.

5.2 This includes a balance of Rs. 483.34 million (2024: Rs. 300.01 million) with Bank AL Habib Limited, a related party.

		2025	2024
	Note	----- Rupees in 000 -----	
6. INVESTMENTS			
Financial assets at fair value through profit or loss Listed equity securities	6.1	<u>4,989,666</u>	<u>1,188,280</u>

6.1 Equity securities

Name of the Investee Company	As at July 01, 2024	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (diminution) as at June 30, 2025	Market Value as a percentage of:		Face value of investments as a percentage of the paid up capital of the investee company
									Net Assets	Total Investment	
-----Number of shares----- ----- (Rupees in '000) ----- ----- % -----											
Unless stated otherwise, the holdings are in ordinary shares of Rs. 10 each.											
Commercial Banks											
Askari Bank Limited	-	3,363,500	-	2,108,500	1,255,000	46,570	61,872	15,302	1.25%	1.24%	0.18%
Bank Islami Pakistan Limited	1,080,000	306,629	-	1,386,629	-	-	-	-	-	-	0.00%
Bank Alfalah Limited	720,000	4,549,775	-	2,314,254	2,955,521	222,028	237,151	15,123	4.80%	4.75%	0.22%
Bank AL Habib Limited	23,000	-	-	23,000	-	-	-	-	-	-	0.00%
Bank of Pakistan	-	3,000,000	-	3,000,000	-	-	-	-	-	-	0.00%
Faysal Bank Limited	809,762	1,200,035	-	2,009,797	-	-	-	-	-	-	0.00%
Habib Bank Limited	300,000	690,000	-	990,000	-	-	-	-	-	-	0.00%
MCB Bank Limited	63,000	837,945	-	460,945	440,000	124,217	126,870	2,653	2.57%	2.54%	0.01%
Meezan Bank Limited	300,000	1,253,257	-	1,358,257	195,000	59,473	64,750	5,277	1.31%	1.30%	1.15%
National Bank of Pakistan	-	2,352,901	-	1,125,000	1,227,901	118,616	133,461	14,845	2.70%	2.67%	0.01%
Soneri Bank Limited	225,000	-	-	225,000	-	-	-	-	-	-	0.00%
United Bank Limited	340,000	2,879,579	-	1,509,797	1,709,782	397,084	471,814	74,730	9.54%	9.46%	0.01%
	3,860,762	20,433,621	-	16,511,179	7,783,204	967,988	1,095,918	127,930	22.17%	21.96%	
Oil & Gas Marketing Companies											
Sui Northern Gas Pipeline Limited	100,000	1,190,000	-	505,000	785,000	85,240	91,617	6,377	1.85%	1.84%	0.09%
Pakistan State Oil	-	762,742	-	377,742	385,000	130,154	145,349	15,195	2.94%	2.91%	0.22%
Attock Petroleum Limited	-	64,400	-	1,400	63,000	27,826	30,216	2,390	0.61%	0.61%	0.09%
	100,000	2,017,142	-	884,142	1,233,000	243,220	267,182	23,962	5.40%	5.36%	
Chemicals											
Biafo Industries Limited	-	160,930	-	20,930	140,000	16,625	24,587	7,962	0.50%	0.49%	7%
Ghani Chemical Industries Limited	-	200,000	-	200,000	-	-	-	-	-	-	0.00%
	-	360,930	-	220,930	140,000	16,625	24,587	7,962	0.50%	0.49%	
Fertilizers											
Engro Fertilizers Limited	153,000	1,418,654	-	1,221,654	350,000	65,455	64,957	(498)	1.31%	1.30%	0.01%
Engro Corporation Limited	196,500	200,000	-	396,500	-	-	-	-	-	-	0.00%
Fatima Fertilizer Company Limited	203,000	2,718,199	-	2,921,199	-	-	-	-	-	-	0.00%
Fauji Fertilizer Bin Qasim Limited	875,000	1,665,000	-	2,540,000	-	-	-	-	-	-	0.00%
Fauji Fertilizer Company Limited	160,000	2,143,064	-	1,378,064	925,000	324,671	362,979	38,308	7.34%	7.27%	0.11%
	1,587,500	8,144,917	-	8,457,417	1,275,000	390,126	427,936	37,810	8.65%	8.57%	

Name of the Investee Company	As at July 01, 2024	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (diminution) as at June 30, 2025	Market Value as a percentage of:		Face value of investments as a percentage of the paid up capital of the investee company
									Net Assets	Total Investment	

Number of shares

(Rupees in '000)

%

Unless stated otherwise, the holdings are in ordinary shares of Rs. 10 each.

Oil & Gas Exploration Companies

Mari Energies Limited	27,200	193,800	144,000	321,200	43,800	26,297	27,455	1,158	0.56%	0.55%	0.05%
Oil and Gas Development Company Limited	590,000	3,802,313	-	2,472,388	1,919,925	393,732	423,459	29,727	8.56%	8.49%	0.04%
Pakistan Oilfields Limited	75,000	521,528	-	471,528	125,000	70,438	73,771	3,333	1.49%	1.48%	0.05%
Pakistan Petroleum Limited	540,000	3,693,180	-	2,531,680	1,701,500	275,721	289,544	13,823	5.86%	5.80%	0.14%
	1,232,200	8,210,821	144,000	5,796,796	3,790,225	766,188	814,229	48,041	16.47%	16.32%	

Miscellaneous

Pakistan Aluminium Beverage Cans Limited	60,000	85,018	-	145,018	-	-	-	-	-	-	0.00%
Shifa International Hospitals Limited	-	145,319	-	100	145,219	67,299	68,998	1,699	1.40%	1.38%	3.00%
Pakistan Hotels Developers Limited	-	65,000	-	65,000	-	-	-	-	-	-	0.00%
	60,000	295,337	-	210,118	145,219	67,299	68,998	1,699	1.40%	1.38%	

Cement

Attock Cement Pakistan Limited	90,000	7,250	-	97,250	-	-	-	-	-	-	0.00%
Bestway Cement Limited	24,000	76,774	-	774	100,000	27,013	40,550	13,537	0.82%	0.81%	0.47%
Cherat Cement Pakistan Limited	77,000	271,762	-	93,762	255,000	74,375	74,027	(348)	1.50%	1.48%	0.27%
D.G. Khan Cement Company Limited	-	1,315,188	-	645,000	670,188	85,850	110,956	25,106	2.24%	2.22%	0.18%
Fauji Cement Co Limited	1,950,000	3,485,000	-	3,735,000	1,700,000	68,228	75,939	7,711	1.54%	1.52%	0.25%
Kohat Cement Company Limited	86,000	795	-	86,795	-	-	-	-	-	-	0.00%
Lucky Cement Limited	58,000	1,400,000	-	703,000	755,000	233,127	268,206	35,079	5.42%	5.38%	0.05%
Maple Leaf Cement Factory Limited	280,000	2,934,898	-	1,302,998	1,911,900	113,783	161,135	47,352	3.26%	3.23%	11%
Pioneer Cement Limited	208,000	390,512	-	228,512	370,000	74,799	84,408	9,609	1.71%	1.69%	3.88%
	2,773,000	9,882,179	-	6,893,091	5,762,088	677,175	815,221	138,046	16.49%	16.33%	

Automobiles Assemblers Parts & Accessories

Atlas Battery Limited	-	25,000	-	25,000	-	-	-	-	-	-	0.00%
Balochistan Wheels Limited	12,500	-	-	12,500	-	-	-	-	-	-	0.00%
Exide Pakistan Limited	27,000	40,000	-	6,915	60,085	44,846	51,058	6,212	1.03%	1.02%	11%
Ghandhara Automobiles Limited	-	510,000	-	350,000	160,000	61,978	60,379	(1,599)	1.22%	1.21%	0.28%
Ghandhara Industries Limited	-	117,500	-	60,500	57,000	28,378	37,075	8,697	0.75%	0.74%	9%
Panther Tyres Ltd.	-	40,000	-	40,000	-	-	-	-	-	-	0.00%
Sazgar Engineering Works Limited	101,000	242,000	-	343,000	-	-	-	-	-	-	0.00%
Treet Battery Limited	-	1,800,177	-	1,800,177	-	-	-	-	-	-	0.00%
	140,500	2,774,677	-	2,638,092	277,085	135,202	148,512	13,310	3.00%	2.97%	

Pharmaceutical

Abbott Lab (Pakistan) Limited	11,500	116,330	-	19,720	108,110	94,935	105,088	10,153	2.13%	2.11%	0.01%
BF Biosciences Limited	-	750,000	-	750,000	-	-	-	-	-	-	0.00%
AGP Limited	-	233,586	-	233,586	-	-	-	-	-	-	0.00%
Citi Pharma Ltd.	-	1,029,000	-	1,029,000	-	-	-	-	-	-	0.00%
GlaxoSmithKline Pakistan Limited	-	730,000	-	355,000	375,000	99,404	146,520	47,116	2.96%	2.94%	0.03%
Haleon Pakistan Limited	-	227,887	-	24,583	203,304	119,262	149,699	30,437	3.03%	3.00%	0.00%
Highnoon Laboratories Limited	9,000	40,498	-	48,970	528	511	522	11	0.01%	0.01%	0.05%
	20,500	3,127,301	-	2,460,859	686,942	314,112	401,829	87,717	8.13%	8.06%	

Power Generation and Distribution

The Hub Power Company Limited	650,000	1,918,521	-	1,468,521	1,100,000	148,936	151,591	2,655	3.07%	3.04%	0.01%
Kot Addu Power Company Limited	-	1,500,000	-	-	1,500,000	56,414	49,470	(6,944)	1.00%	0.99%	0.17%
Engro Powergen Qadirpur Limited	160,000	-	-	160,000	-	-	-	-	-	-	-
	810,000	3,418,521	-	1,628,521	2,600,000	205,350	201,061	(4,289)	4.07%	4.03%	

Technology & Communications

Pakistan Telecommunication Company Ltd	-	4,050,000	-	1,600,000	2,450,000	56,866	62,328	5,462	1.26%	1.25%	0.06%
	-	4,050,000	-	1,600,000	2,450,000	56,866	62,328	5,462	1.26%	1.25%	

AL HABIB STOCK FUND

Name of the Investee Company	As at July 01, 2024	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (diminution) as at June 30, 2025	Market Value as a percentage of:		Face value of investments as a percentage of the paid up capital of the investee company
									Net Assets	Total Investment	
	-----Number of shares-----				----- (Rupees in '000) -----				----- % -----		
Unless stated otherwise, the holdings are in ordinary shares of Rs. 10 each.											
Leather & Tanneries											
Service GlobalFootwear Limited	-	175,034	-	175,034	-	-	-	-	-	-	-
Service Industries Limited	-	9,985	-	9,985	-	-	-	-	-	-	-
	-	185,019	-	185,019	-	-	-	-	-	-	
Investment Banks/Companies/Securities											
AKD Securities Limited	-	554,347	-	554,347	-	-	-	-	-	-	-
Engro Holdings Limited	-	2,076,934	-	723,934	1,353,000	236,420	247,004	10,584	5.00%	4.95%	0.00%
	-	2,631,281	-	1,278,281	1,353,000	236,420	247,004	10,584	5.00%	4.95%	
Paper and Boards											
Security Papers Limited	20,000	3,000	-	23,000	-	-	-	-	-	-	-
	20,000	3,000	-	23,000	-	-	-	-	-	-	
Food and Personal Goods											
Barkat Frisian Agro Limited	-	1,067,484	-	1,067,484	-	-	-	-	-	-	-
National Foods Limited	-	510,000	-	138,400	371,600	94,443	121,599	27,156	2.46%	2.44%	43.71%
The Organic Meat Company Limited	150,000	-	-	150,000	-	-	-	-	-	-	-
	150,000	1,577,484	-	1,355,884	371,600	94,443	121,599	27,156	2.46%	2.44%	
Cable And Electrical Goods											
Fast Cables Limited	337,882	1,645,118	-	1,983,000	-	-	-	-	-	-	-
	337,882	1,645,118	-	1,983,000	-	-	-	-	-	-	
Glass and Ceramics											
Tariq Glass Industries Limited	-	218,488	-	-	218,488	44,722	54,878	10,156	1.11%	1.10%	21.85%
	-	218,488	-	-	218,488	44,722	54,878	10,156	1.11%	1.10%	
Textile Composite											
Interloop Limited	-	1,000,000	-	50,000	950,000	56,970	64,372	7,402	1.30%	1.29%	0.01%
Gul Ahmed Textile Mills Limited	-	760,410	-	110,410	650,000	15,856	17,856	2,000	0.36%	0.36%	17%
Nishat Chunian Limited	-	1,435,413	-	15,000	1,420,413	56,230	58,407	2,177	1.18%	1.17%	0.88%
Nishat Mills Limited	-	820,000	-	478,750	341,250	37,486	42,957	5,471	0.87%	0.86%	0.01%
	-	4,015,823	-	654,160	3,361,663	166,542	183,592	17,050	3.71%	3.68%	
Refinery											
Attock Refinery Limited	-	190,000	-	125,000	65,000	29,645	44,162	14,517	0.89%	0.89%	0.08%
	-	190,000	-	125,000	65,000	29,645	44,162	14,517	0.890%	0.890%	
Engineering											
International Industries Limited	-	40,000	-	-	40,000	6,998	7,080	82	0.14%	0.14%	0.03%
International Steels Limited	-	38,292	-	-	38,292	3,553	3,550	(3)	0.07%	0.07%	0.01%
	-	78,292	-	-	78,292	10,551	10,630	79	0.21%	0.21%	
Total as at June 30, 2025	11,092,344	73,259,951	144,000	52,905,489	31,590,806	4,422,474	4,989,666	567,192	100.92%	100.02%	
Total as at June 30, 2024	1,869,456	18,720,064	-	9,497,176	11,092,344	1,088,789	1,188,280	99,491			

6.1.1 Following shares were pledged with National Clearing Company Pakistan Limited (NCCPL) as collateral against exposure margin and mark to market losses:

	June 30, 2025	June 30, 2024
	(Number of Shares)	
Bank AL Habib Limited	-	23,000
Engro Corporation Limited	-	20,000
Mari Petroleum Limited	-	2,500
Meezan Bank Limited	-	89,000
Oil & Gas Development Company Limited	569,000	69,000
Pakistan Petroleum Limited	50,036	50,036
Sazgar Engineering Works Limited	-	10,000
	629,036	263,536

- 6.1.2** During the tax year 2023, section 236Z of the Income Tax Ordinance, 2001 introduced for levy a withholding tax at the rate of 10% of amount of bonus shares declared by company. During the period, the Fund has received 14,400 bonus shares from Mari Petroleum Company Limited, against which 1,440 shares were withheld by the investee company as withholding tax under section 236Z of the income tax ordinance, 2001. The Management Company in consultation with other CISs, has formed a considered view that since the fund is a pass through entity and its income, upon distribution of 90% to unit holders, is not subject to tax. Therefore, the provision of Section 236Z - withholding tax is not applicable to the Fund as no tax incidence will eventually arise.

Further, a Petition having reference no. C.P. No. D-4747 of 2024 and C.P. No D-5461 of 2024 have been filed by the Central Depository Company of Pakistan Limited (CDC) as Trustee on behalf of CISs and management companies against the investee companies before the Honorable High court of Sindh (the Court) against implementation of Section 236Z on CISs and to seek exemption certificates from Income tax authorities. The Court has issued order and directed the investee companies to retain 10% of the bonus shares being issued to petitioners (i.e. investment management companies) and shall not pay any tax to Inland Revenue Department until further order received from the Court. In order to cater the fair value differences and resulting withholding tax amount as requested by the investee company, the Court has further directed to retain additional 10% shares. Accordingly, the CDC being the custodian of the shares has frozen additional 10% shares in the investment account held with them.

Based on Islamabad High Court order, Mari Energies Limited has disposed of the shares withheld and the proceeds has been deposited with government treasury except those entities which are in litigation with SHC. As a result, CDC released frozen additional 10% shares in the investment account held by CDC irrespective of litigation. However, SHC decision is still pending adjudication.

		2025	2024
	Note	----- Rupees in 000 -----	
7. DIVIDEND AND PROFIT RECEIVABLE OF PAKISTAN LIMITED - TRUSTEE			
Dividend receivable		5,067	70
Profit receivable on saving accounts	7.1	1,535	3,785
		<u>6,602</u>	<u>3,855</u>

- 7.1** This represents an amount receivable from Bank Al Habib Limited (a related party) amounting to Rs. 1.535 million (2024: 3.785 million).

		2025	2024
	Note	----- Rupees in 000 -----	
8. ADVANCES AND DEPOSITS			
Advance tax	8.1	218	218
Advance against IPO		-	2,375
Security deposit with:			
National Clearing Company of Pakistan Limited		1,000	1,000
Central Depository Company of Pakistan Limited		100	100
		<u>1,100</u>	<u>1,100</u>
		<u>1,318</u>	<u>3,693</u>

- 8.1** The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 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, which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder.

		2025	2024
	Note	----- Rupees in 000 -----	
9. PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable to the Management Company	9.1	7,203	1,628
Sindh Sales Tax payable on Management Company's remuneration	9.2	1,039	212
		<u>8,242</u>	<u>1,840</u>

- 9.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated June 20, 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 2% of average annual net assets in case of Asset Allocation scheme. The Management Company has charged remuneration at the rate of 2%. The remuneration is paid to the Management Company on monthly basis in arrears.

- 9.2** The Sindh Sales Tax has been charged at 15% on the Management Company's remuneration during the period (2024: 13%).

10. PROVISION FOR FEDERAL EXCISE DUTY ON REMUNERATION OF THE MANAGEMENT COMPANY

As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan (MUFAP) with the Honorable Sindh High Court (SHC) on 04 September 2013.

While disposing the above petition through order dated 16 July 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from 01 July 2016. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan (SCP), which is pending for decision.

Furthermore, the Finance Act 2016 also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provincial sales tax. Therefore, in the current year, provision for FED has not been recorded.

However, since the appeal is pending in the Supreme Court of Pakistan, the Fund, as a matter of abundant caution, is carrying provision for FED for the years from June 13, 2013 to June 30, 2016 aggregating to Rs. 2.043 million. Had the provision not been made, NAV per unit of the Fund as at June 30, 2025 would have been higher by Rs. 0.05 (2024: Rs. 0.15) per unit.

		2025	2024
	Note	----- Rupees in 000 -----	
11. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee remuneration	11.1	799	153
Sales tax payable on trustee remuneration	11.2	120	20
		<u>919</u>	<u>173</u>

- 11.1** The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the trust deed based on the daily net asset value of the Fund. The remuneration of the Trustee has been calculated as per following applicable tariff :

Average net assets (Rs. In millions)	Tariff per annum
Upto Rs. 1,000	Rs 0.7 million or 0.2% per annum of net asset value whichever is higher.
Rs. 1,000 and above	Rs. 2 million plus 0.10% per annum of net assets on amount exceeding Rs. 1,000 million.

- 11.2** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% (2024: 13%) on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011.

		2025	2024
	Note	----- Rupees in 000 -----	
12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	12.1	<u>328</u>	<u>111</u>

- 12.1** This represents annual fee payable to Securities and Exchange Commission of Pakistan at 0.095% (2024: 0.095%) of net assets in accordance with regulation 62 of the NBFC Regulations.

		2025	2024
		----- Rupees in 000 -----	
13. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		330	392
Printing charges		137	150
Withholding tax payable		20,784	13,867
Brokerage payable		19,778	2,286
Dividend payable		7,021	84
Annual listing fee		25	25
Settlement charges		608	54
Others		6,390	-
		<u>55,073</u>	<u>16,858</u>

14. CONTINGENCIES AND COMMITMENTS
14.1 Contingencies

There are no contingencies and commitments as at June 30,2025. (June 30,2024:Nil)

	2025	2024
	----- Number of units -----	
15. NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the year	13,947,193	1,468,186
Add: Units issued during the year	103,185,400	28,688,045
Less: Units redeemed during the year	(78,797,070)	(16,209,039)
Total units in issue at the end of the year	38,335,523	13,947,193

	2025	2024
	----- Rupees in 000 -----	
16. PROFIT ON BANK DEPOSITS		
Saving accounts	16.1 21,795	9,508

16.1 This includes a balance of Rs. 21.72 million (2024: Rs. 9.49 million) with Bank AL Habib Limited, a related party, carrying profit rate of 9.25% (2024: 21.50%) per annum.

	2025	2024
	----- Rupees in 000 -----	
17 AUDITORS' REMUNERATION		
Annual audit fee	282	236
Fee for half yearly review	143	118
Other certifications	-	36
	425	390

18. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current year as the management intends to distribute in cash atleast 90 percent of the Fund's accounting income for the year ending June 30, 2025 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

19. EARNINGS PER UNIT

Earnings 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 earnings per unit is not practicable.

20. FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2025		
	Fair value through profit or loss	Amortized cost	Total
	----- Rupees in '000 -----		
Financial assets			
Bank balances	-	487,636	487,636
Investments	4,989,666	-	4,989,666
Dividend and profit receivable	-	6,602	6,602
Receivable against sale of units	-	13,899	13,899
Advances and deposits	-	1,318	1,318
	4,989,666	509,455	5,499,121
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company		8,242	8,242
Payable against purchase of investment		455,393	455,393
Payable against redemption of units		32,279	32,279
Payable to Central Depository Company of Pakistan Limited - Trustee		919	919
Payable to Securities and Exchange Commission of Pakistan		328	328
Accrued expenses and other liabilities		55,073	55,073
	-	552,234	552,234

AL HABIB STOCK FUND

Particulars	As at June 30, 2025		
	Fair value through profit or loss	Amortized cost	Total
----- Rupees in '000 -----			
Financial assets			
Bank balances	-	23,751	23,751
Investments	1,188,280	-	1,188,280
Dividend and profit receivable	-	3,855	3,855
Receivable against sale of investments - net	-	333,645	333,645
Advances and deposits	-	3,693	3,693
	<u>1,188,280</u>	<u>364,944</u>	<u>1,553,224</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	1,840	1,840
Payable to Central Depository Company of Pakistan Limited - Trustee	-	173	173
Payable to Securities and Exchange Commission of Pakistan	-	111	111
Accrued expenses and other liabilities	-	16,858	16,858
	<u>-</u>	<u>18,982</u>	<u>18,982</u>

21. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Currency Exchange Ltd	Subsidiary of Bank AL Habib Limited
5	AL Habib Cash Fund Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
18	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Limited
19	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
20	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
21	Central Depository Company	Trustee

Related parties include directors and officers of the above entities as at June 30, 2025 and staff retirement benefit funds of the above related parties.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with regulatory requirements and as agreed between the parties.

21.1 Details of the transactions with connected persons / related parties are as follows:

	2025	2024
	----- Rupees in '000 -----	
AL Habib Asset Management Limited		
Management Company's Remuneration	60,293	6,740
Sindh Sales Tax on Management Company's remuneration	9,035	876
Expenses allocated by the Management Company	-	140
AL Habib Capital Markets (Private) Limited		
Brokerage	4,921	778
Central Depository Company of Pakistan Limited		
Remuneration of Trustee	4,008	667
Sindh Sales Tax on Trustee's remuneration	601	87
Bank AL Habib Limited - Parent Company of AL Habib Asset Management Company		
Profit on bank balances	20,784	9,491
Dividend Income	5,200	5,533

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

Bank AL Habib Limited - Parent Company of AL Habib Asset Management Company		
Bank balance	483,345	300,012
Equity Securities	-	2,580
Bank Profit receivable	1,464	3,777
AL Habib Asset Management Limited		
Payable to Management Company (inclusive of Sindh Sales tax)	8,242	1,840
Federal excise duty on Management Fee payable	2,043	2,043
Central Depository Company of Pakistan Limited		
Remuneration payable (inclusive of Sindh Sales Tax)	919	173
Security deposit - non interest bearing	100	100
AL Habib Capital Markets (Private) Limited		
Brokerage payable	1,442	135

21.2 Sale / redemption of units during the year

	2025		2024	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units sold to:				
Management Company				
- AL Habib Asset Management Limited	4,683,417	657,102	986,730	139,871
Directors & Their Relatives of the Management Company				
- Directors of the Management Company	7	1,000	1	0.094
Key Management Executives	-	-	17,504	1,699
Unit sold to Connected Persons holding 10% or more of the unit in issue	10,865,736	1,479,576	-	-
Units redeemed by:				
Management Company				
- AL Habib Asset Management Limited	4,683,417	678,314	986,730	141,187
Directors & their relatives of the Management Company	80	13	44	5
Key Management Executives	-	-	17,276	1,943
Unit sold to Connected Persons holding 10% or more of the unit in issue	2,852,776	439,221	-	-

21.3 <u>Units held by:</u>	2025		2024	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Management Company				
- AL Habib Asset Management Limited	100,000	12,899	-	-
Directors & their relative of the Management Company				
- Mr. Imran Azim	26	3	11	1
Key Management Executives & their relatives of Directors	-	-	818	82
Connected party holding 10% or more of the units in issue):	8,012,960	1,033,592	3,807,996	380,838

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

The Fund primarily invests in a portfolio of equity instrument and deposit balance with banks. These activities are exposed to a variety of financial risks: market risks, credit risks and liquidity risks.

22.1. Market risk

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

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

Market risk comprises of three types of risk: currency risk, interest rate risk and price risk. The Fund is exposed to interest rate risk and price risk.

22.1.1 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) Sensitivity analysis of variable rate

The Fund is exposed to cash flow interest rate risk for balances in certain savings account, the interest rates on which range between 10.00% to 11.05% per annum.

In case of 100 basis points increase / (decrease) in interest rates on June 30, 2025 with all other variable held constant, the net income for the year and the net assets would have been higher / lower by Re. 4.876 million (2024: Re. 3.002 million).

b) Sensitivity analysis of fixed rate

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. Yield / Interest rate sensitivity position for financial instrument is as follows:

----- As at June 30, 2025 -----						
Particulars	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	10.00 - 11.05	487,636	-	-	-	487,636
Investments						
Listed equity securities		-	-	-	4,989,666	4,989,666
Dividend and profit receivable		-	-	-	6,602	6,602
Receivable against sale of units		-	-	-	13,899	13,899
Advances and deposits		-	-	-	1,100	1,100
Sub total		487,636	-	-	5,011,267	5,498,903
Financial liabilities						
Payable to the Management Company		-	-	-	8,242	8,242
Payable to the Trustee		-	-	-	919	919
Payable against purchase of investment		-	-	-	455,393	455,393
Payable against redemption of units		-	-	-	32,279	32,279
Provision for Federal Excise Duty		-	-	-	2,043	2,043
Payable to the SECP		-	-	-	328	328
Accrued expenses and other liabilities		-	-	-	34,289	34,289
Sub total		-	-	-	533,493	533,493
On-balance sheet gap (a)		487,636	-	-	4,477,774	4,965,410
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		487,636	-	-	4,477,774	4,965,410
Cumulative interest rate sensitivity gap		487,636	-	-		

		As at June 30, 2024				
Particulars	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	20.50 - 21.00	23,751	-	-	-	23,751
Investments						
Listed equity securities		-	-	-	1,188,280	1,188,280
Dividend and profit receivable		-	-	-	3,855	3,855
Receivable against sale of investments - net		-	-	-	333,645	333,645
Advances and deposits		-	-	-	3,475	3,475
Sub total		23,751	-	-	1,529,255	1,553,006
Financial liabilities						
Payable to the Management Company		-	-	-	1,840	1,840
Payable to the Trustee		-	-	-	173	173
Payable to the SECP		-	-	-	111	111
Accrued expenses and other liabilities		-	-	-	2,991	2,991
Sub total		-	-	-	5,115	5,115
On-balance sheet gap (a)		23,751	-	-	1,524,140	1,547,891
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		23,751	-	-	1,524,140	1,547,891
Cumulative interest rate sensitivity gap		23,751	-	-		

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 has exposure to equity price risk arising from its investments in equity securities. The Fund manages its price risk arising from investment in equity investment in the equity securities by diversifying its portfolio withing the eligible limoits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time. The Fund's equity investments and their fair values exposed to price risk as at the year end are concentrated in the sectors given in note 6.1.

The following table illustrates the sensitivity of the profit for the year and the unit holders' fund to an increase or decrease of 5% in the fair values of the Fund's equity securities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Fund's equity securities at each statement of assets and liabilities date, with all other variables held constant.

	2025	2024
	----- Rupees in 000 -----	
Investments	249,483	59,414
Income Statement	249,483	59,414

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 is primarily attributable bank balances and credit exposure arising as a result of profit receivable from banks and dividend receivable on equity securities.

22.2.1 The analysis below summarises the credit quality of the Fund's bank balances as at June 30, 2025 and June 30, 2024:

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			
Bank Al Habib Limited	495,345	AAA	PACRA
MCB Bank Limited	4,222	AAA	PACRA
Dubai Islamic Bank Limited	69	AA	VIS
	499,636		

Bank	Balances held by the Fund as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency
(Rupees in '000')			
Balances with banks by rating category			
Bank Al Habib Limited	300,012	AAA	PACRA
MCB Bank Limited	127	AAA	PACRA
Dubai Islamic Bank Limited	60	AA	VIS
	300,199		

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

	2025	2024
	(Percentage)	
Rating by rating category		
AAA	99.99	99.98
AA	0.01	0.02

Concentration of credit risk

Concentration of credit risk exists when change in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure, 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. The Fund is not exposed to a concentration of credit risk.

22.3 Liquidity risk

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

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

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

Particulars	As at June 30, 2025			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				
Financial liabilities				
Payable to Management Company	8,242	-	-	8,242
Provision for Federal Excise Duty	2,043	-	-	2,043
Payable to Trustee	919	-	-	919
Payable to Securities and Exchange Commission of Pakistan	328	-	-	328
Accrued expenses and other liabilities	55,073	-	-	55,073
	66,605	-	-	66,605

Particulars	As at June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				
Financial liabilities				
Provision for Federal Excise Duty	2,043	-	-	2,043
Payable to Management Company	1,840	-	-	1,840
Payable to Trustee	173	-	-	173
Payable to Securities and Exchange Commission of Pakistan	111	-	-	111
Accrued expenses and other liabilities	16,858	-	-	16,858
	21,025	-	-	21,025

23 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.

24 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 i.e. listed equity shares 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).

As at June 30, 2025 and June 30, 2024, the Fund held the following financial instruments measured at fair values:

Particulars	Note	Fair value			
		Level 1	Level 2	Level 3	Total
		Rupees in '000'			
Financial assets measured at fair value					
Listed equity securities	24.1	4,989,666	-	-	4,989,666

Particulars					
		Fair value			
		Level 1	Level 2	Level 3	Total
	Note	Rupees in '000'			
Financial assets measured at fair value					
Listed equity securities	24.1	1,188,280	-	-	1,188,280

24.1 Valuation techniques

For level 1 investments at fair value through profit or loss - Investment in respect of equity securities, the Fund uses daily quotation rates which are taken from Pakistan Stock Exchange Limited at the reporting date.

24.2 Transfers during the year

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

25 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of Broker	2025	2024
	(Percentage)	
AL Habib Capital Markets (Private) Limited	20.20%	19.81%
AKD Securities Limited	10.78%	19.69%
Optimus Capital Management (Pvt.) Limited	8.32%	12.69%
JS Global Capital Limited	12.87%	8.14%
Topline Securities (Pvt.) Limited	7.84%	7.51%
KTRade Securities Limited	5.62%	6.35%
DJM Securities Limited	6.34%	6.03%
BMA Capital (Pvt.) Limited	3.21%	5.90%
Arif Habib Limited	7.89%	5.47%
Ismail Iqbal Securities (Pvt.) Limited	2.11%	4.11%

26 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 follow:

S. No.	Name of Director	Designation	Qualification	Experience in years
1	Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24
2	Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA-Affiliate	25
3	Mr. Farhan Ul Haq	Head of Equity	CFA	14.5
4	Mr. Fawad Jawed	Head of Fixed Income	CMA	14.5
5	Mr. Ahmed Abbas	Fund Manager - Money Market	MBA	18
6	Mr. Hamza Abdur Rehman Siddiqui	Fund Manager - Equity	MSc (Hons)	7
7	Mr. Umar Bin Hassan	Manager Risk & Research	MS ECO , FMVA	7

26.1 Mr. Hamza Abdur Rehman Siddiqui is the Manager of the Fund as at year end. Other funds being managed by him are as follows:

- AL Habib Islamic Stock Fund
- AL Habib Asset Allocation Fund

27 PATTERN OF UNITHOLDING

Pattern of unit holding at June 30, 2025 is as follows:

Category	----- As at June 30, 2025 -----			
	No. of unit holders	Number of units held	Investment amount	Percentage of total
Associated Companies and Directors	2	146,712	18,924,148	0.38%
Retirement Funds	6	3,402,003	438,819,558	8.87%
Insurance companies	3	4,898,308	631,825,827	12.78%
Other Corporate	9	13,150,284	1,696,236,743	34.30%
Other	511	16,738,213	2,159,038,638	43.66%
	531	38,335,520	4,944,844,914	100%

Category	----- As at June 30, 2024 -----			
	No. of unit holders	Number of units held	Investment amount	Percentage of total
Associated Companies and Directors	4	100,000	10,001,000	0.72%
Retirement Funds	6	964,606	96,470,246	6.92%
Insurance companies	4	1,416,084	141,622,561	10.15%
Other Corporate	13	2,344,877	234,511,149	16.81%
Other	602	9,121,625	912,253,716	65.40%
	629	13,947,192	1,394,858,672	100%

AL HABIB STOCK FUND

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

Four meetings of the Board of Directors of the Management Company were held on August 1, 2024 and October 17, 2024, January 23, 2025, April 25, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S. No.	Name of Director	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Abbas D.Habib	4	4	-	-
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	103rd, 104th and 105th Meeting
5	Mr. Imran Azim	4	2	2	103rd and 106th Meeting
6	Mr. Kashif Rafi	4	4	-	-

29. TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the yearic financial statements of CIS/ the fund. TER of the Fund for the year ended June 30, 2025 is 3.53% (2024: 4.21%) which includes 0.55% (2024: 0.53%) representing Government levy and SECP fee. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

30. 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.

31. GENERAL

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

32. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 25, 2025** by the Board of Directors of the Management Company.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective:

The objective of AHSF is to provide investors with long term capital growth from an actively managed portfolio invested primarily in diversified pool of listed equities and other approved instruments.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

AHSF primarily invests in equity securities listed on Pakistan Stock Exchange. The selection criterion for these securities is based upon hybrid investment approach with companies having sound financial history backed by strong fundamentals. The residual funds are placed with Commercial Banks in order to maintain liquidity requirements of the fund.

Performance of the fund with benchmark

The Fund outperformed its benchmark by 1698 bps as it posted YTD return of 81.17% as against the benchmark of 64.20%.

Fund Description

Fund Type & Category	Open Ended - Equity Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	October 10, 2009	Management Fee	2% per annum of average daily net assets.
Benchmark	KSE - 30 Index (Total Return)	Sales Load	2% front-end-load (Management has the discretion to reduce or waive load on any transaction)
Annual Return	81.17%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	64.20%	Dealing Days/Timings	Monday to Thursday 9:00 am to 3:30 pm Friday 9:00 am to 4:30 pm
Net Assets	Rs. 4.94 billion (June 30, 2025)	AMC Rating	"AM1" by PACRA
NAV per unit	Rs. 128.9886 per unit (June 30, 2025)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Risk Profile	High (Principal at High Risk)

Market Review:

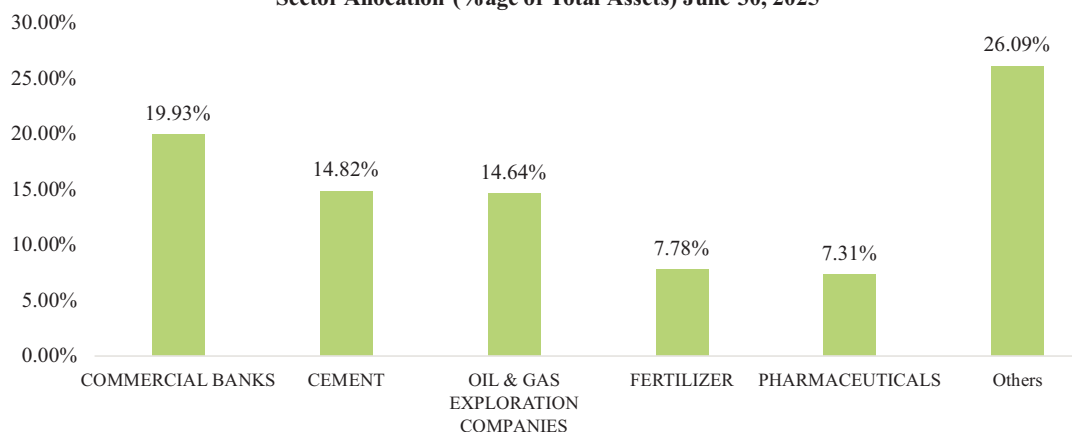
During FY25, Pakistan's economy extended its recovery momentum, recording GDP growth of 2.68% YoY against a target of 3.56%, as industry and services gained traction while agriculture lagged at just 0.56% amid water shortages. CPI rose by only 4.7% YoY versus 26% in FY24, supported by lower food and energy prices, high base effect, and stable PKR, enabling SBP to slash the policy rate from 22% to 11%. The current account posted a surplus of USD 2.1 billion, underpinned by record remittances of USD 38 billion and narrowing trade gap, which also lifted SBP reserves to USD 14.5 billion from USD 9.4 billion a year earlier. On the equity front, the KSE-100 index surged by 58.6% in PKR terms, closing at 124,379 points. The rally was driven by falling interest rates, IMF program support, and robust trading activity. Looking ahead, with attractive valuations, low inflation, and expectations of sustained reforms, the equity market is well positioned for continued momentum in FY26.

AL HABIB STOCK FUND

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	8.87%	16.40%
Equity	90.57%	64.91%
Others	0.56%	18.69%

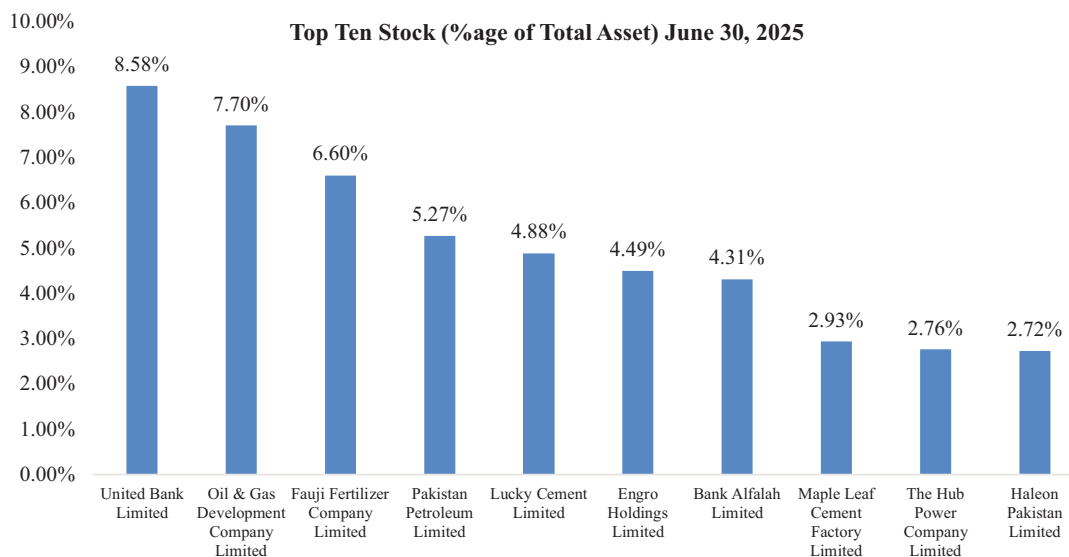
Sector Allocation (%age of Total Assets) June 30, 2025



Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	283
1001-5000	92
5001-10000	31
10001-50000	58
50001-100000	25
100001-500000	21
500001-1000000	13
1000001-5000000	7
5000001-10000000	1
Grand Total	531

Top Ten Stock (%age of Total Asset) June 30, 2025



Income Distribution

AHSF made a total distribution of Rs.52 during FY25 in the form of dividend, the details of which is as follows;

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun-25	180.487	128.4874	52

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Stock Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During FY25, 19,312,914 units of the value of Rs. 2.700 billion were sold, while 3,336,425 units of value of Rs. 0.474 billion were redeemed, resulting in to a net sale of 15,976,489 units valued Rs. 2.225 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2025, please refer to note 23 of the Annual Accounts 2025.

	2025	2024
Net Assets as at June 30 (Rs. in billion)	4.94	1.39
NAV per unit as at June 30 (Rs.)	128.9886	100.0101
Distribution during the year ended June 30 (Rs.)	52	55.329
Annual Return	81.17%	102.57%

AL HABIB ISLAMIC CASH FUND
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4, Block 9,
Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Rating

AA+(f) Fund Stability Rating, Rating by PACRA
AM1 Management Company Quality Rating
Assigned by PACRA.

Bankers to the Fund

Bank Islami Pakistan Limited
Bank Al Habib Limited
Meezan Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**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

AL HABIB ISLAMIC 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 AL Habib Islamic Cash Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2025



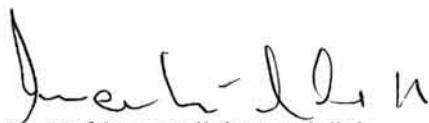
REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Advisor of the **AL Habib Islamic Cash Fund**, I am issuing this report. The scope of the report is to express an opinion on the Shariah compliance of the fund's activities.

It is the responsibility of the management of aforesaid fund to establish and maintain a system of internal control to ensure compliance with Shariah guidelines. My responsibility is to express an opinion, based on my review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, I hereby certify that:

- The modes of investments, transactions, relevant documentations, operations and the procedures adopted have been in accordance with the Shariah principles and rules.
- The provisions of the scheme, investments and affairs have been carried out in accordance with Shariah principles, rules and relevant Shariah opinions issued from time to time.
- The earnings that have been realized from sources and means prohibited by Shariah have been credited to the charity account.



Dr. Mufti Ismatullah Hamdullah

Shariah Advisor

Date: June 30, 2025



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Fax: +92 21 3568 4239
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Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

TO THE BOARD OF DIRECTORS OF AL HABIB ASSET MANAGEMENT LIMITED

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of Al Habib Islamic Cash Fund (the Fund) managed by Al Habib Asset Management Limited (the Management Company) for assessing compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June 30, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2025) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under;

- 1) Essentials, Regulations, Instructions and Guidelines issued by the SECP;
- 2) The rulings of Central Shariah Board as notified by the SECP;
- 3) Requirements of the applicable Islamic Financial Accounting Standards as notified by the SECP;
- 4) Approvals and rulings given by the Shariah Board (SB) directives, regulations, instructions and guidelines issued in accordance with the rulings of SECP's Shariah Board.

The above criteria were evaluated, for their implications on the financial statements of the Fund for the year ended June 30, 2025.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Fund with its unitholders, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

Page - 1

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.



4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM) 1 "Quality Management for firms that perform Audit or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended June 30, 2025 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depend on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund internal control. We have designed and performed necessary verification procedures on various financial arrangements, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

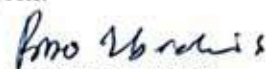
We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.



6. Conclusion

Based on our reasonable assurance engagement we report that in our opinion, the Fund overall financial arrangements, contracts, transactions for the year ended June 30, 2025, are in compliance with the Shariah rules and principles, in all material respects.

Engagement Partner
Tariq Feroz Khan


BDO EBRAHIM & CO.
CHARTERED Accountants

Date: 29 SEP 2025
Place: Karachi

Page - 3

BDO Ebrahim & Co. Chartered Accountants

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Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF FINANCIAL STATEMENTS TO THE UNITHOLDERS OF AL HABIB ISLAMIC CASH FUND

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Al Habib Islamic Cash Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. 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 are the Key audit matter:

S.NO	Key audit matter	How the matter was addressed in our audit
1.	Existence and valuation of Investments As disclosed in note 6 to the accompanying financial statements, the investments held by the Fund comprised of debt instruments amounting to Rs. 10,431 million which represent 35% of the Net Asset Value (NAV) of the Fund.	Our audit procedures included the following: We obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2025 and traced it with books and records of the Fund;



S.NO	Key audit matter	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, any discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated. In view of the significance of above-mentioned balances in relation to the Fund's total assets and NAV, we considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement and re-performance of valuations as per valuation methodology specified in accounting policies; and - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

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 the Management and its Board of Directors for the Financial Statements

Management of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and for such internal control as the management determines 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.

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

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



From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking 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: 29 SEP 2025

UDIN: AR202510166DwohUWB5s


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

	Note	2025 ----- Rupees in '000' -----	2024 ----- Rupees in '000' -----
ASSETS			
Balances with bank	5	15,890,804	10,551,600
Investments	6	10,430,791	7,188,252
Profit receivable	7	455,440	957,978
Advances, deposits and other receivables	8	3,914,293	2,179
TOTAL ASSETS		30,691,328	18,700,009
LIABILITIES			
Payable to AL Habib Asset Management Limited - Management company	9	25,901	35,620
Payable to Central Depository Company of Pakistan Limited - Trustee	10	1,543	2,326
Payable to Securities and Exchange Commission of Pakistan	11	1,805	2,666
Payable against redemption of units		199,250	597,523
Accrued expenses and other liabilities	12	262,164	77,775
TOTAL LIABILITIES		490,663	715,910
NET ASSETS		30,200,665	17,984,099
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		30,200,665	17,984,099
CONTINGENCIES AND COMMITMENTS			
	13		
		----- Number of units -----	
Number of units in issue	14	301,235,613	179,840,173
		----- Rupees -----	
Net assets value per unit		100.26	100.00

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 ----- Rupees in '000' -----	2024
Income			
Income from government securities		1,119,748	1,944,317
Profit on bank deposits		1,183,430	2,262,572
Profit on term deposit receipts		246,672	453,506
		<u>2,549,850</u>	<u>4,660,395</u>
Gain / (loss) on investments classified at fair value through profit or loss - net			
- Realised gain / (loss) on sale of investment - net		45,199	(1,065)
- Unrealised appreciation on re-measurement of investments - net	6.1 & 6.2	4,475	10,780
		<u>49,674</u>	<u>9,715</u>
		<u>2,599,524</u>	<u>4,670,110</u>
Expenses			
Remuneration of AL Habib Asset Management Limited - Management Company	9.1	171,015	200,394
Sindh Sales tax on Management Company's remuneration	9.2	25,607	26,048
Expenses allocated by the Management company		4,794	19,005
Sindh Sales tax on Expenses allocated by the Management Company		719	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10	10,204	12,585
Sindh Sales tax on remuneration of Trustee	10.3	1,506	1,636
Annual fee to Securities and Exchange Commission of Pakistan	11.1	13,996	17,016
Settlement and bank charges		17	-
Brokerage expense		1,058	698
Annual listing fee		25	25
Auditors' remuneration	15	359	551
Amortization of preliminary expenses and floatation costs		72	69
Mutual Fund rating fee		149	150
Printing and other expenses		57	51
		<u>229,578</u>	<u>278,228</u>
Net income for the year before taxation		2,369,946	4,391,882
Taxation	16	-	-
Net income for the year after taxation		<u>2,369,946</u>	<u>4,391,882</u>
Allocation of net income for the year			
Net income for the year		2,369,946	4,391,882
Income already paid on redemption of units		(2,185,265)	-
		<u>184,681</u>	<u>4,391,882</u>
Accounting income available for distribution:			
- Relating to capital gains		4,475	10,780
- Excluding capital gains		180,206	4,381,102
		<u>184,681</u>	<u>4,391,882</u>
Earnings per unit	17		

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	----- Rupees in '000' -----	
Net income for the year	2,369,946	4,391,882
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,369,946</u>	<u>4,391,882</u>

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	2025			2024		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
----- Rupees in '000' -----						
Net assets at beginning of the year	17,984,099	-	17,984,099	13,806,034	-	13,806,034
Issuance of 908,806,535 units (2024: 617,858,693 units) including additional units 21,501,502 units (2024: 37,406,508) units issued at nil value						
- Capital value	90,880,653	-	90,880,653	65,526,520	-	65,526,520
- Element of income	5,965,463	-	5,965,463	-	-	-
Total proceeds on issuance of units	96,846,116	-	96,846,116	65,526,520	-	65,526,520
Redemption of 787,411,094 units (2024: 613,484,549 units)						
- Capital value	(78,741,109)	-	(78,741,109)	(61,348,455)	-	(61,348,455)
- Element of loss	(3,798,439)	(2,185,265)	(5,983,704)	-	-	-
Total payments on redemption of units	(82,539,548)	(2,185,265)	(84,724,813)	(61,348,455)	-	(61,348,455)
Total comprehensive income for the year	-	2,369,946	2,369,946	-	4,391,882	4,391,882
Cash distribution						
Rs. 13.1889 (2024: Rs. 19.4553) per units	(2,150,150)	(124,533)	(2,274,683)	-	(4,391,882)	(4,391,882)
Net income for the year less distribution	(2,150,150)	2,245,413	95,263	-	-	-
Net assets at end of the year	30,140,517	60,148	30,200,665	17,984,099	-	17,984,099
Undistributed income brought forward						
- Realised income	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-
Accounting income available for distribution						
- Relating to capital gains	4,475			10,780		
- Excluding capital gains	180,206			4,381,102		
	184,681			4,391,882		
Cash distribution						
Rs. 13.1889 (2024: Rs. 19.4553) per units	(124,533)			(4,391,882)		
Undistributed income carried forward	60,148			-		
Undistributed income carried forward comprises of:						
- Realised income	60,148			-		
- Unrealised income	-			-		
	60,148			-		
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the year	100.00			100.00		
Net assets value per unit at end of the year	100.26			100.00		

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
Note	----- Rupees in '000' -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	2,369,946	4,391,882
Adjustments for:		
Unrealised appreciation on re-measurement of investments classified as classified as financial assets at 'fair value through profit or loss' - net	(4,475)	(9,715)
	2,365,471	4,382,167
(Increase) / decrease in assets		
Investments	(3,238,064)	(7,178,537)
Profit receivable	502,538	(788,850)
Advances, deposits and other receivables	(3,912,114)	(1,463)
	(6,647,640)	(7,968,850)
(Decrease) / increase in liabilities		
Payable to AL Habib Asset Management Limited - Management company	(9,719)	22,966
Payable to Central Depository Company of Pakistan Limited - Trustee	(783)	1,445
Payable to Securities and Exchange Commission of Pakistan	(861)	672
Payable against redemption of units	(398,273)	597,523
Accrued expenses and other liabilities	184,389	53,977
	(225,247)	676,583
Net cash used in operating activities	(4,507,416)	(2,910,100)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	96,846,116	65,526,520
Payments on redemption of units	(84,724,813)	(61,348,455)
Dividend paid	(2,274,683)	(4,391,882)
Net cash generated from / (used in) financing activities	9,846,620	(213,817)
Net increase / (decrease) in cash and cash equivalents	5,339,204	(3,123,917)
Cash and cash equivalents at the beginning of the year	10,551,600	13,675,517
Cash and cash equivalents at the end of the year	5 15,890,804	10,551,600

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Al Habib Islamic Cash Fund (the Fund) was established under a Trust Deed executed between AL Habib Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/AHICF/136/2021 dated November 12, 2021 and the Trust Deed was executed on September 27, 2021.
- 1.2** The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely “Sindh Trusts Act, 2020” (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 3rd Floor Mackinnon's Building, I.I Chundrigar Road Karachi, Pakistan.
- 1.4** The Fund is an open-ended shariah compliant money market scheme and is listed on Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at the initial price of Rs. 100 per unit which was only for one day that began at the start of the banking hours and end at the close of the banking hours on December 20, 2021. 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 at the option of the unit holder.
- 1.5** The Fund has been categorized as a shariah compliant money market scheme as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes.
- 1.6** The core objective of the Fund is to provide its unit-holders optimum return from a shariah compliant portfolio of low risk and short duration assets while being highly liquid.
- 1.7** Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.8** The management company and the Fund has been assigned a rating of 'AM1' and AA+(f) by Pakistan Credit Rating Agency (PACRA) dated December 12, 2024 and April 22, 2025, respectively.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
 - the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, 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 the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 year, or in the year of the revision and future years if the revision affects both current and future years.

Estimates and judgments that have significant effect on the financial statements relate to classification, valuation and impairment of financial assets are as follows:

2.4.1 Classification and valuation of investments

For details please refer notes 4.2.2.1 and 6 to these financial statements.

2.4.2 Impairment of financial assets

For details please refer notes 4.2.3 to these financial statements.

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the 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

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

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 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 revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

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

4.2 Financial instruments

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

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss. The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.2 Initial recognition and measurement

Financial assets are recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized at fair value plus transaction cost except for financial assets carried at fair value through profit or loss.

4.2.2.1 Classification

4.2.2.1.1 Debt Instruments

Amortized cost

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

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

Fair value through profit or loss

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. These are initially measured at fair value and transaction costs that are directly attributable to its acquisition are charged to income statement.

4.2.2.2 Subsequent measurement:**Debt investments at amortised cost**

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

Debt investments at FVTPL

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

4.2.2.3 Regular way purchase and sale of financial asset

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

4.2.2.4 Derecognition

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

4.2.3 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.4 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition of financial liability is taken to the income statement.

4.2.5 Offsetting of financial assets and liabilities

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

4.3 Provisions

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

4.4 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent (90%) of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders.

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

4.5 Proposed distributions

Distributions declared subsequent to the year end reporting date are subject to the approval of the Board of Directors of the management company and are considered as non-adjusting events and are recognised in the financial statements in the year in which such distributions are declared.

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the management company for the applications received by the distributors during business hours 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 sale load is payable to Management Company / Distributors as processing fee.

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 represents the net assets value per unit as of the close of the business day less any duties, taxes, charges on redemption and any provision for transaction costs, 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. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

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

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / Government securities, return on investment in debt securities are recognized using the effective interest method.
- Unrealised appreciation / (diminution) arising on investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.

4.10 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustees and annual fee of SECP are recognized in income statement on accrual basis.

4.11 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions. Remuneration to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively.

	Note	2025 ----- Rupees in '000' -----	2024 ----- Rupees in '000' -----
5 BALANCES WITH BANK			
Savings accounts	5.1 & 5.2	11,390,804	9,051,600
Term deposit receipt	5.3	4,500,000	1,500,000
		<u>15,890,804</u>	<u>10,551,600</u>

5.1 These carries profit rates ranging from 5.00% to 20.26% per annum (2024: 19.10% to 21.15% per annum).

5.2 This includes a balance held with Bank AL Habib Limited a related party, amounting to Rs. 3,159.56 million (2024: Rs. 1,172.768 million).

- 5.3 This represent term deposit receipts held with Bank Al-Falah Limited and Askari Bank Limited carrying profit rates ranging from 10.63% to 11.30% (2024: 19.80%) per annum with maturities upto July 2025.

6	INVESTMENTS	Note	2025	2024
			----- Rupees in '000' -----	----- Rupees in '000' -----
	Financial assets classified at fair value through profit or loss			
	GoP Ijarah Sukuks (GIS)	6.1	3,031,629	7,188,252
	Discounted GIS	6.2	7,399,162	-
			<u>10,430,791</u>	<u>7,188,252</u>

6.1 GoP Ijarah Sukuks (GIS)

	Number of instruments				Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised (diminution) / appreciation on re-measurement of investment as at June 30, 2025	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2024	Purchases made during the year	Sales / matured during the year	As at June 30, 2025					
-----Rupees in '000'-----									
GOP IJARASUKUK									
GOP IJARA SUKUK 1 YEAR FRR (09-10-2023)	32,000	271,477	303,477	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 1 YEAR VRR (07-08-2023)	25,465	15,620	41,085	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 1 YEAR VRR (09-10-2023)	14,150	186,500	200,650	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 1 YEAR VRR (04-12-2023)	-	967,649	967,649	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 1 YEAR VRR (12-07-2023)	-	75,000	75,000	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK (29-05-2020)	-	8,190,500	8,190,500	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK (30-04-2020)	-	7,303,200	7,303,200	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - FRR (29-07-2020)	-	22,339	16,657	5,682	566,699	566,382	(317)	1.88%	5.43%
GOP IJARA SUKUK - VRR (29-07-2020)	-	823,530	798,880	24,650	2,466,506	2,465,247	(1,259)	8.16%	23.63%
Total - as at June 30, 2025	71,615	17,855,815	17,897,098	30,332	3,033,205	3,031,629	(1,576)	10.04%	29.06%
Total - as at June 30, 2024	-	101,615	30,000	71,615	7,177,471	7,188,252	10,781	39.97%	100.00%

6.2 Discounted GIS

	Number of instruments				Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised (diminution) / appreciation on re-measurement of investment as at June 30, 2025	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2024	Purchases made during the year	Sales / matured during the year	As at June 30, 2025					
-----Rupees in '000'-----									
GIS DISCOUNTED									
GIS 1 YEAR DISCOUNTED (04-12-2024)	-	30,000,000	1,150	29,998,850	2,870,554	2,874,190	3,636	9.52%	27.55%
GIS 1 YEAR DISCOUNTED (06-02-2025)	-	1,499,850	250	1,499,600	141,231	141,202	(29)	0.47%	1.35%
GIS 1 YEAR DISCOUNTED (07-03-2025)	-	9,999,950	50	9,999,900	933,014	931,891	(1,123)	3.09%	8.93%
GIS 1 YEAR DISCOUNTED (07-11-2024)	-	7,299,950	100	7,299,850	704,369	705,822	1,454	2.34%	6.77%
GIS 1 YEAR DISCOUNTED (09-01-2025)	-	5,624,900	200	5,624,700	534,007	535,246	1,239	1.77%	5.13%
GIS 1 YEAR DISCOUNTED (18-09-2024)	-	2,499,800	-	2,499,800	244,577	244,630	54	0.81%	2.35%
GIS 1 YEAR DISCOUNTED (21-10-2024)	-	1,249,950	-	1,249,950	121,129	121,420	291	0.40%	1.16%
GIS 1 YEAR DISCOUNTED (26-06-2025)	-	3,875,000	-	3,875,000	351,431	350,929	(502)	1.16%	3.36%
GIS 1 YEAR DISCOUNTED (26-07-2024)	-	15,030,000	-	15,030,000	1,492,799	1,493,832	1,033	4.95%	14.32%
Total - as at June 30, 2025	-	77,079,400	1,750	77,077,650	7,393,111	7,399,162	6,053	24.50%	70.94%
Total - as at June 30, 2024	-	-	-	-	-	-	-	-	-

7 PROFIT RECEIVABLE	Note	2025	2024
		----- Rupees in '000' -----	----- Rupees in '000' -----
Saving accounts	7.1	239,645	508,415
GoP Ijarah Sukuks (GIS)		138,494	446,308
Term deposit receipts		77,301	3,255
		<u>455,440</u>	<u>957,978</u>

AL HABIB ISLAMIC CASH FUND

- 7.1 This includes an amount receivable from Bank Al Habib Limited (a related party) amounting to Rs. 0.011 million (2024: 8.482 million).

8	ADVANCES, DEPOSITS AND OTHER RECEIVABLES	Note	2025	2024
			----- Rupees in '000' -----	-----
	Advance tax	8.1	251	121
	Annual Listing Fee		74	86
	Formation cost		1,646	1,705
	Receivable against sale of units		3,912,322	267
			<u>3,914,293</u>	<u>2,179</u>

- 8.1 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 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.

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. On 28 January 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 Honorable Supreme Court by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies). However, whereby the Honorable 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 on bank deposits by the Fund has been shown as advance tax as at June 30, 2025 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

9	PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2025	2024
			----- Rupees in '000' -----	-----
	Remuneration payable to the Management Company	9.1	14,703	23,709
	Sindh Sales Tax on Management Company's remuneration	9.2	2,205	5,408
	Allocation of expenses related to registrar services, accounting, operation and valuation services	9.3	8,274	6,503
	Sindh Sales Tax on expenses related to registrar services, accounting, operation and valuation services		719	-
			<u>25,901</u>	<u>35,620</u>

- 9.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated June 20, 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund. The Management company has charged its remuneration at rate ranging from 0% to 10% (2024: 0% to 10%) of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.
- 9.2 The Sindh Sales Tax at the rate of 15% (2024: 13%) on the remuneration as per Sindh Sales Tax on Services Act, 2011.
- 9.3 As per Regulation 60(3)(s) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to the CIS. During the year, the fee is being charged at the rate 0.1% of the average annual net assets.

		2025	2024
	Note	----- Rupees in '000' -----	
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration payable to the Trustee	10.1 & 10.2	1,087	1,779
Sindh Sales Tax payable on remuneration of the Trustee	10.3	456	547
		<u>1,543</u>	<u>2,326</u>

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

10.2 As per the Trust Deed and Offering Document, the trustee fee shall be charged in accordance to the tariff flat rate of 0.055% (2024: 0.055%) per annum of net assets.

10.3 The Sindh Sales Tax at the rate of 15% (2024: 13%) on the remuneration as per Sindh Sales Tax on Services Act, 2011.

		2025	2024
	Note	----- Rupees in '000' -----	
11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	11.1	<u>1,805</u>	<u>2,666</u>

11.1 As per Regulation 62 of NBFC Regulations, an Asset Management Company managing a Collective Investment Scheme shall pay SECP an annual fee of 0.075% (2024: 0.075%) of the average annual nets assets. The fee is payable annually in arrears.

		2025	2024
		----- Rupees in '000' -----	
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditor's remuneration		209	402
Printing charges		117	68
Withholding tax payable		260,480	76,935
Other payables		<u>1,358</u>	<u>370</u>
		<u>262,164</u>	<u>77,775</u>

13 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at the reporting date. (2024: Nil).

		2025	2024
		---- Number of units ----	
14 NUMBER OF UNITS IN ISSUE			
Total units at the beginning of the year		179,840,173	175,466,029
Add: Units issued during the year		908,806,534	617,858,693
Less: Units redeemed during the year		<u>(78,797,070)</u>	<u>(16,209,039)</u>
Total units at the end of the year		<u>301,235,613</u>	<u>179,840,173</u>

		2025	2024
		----- Rupees in '000' -----	
15 AUDITORS REMUNERATION			
Audit fee		138	270
Out of pocket expenses		14	27
Half yearly review fees		149	135
Shariah compliance fee		<u>58</u>	<u>119</u>
		<u>359</u>	<u>551</u>

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 NBFC

AL HABIB ISLAMIC CASH FUND

Regulations, 2008, the Fund is required to distribute atleast 90% of its net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current year as the management intends to distribute in cash atleast 90% of the Fund's accounting income for the year ending June 30, 2025 as reduced by capital gains (whether realised or unrealised) to its 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 of the Income Tax Ordinance, 2001.

17 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial statements as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.

18 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	June 30, 2025		
	Fair value through profit or loss	Amortised cost	Total
----- Rupees in '000' -----			
Financial assets			
Balances with bank	-	15,890,804	15,890,804
Investments	10,430,791	-	10,430,791
Profit receivable	-	455,440	455,440
Advances, deposits and other receivables	-	3,914,042	3,914,042
	<u>10,430,791</u>	<u>20,260,286</u>	<u>30,691,077</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited Management Company	-	22,976	22,976
Payable to Central Depository Company of Pakistan Limited - Trustee	-	1,087	1,087
Payable to Securities and Exchange Commission of Pakistan	-	1,805	1,805
Payable against redemption of units	-	199,250	199,250
Accrued expenses and other liabilities	-	1,684	1,684
	<u>-</u>	<u>226,802</u>	<u>226,802</u>

Particulars	June 30, 2024		
	Fair value through profit or loss	Amortised cost	Total
----- Rupees in '000' -----			
Financial assets			
Balances with bank	-	10,551,600	10,551,600
Investments	7,188,252	-	7,188,252
Profit receivable	-	957,978	957,978
Advances, deposits and other receivables	-	2,058	2,058
	<u>7,188,252</u>	<u>11,511,636</u>	<u>18,699,888</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited Management Company	-	30,212	30,212
Payable to Central Depository Company of Pakistan Limited - Trustee	-	1,779	1,779
Payable to Securities and Exchange Commission of Pakistan	-	2,666	2,666
Payable against redemption of units	-	597,523	597,523
Accrued expenses and other liabilities	-	840	840
	<u>-</u>	<u>633,020</u>	<u>633,020</u>

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES/ CONNECTED PERSONS

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

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

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

Related parties/connected persons include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of AL Habib Asset Management Limited
3	AL Habib Capital Market (Private) Limited	Subsidiary of Bank AL Habib Limited
4	AL Habib Currency Exchange Limited	Subsidiary of Bank AL Habib Limited
5	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
12	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Islamic GOKP Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Savings Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
18	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
19	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
20	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Limited
21	Central Depository Company of Pakistan	Trustee

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

	2025	2024
19.1 Transactions during the year	----- Rupees in '000 -----	
AL Habib Asset Management Limited - Management Company		
Remuneration of the Management Company	171,015	200,394
Sindh Sales Tax on remuneration of the Management Company	25,607	26,048
Allocation of expenses related to registrar services, accounting, operation and valuation services	4,794	19,005
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	10,204	12,585
Sindh Sales Tax on remuneration of the Trustee	1,506	1,636
Bank AL Habib Limited - Sponsor		
Bank charges	17	-
Profit on bank deposits	1,183,430	2,262,572

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	2025	2024
	----- Rupees in '000 -----	
19.2 Balances outstanding as at year end		
Al Habib Asset Management Limited - Management Company		
Remuneration payable to the Management Company	14,703	23,709
Sindh Sales Tax payable on remuneration of the Management Company	2,205	5,408
Allocation of expenses related to registrar services, accounting, operation and valuation services	8,274	6,503
Bank Al Habib Limited - Sponsor		
Balances with bank	3,159,964	10,551,600
Profit receivable	11,217	957,978
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	1,087	1,779
Sindh Sales Tax payable on remuneration of the trustee	456	547
Sale / Redemption of units		
<u>Units sold to:</u>		
Management Company		
- AL Habib Asset Management Limited	23,067,126	2,538,862
Other related parties		
- Directors and their relative of the Management Company	856,072	95,936
- Delhi Punjabi Saudagran Foundation	441,994	45,500
- Key Management Executives and their Relatives	519,213	57,002
Units sold to Connected Party holding 10% or more of the units in issue:	120,596,967	12,626
<u>Units redeemed by:</u>		
Management Company		
- AL Habib Asset Management Limited	24,444,320	2,704,767
Parent of AL Habib Asset Management Limited		
- Bank Al Habib Limited	15,130	1,515
Other related parties		
- Delhi Punjabi Saudagran Foundation	1,008,287	105,984
- Habib Public School Alumni Association	1,722	172
- Directors and their relative of the Management Company	433,361	47,151
- Key Management Executives and their Relatives	558,537	61,782
Connected Party holding 10% or more of the units in issue:	97,166,896	10,734,331
<u>Units held by:</u>		
Parent of AL Habib Asset Management Limited		
- Bank AL Habib Limited	1,131,889	113,479
Other related parties		
- Delhi Punjabi Saudagran Foundation	423,708	42,479
- Directors and their relative of the Management Company	489,615	49,087
Connected Party holding 10% or more of the units in issue:	80,145,489	8,035,066

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

20.1 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.

20.1.1 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.

20.1.2 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 5.00% to 20.26% per annum, and against investments in GOP Ijara Sukuks, the interest rate on which range between 8.37% to 22.49% respectively.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 158.91 million (2024: Rs. 105.52 million).

b) Fair value interest rate risk

The Fund's investment in GOP Ijara Sukuk exposes it to fair value interest rate risk.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 104.31 million. (2024: 71.88 million).

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

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Particulars	June 30, 2025					Not exposed to yield / interest rate risk	Total
	Effective yield / interest rate	Exposed to yield / interest rate risk					
		Upto three months	More than three months and upto one year	More than one year			
	%	----- Rupees in '000 -----					
On-balance sheet financial instruments							
Financial assets							
Balances with bank	5.00 - 20.26	15,890,804	-	-	-	15,890,804	
Investments	8.37 - 22.49	-	-	10,430,791	-	10,430,791	
Profit receivable		-	-	-	455,440	455,440	
Advances, deposits and other receivables		-	-	-	3,914,042	3,914,042	
Sub total		15,890,804	-	10,430,791	4,369,482	30,691,077	
Financial liabilities							
Payable to the Management Company		-	-	-	22,976	22,976	
Payable to the Trustee		-	-	-	1,087	1,087	
Payable to the SECP		-	-	-	1,805	1,805	
Payable against redemption of units		-	-	-	199,250	199,250	
Accrued expenses and other liabilities		-	-	-	1,684	1,684	
Sub total		-	-	-	226,802	226,802	
On-balance sheet gap (a)		15,890,804	-	10,430,791	4,142,680	30,464,275	
Off-balance sheet financial instruments							
Off-balance sheet gap (b)		-	-	-	-	-	
Total interest rate sensitivity gap (a) + (b)		15,890,804	-	10,430,791	4,142,680	30,464,275	
Cumulative interest rate sensitivity gap		15,890,804	-	10,430,791			

Particulars	June 30, 2024					Not exposed to yield / interest rate risk	Total
	Effective yield / interest rate	Exposed to yield / interest rate risk					
		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							
Balances with bank	19.10 - 21.15	10,551,600	-	-	-	10,551,600	
Investments	20.94 - 25.54	-	-	7,188,252	-	7,188,252	
Profit receivable		-	-	-	957,978	957,978	
Advances, deposits and other receivables		-	-	-	2,058	2,058	
Sub total		10,551,600	-	7,188,252	960,036	18,699,888	
Financial liabilities							
Payable to the Management Company		-	-	-	30,212	30,212	
Payable to the Trustee		-	-	-	1,779	1,779	
Payable to the SECP		-	-	-	2,666	2,666	
Payable against redemption of units		-	-	-	597,523	597,523	
Accrued expenses and other liabilities		-	-	-	840	840	
Sub total		-	-	-	633,020	633,020	
On-balance sheet gap (a)		10,551,600	-	7,188,252	327,016	18,066,868	
Off-balance sheet financial instruments		-	-	-	-	-	
Off-balance sheet gap (b)		-	-	-	-	-	
Total interest rate sensitivity gap (a) + (b)		10,551,600	-	7,188,252	327,016	18,066,868	
Cumulative interest rate sensitivity gap		10,551,600	-	7,188,252			

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 (financial institutions) and profit receivables from banks.

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

Name of Banks	Balances held as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency

Rupees in '000

Balances with banks by rating category

Bank Al Habib Limited	3,159,964	A1+	PACRA
Allied Bank Limited	1,369,039	A1+	PACRA
Dubai Islamic Bank Pakistan Limited	253	A1+	VIS
Bank AlFalah Limited	824,181	A1+	PACRA
Faysal Bank Limited	4,073,119	A1+	PACRA
Askari Bank Ltd	1,917,278	A1+	PACRA
Habib Metropolitan Bank Limited	16	A1+	PACRA
United Bank Limited	22,397	A1+	VIS
Meezan Bank Limited	24,557	A1+	VIS
Askari Bank Limited - TDR	4,500,000	A1+	VIS

Total

15,890,804

Name of Banks	Balances held as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency

Rupees in '000

Balances with banks by rating category

Bank Al Habib Limited	1,172,768	A1+	PACRA
Allied Bank Limited	2,597,402	A1+	PACRA
Dubai Islamic Bank Pakistan Limited	189	A1+	VIS
Bank AlFalah Limited	-	A1+	PACRA
Faysal Bank Limited	3,116,758	A1+	PACRA
Askari Bank Ltd	12,913	A1+	PACRA
Habib Metropolitan Bank Limited	14	A1+	PACRA
United Bank Limited	2,151,556	A1+	VIS
Meezan Bank Limited	-	A1+	VIS
Askari Bank Limited TDR AHICF	1,500,000	A1+	VIS

Total

10,551,600

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

	2025	2024
Rating by rating category	----- Percentage -----	
A1+	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, while the remaining transactions are entered into with diverse credit-worthy counterparties, thereby mitigating any significant concentration of credit risk to counterparties. The fund is not exposed to a concentration of credit risk.

20.3 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.

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 fifteen percent of the total net asset value of the Fund at the time of borrowing and shall be repayable

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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 (2024: None).

The table below summarizes the maturity profile for the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including balances with bank have been included in the maturity.

Particulars	June 30, 2025			
	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----				
Financial liabilities				
Payable to the Management Company	25,901	-	-	25,901
Payable to the Trustee	1,543	-	-	1,543
Payable to the SECP	1,805	-	-	1,805
Payable against redemption of units	199,250	-	-	199,250
Accrued expenses and other liabilities	262,164	-	-	262,164
	490,663	-	-	490,663

Particulars	June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----				
Financial liabilities				
Payable to the Management Company	35,620	-	-	35,620
Payable to the Trustee	2,326	-	-	2,326
Payable to the SECP	2,666	-	-	2,666
Payable against redemption of units	597,523	-	-	597,523
Accrued expenses and other liabilities	77,775	-	-	77,775
	715,910	-	-	715,910

21 UNITHOLDERS' FUND RISK MANAGEMENT

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unitholders' fund. Unitholders fund risk management is carried out by the 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 unitholders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the 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 at the measurement date. Consequently, differences can arise between carrying amount and the fair value estimates.

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

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

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

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

Particulars	Note	June 30, 2025						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
		Rupees in '000						
On-balance sheet financial instruments								
Financial assets measured at fair value	22.1							
GOP Ijarah Sukuks		3,031,629	-	3,031,629	-	3,031,629	-	3,031,629
Discounted GIS		7,399,162	-	7,399,162	7,399,162	-	-	7,399,162
		10,430,791	-	10,430,791	7,399,162	3,031,629	-	10,430,791

Particulars		June 30, 2024						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	Note	----- Rupees in '000 -----						
On-balance sheet financial instruments								
Financial assets measured at fair value	22.1							
GOP Ijarah Sukuks		7,188,252	-	7,188,252	-	7,188,252	-	7,188,252
		7,188,252	-	7,188,252	-	7,188,252	-	7,188,252

22.1 Valuation techniques

22.1.1 For level 1 investments at fair value through profit or loss, Fund uses daily quotations which are taken from PSX, for the purpose of computation of Market value at the reporting date.

For level 2 investments at fair value through profit or loss, Fund uses PKISRV rates which are taken from MUFAP, for the purpose of computation of Market value at the reporting date.

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

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22.2 Transfers during the year

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

23 LIST OF TOP BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

		2025	2024
		-----	Percentage -----
Top brokers during the year			
1	Next Capital Limited	71.12%	-
2	Continental Exchange (Pvt.) Limited	8.81%	14.12%
3	Invest One Markets Limited	4.71%	-
4	Arif Habib Limited	6.70%	-
5	Optimus Markets (Pvt) Limited	3.20%	5.42%
6	Summit Capital (Pvt) Limited	1.95%	1.51%
7	C&M Management Limited	1.56%	2.97%
8	Js Global Capital Limited	1.42%	65.62%
9	Bma Capital Management Ltd.	0.43%	-
10	Paramount Capital (Pvt) Ltd.	0.06%	0.25%
11	Akd Securities Limited	0.03%	-
12	Icon Securities (Pvt) Limited	-	10.12%
		100%	100%

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 of Director	Designation	Qualification	Experience in years
1	Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24
2	Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA-Affiliate	25
3	Mr. Farhan Ul Haq	Head of Equity	CFA	14.5
4	Mr. Ahmed Abbas	Fund Manager - Money Market	MBA	18
5	Mr. Fawad Jawed	Head of Fixed Income	CMA	14.5
6	Mr. Hamza Abdur Rehman Siddiqui	Fund Manager - Equity	MSc (Hons)	7
7	Mr. Umar Bin Hassan	Manager Risk & Research	MS ECO , FMVA	7

25 PATTERN OF UNITHOLDING

Category	As at June 30, 2025			
	No. of unit holders	Number of units held	Investment amount	Percentage
Rupees in '000				
Associated Companies	3	81,405,776	8,161,414	27.02%
Retirement Funds	14	3,387,946	339,662	1.12%
Other Corporate	58	150,904,169	15,129,043	50.10%
Others	400	65,537,722	6,570,547	21.76%
	475	301,235,613	30,200,666	100.00%

Category	As at June 30, 2024			
	No. of unit holders	Number of units held	Investment amount	Percentage
Rupees in '000				
Associated Companies	3	2,551,688	255,169	1.42%
Retirement Funds	9	2,612,622	261,262	1.45%
Other Corporate	52	170,241,879	17,024,188	94.66%
Others	184	4,433,984	443,398	2.47%
	248	179,840,173	17,984,017	100.00%

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

Four meetings of the Board of Directors were held on August 1, 2024 and October 17, 2024 , January 23, 2025, April 25, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S. No.	Name of Director	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Abbas D.Habib	4	4	-	-
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	103rd, 104th and 105th Meeting
5	Mr. Imran Azim	4	2	2	103rd and 106th Meeting
6	Mr. Kashif Rafi	4	4	-	-

27 TOTAL EXPENSE RATIO

Total expense ratio of the Fund for the year ended June 30, 2025 is 1.21% (2024: 1.24%) which includes 0.23% (2024: 0.20%) representing Government levies and SECP fee. This ratio is within the maximum limit of 2.0% prescribed under the NBFC Regulations 60(5) for a Collective Investment Scheme (CIS) categorised as a Shariah compliant Money Market Scheme.

28 CORRESPONDING FIGURES

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

29 GENERAL

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

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 25, 2025** by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective

The investment objective of the AHICF is to provide its unit-holders optimum returns from a Shariah compliant portfolio of low risk and short duration assets while being highly liquid.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHICF maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with "AAA" rated Banks.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 355 bps as it posted YTD return of 13.48% as against the benchmark of 9.92%.

Fund Description

Fund Type & Category	Open End - Shariah Compliant Money Market	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	December 20, 2021	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	90% three (3) months PKISRV rates + 10% three (3) months average of highest rates of saving accounts of three (3) AA rated scheduled Islamic Bank or window of conventional Banks, as selected by MUFAP	Sales Load	3% (Management has the discretion to reduce or waive load on any transaction)
Annual Return	13.48%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	9.92%	For Regular Transactions For same Day Redemption	Monday to Thursday 4:00 pm Friday 4:30 pm 9:30 am
Net Assets	Rs. 30.201 billion (June 30, 2025)	Fund Stability Rating	AA+(f) by PACRA (April 22, 2025)
NAV per unit	Rs. 100.2560 per unit (June 30, 2025)	AMC Rating	"AM1" by PACRA (December 12, 2024)
Pricing Mechanism	Backward Pricing	Trustee	Central Depository Company of Pakistan Limited.
Risk Profile	Very Low (Principal at very low risk)		

Economic Review:

The main highlights of the outgoing fiscal year were lower than expected inflation, surplus current account balance, IMF's extended financing facility worth USD 7 Billion, narrowing fiscal deficit and record remittances.

CPI witnessed an extensive improvement, increasing only by 4.7%YoY against the forecast of 7%-8%, compared to 26%YoY in FY24. The main contributors were high base effect, lower food prices and decrease in energy charges. Also, the government's keeping the USD/PKR parity in the check played a vital role.

The current account balance stood at USD2.1 billion on the back of shrinking trade gap and higher remittances which reached a record high of USD 38 Billion. Such phenomenon also resulted in higher foreign exchange reserve held by the Central bank at USD14.51 Billion compared to USD9.39 billion in FY'24.

The outgoing year was not without challenges whereby country's GDP recorded an increase of 2.68% against the target of 3.56%. Agricultural sector, the backbone of country's GDP, grew only by 0.56%YoY due to crop failures amid water shortages. Large Scale manufacturing, witnessed a growth of 4.8%YoY, merely covering up for the negative LSM growth in FY'24.

Low inflation, exchange rate stabilization and adequate foreign exchange flows provided room for the SBP to reduce its Policy rate by 1,100bps, from 22% to 11%. Such drastic cut in interest rates was welcomed by the cross section of the market participants. Market is hoping for further cuts in Policy rates amid high real interest rates and satisfactory foreign exchange flows.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	37.12%	48.50%
TDR	14.66%	8.01%
GOP Ijara Sukuk	33.99%	38.37%
Others	14.23%	5.13%

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2025, please refer to note 22 of the Annual Accounts 2025.

Size of Unit Holding (Units)	# of Unit Holders
1-1000	179
1001-5000	54
5001-10000	36
10001-50000	68
50001-100000	22
100001-500000	60
500001-1000000	22
1000001-5000000	16
5000001-10000000	12
10000001-100000000	6
Grand Total	475

AL HABIB ISLAMIC CASH FUND

Income Distribution

AHICF made a total distribution of Rs. 13.1889 during FY24 in the form of dividend. EX-NAV of the fund after each dividend becomes Rs. 100.

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jul 02, 2023	113.1889	100.0000	13.1889

During the period under question

There has been no significant change in the state of affairs of the Fund. Al Habib Islamic Cash Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 358,691,784 units valued of Rs. 38.952 billion were sold, while 423,140,419 units valued Rs. 44.668 billion were redeemed, resulting in to a net redemption of 64,448,635 units valued Rs. 5.716 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 23 of the Annual Accounts 2024.

AHICF Performance at a Glance

	2025	2024
Net Assets as at June 30 (Rs. in billion)	30.201	17.984
NAV per unit as at June 30 (Rs.)	100.2560	100.00
Distribution during the year ended June 30 (Rs.)	13.1889	19.4553
Annual Return	13.48%	21.34%

AL HABIB ISLAMIC INCOME FUND
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasanani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4, Block 9,
Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Rating

AA(f) Fund Stability Rating, Rating by PACRA
AM1 Management Company Quality Rating
Assigned by PACRA.

Bankers to the Fund

Bank Al Habib Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
Al Baraka Bank

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**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

AL HABIB ISLAMIC INCOME FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Islamic Income Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 29, 2025



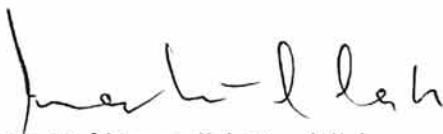
REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Advisor of the **AL Habib Islamic Income Fund**, I am issuing this report. The scope of the report is to express an opinion on the Shariah compliance of the fund's activities.

It is the responsibility of the management of aforesaid fund to establish and maintain a system of internal control to ensure compliance with Shariah guidelines. My responsibility is to express an opinion, based on my review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, I hereby certify that:

- The modes of investments, transactions, relevant documentations, operations and the procedures adopted have been in accordance with the Shariah principles and rules.
- The provisions of the scheme, investments and affairs have been carried out in accordance with Shariah principles, rules and relevant Shariah opinions issued from time to time.
- The earnings that have been realized from sources and means prohibited by Shariah have been credited to the charity account.



Dr. Mufti Ismatullah Hamdullah

Shariah Advisor

Date: June 30, 2025



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Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

TO THE BOARD OF DIRECTORS OF AL HABIB ASSET MANAGEMENT LIMITED

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of Al Habib Islamic Income Fund (the Fund) managed by Al Habib Asset Management Limited (the Management Company) for assessing compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June 30, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2025) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under;

- 1) Essentials, Regulations, Instructions and Guidelines issued by the SECP;
- 2) The rulings of Central Shariah Board as notified by the SECP;
- 3) Requirements of the applicable Islamic Financial Accounting Standards as notified by the SECP;
- 4) Approvals and rulings given by the Shariah Board (SB) directives, regulations, instructions and guidelines issued in accordance with the rulings of SECP's Shariah Board.

The above criteria were evaluated, for their implications on the financial statements of the Fund for the year ended June 30, 2025.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Fund with its unitholders, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM) 1 "Quality Management for firms that perform Audit or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended June 30, 2025 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depend on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund internal control. We have designed and performed necessary verification procedures on various financial arrangements, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

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6. Conclusion

Based on our reasonable assurance engagement we report that in our opinion, the Fund overall financial arrangements, contracts, transactions for the year ended June 30, 2025, are in compliance with the Shariah rules and principles, in all material respects.

Engagement Partner
Tariq Feroz Khan


BDO EBRAHIM & CO.
CHARTERED Accountants

Date: 29 SEP 2025
Place: Karachi

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**INDEPENDENT AUDITORS' REPORT ON THE AUDIT FINANCIAL STATEMENTS TO THE UNIT HOLDERS' OF
AL HABIB ISLAMIC INCOME FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Islamic Income Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2025, 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 give a true & fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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



Following are the key audit matters:

S.NO	Key audit matter	How the matter was addressed in our audit
1.	Existence and Valuation of investments As disclosed in note 6 to the accompanying financial statements, the investment held by the Fund comprised of debt instruments amounting to Rs.6,876.11 million representing 35.75% of the net assets value (NAV) of the Fund. As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	Our audit procedures included the following: - We obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2025 and traced it with books and records of the Fund; - We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement and re-performance of valuations as per valuation methodology specified in accounting policies; and - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

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 the Management and Board of Directors 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 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.

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.

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

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. 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

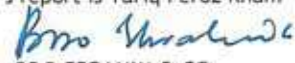
Based on our audit, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking Companies and Notified Entities Regulations, 2008.

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

KARACHI

DATED: 29 SEP 2025

UDIN: AR202510166Af3xSybKv


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

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STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

	Note	2025 -----Rupees in '000-----	2024
ASSETS			
Balances with banks	5	10,690,753	2,603,239
Investments	6	6,876,111	4,541,353
Profit receivable	7	250,998	290,014
Receivable against sale of units		1,673,153	-
Advances and deposits	8	18,139	15,962
TOTAL ASSETS		19,509,154	7,450,568
LIABILITIES			
Payable to AL Habib Asset Management Limited - Management Company	9	24,755	14,963
Payable to Central Depository Company of Pakistan Limited- Trustee	10	2,083	553
Payable to Securities and Exchange Commission of Pakistan	11	2,370	439
Payable against redemption of units		56,482	-
Accrued expenses and other liabilities	12	189,142	257,514
TOTAL LIABILITIES		274,832	273,469
NET ASSETS		19,234,322	7,177,099
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		19,234,322	7,177,099
CONTINGENCIES AND COMMITMENTS			
	13	-	-
		(Number of Units)	
Number of units in issue	14	188,899,433	70,740,913
		(Rupees)	
Net asset value per unit		101.82	101.46

The annexed notes 1 to 31 from an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	-----Rupees in '000-----	
INCOME			
Profit on saving accounts with banks	15	985,271	318,890
Profit on term deposit receipt		40,739	9,931
Profit on investments		1,202,653	764,707
Income on margin deposit with National Clearing Company of Pakistan Limited		9	7
Realised (Loss)/gain on sale of investments - net		(46,990)	58,706
Unrealised appreciation on re-measurement of investments classified as financial at 'fair value through profit or loss' - net		71,294	15,411
Total income		2,252,976	1,167,652
EXPENSES			
Remuneration of AL Habib Asset Management Limited - Management Company		175,743	56,479
Sindh Sales Tax on Management remuneration		26,366	7,342
Expenses allocated by the Management Company		8,580	6,538
Sindh Sales Tax on allocated expenses		1,138	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		12,470	4,210
Sindh Sales Tax on remuneration of the Trustee		1,870	547
Fee to Securities and Exchange Commission of Pakistan		12,470	4,186
Brokerage expense		1,115	194
Settlement and bank charges		370	427
Annual listing fee		25	22
Auditors' remuneration	16	688	611
Mutual fund rating fee		146	130
Printing charges		-	41
Total expenses		240,981	80,727
Net income for the year before taxation		2,011,995	1,086,925
Taxation	17	-	-
Net income for the year after taxation		2,011,995	1,086,925
Allocation of net income for the year:			
Net income for the year after taxation		2,011,995	1,086,925
Income already paid on units redeemed		(1,895,099)	(579,197)
		116,896	507,728
Accounting income available for distribution:			
- Relating to capital gains		24,304	74,117
- Excluding capital gains		92,592	433,611
		116,896	507,728

The annexed notes 1 to 31 from an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	----- (Rupees in '000) -----	
Net income for the year after taxation	2,011,995	1,086,925
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>2,011,995</u>	<u>1,086,925</u>

The annexed notes 1 to 31 from an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	2025			2024		
	Capital Value	Undistributed Income	Net Asset	Capital Value	Undistributed Income	Net Asset
	(Rupees in '000)					
Net assets at the beginning of the year	7,064,945	112,154	7,177,099	5,067,423	81,111	5,148,534
Issuance of 563,726,975 units (2024: 118,784,966 units)						
- Capital value	57,195,739	-	57,195,739	12,004,409	-	12,004,409
- Element of income	3,004,204	-	3,004,204	887,859	-	887,859
Total Proceeds on issuance of units	60,199,943	-	60,199,943	12,892,268	-	12,892,268
Redemption of 445,568,455 units (2024: 98,989,108 units)						
- Capital value	(45,207,375)	-	(45,207,375)	(10,003,839)	-	(10,003,839)
- Element of loss	(1,967,761)	(1,895,099)	(3,862,860)	(271,086)	(579,197)	(850,283)
Total payments on redemption of units	(47,175,136)	(1,895,099)	(49,070,235)	(10,274,925)	(579,197)	(10,854,122)
Total comprehensive income for the year	-	2,011,995	2,011,995	-	1,086,925	1,086,925
Distribution during the year	(1,009,524)	(74,956)	(1,084,480)	(619,821)	(476,685)	(1,096,506)
Net income for the year less distribution	(1,009,524)	1,937,039	927,515	(619,821)	610,240	(9,581)
Net assets at the end of the year	19,080,228	154,094	19,234,322	7,064,945	112,154	7,177,099
Undistributed income brought forward						
- Realised income		96,743			78,492	
- Unrealised income		15,411			2,619	
		112,154			81,111	
Accounting income available for distribution						
- Relating to capital gain		24,304			74,117	
- Excluding capital gain		92,592			433,611	
		116,896			507,728	
Distribution for the year @ Rs. 13.9353 per unit (2024: 6.738 per unit) declared on June 14, 2025		(74,956)			(476,685)	
Undistributed income carried forward		154,094			112,154	
Undistributed income carried forward comprise of:						
- Realised income		82,800			96,743	
- Unrealised gain		71,294			15,411	
		154,094			112,154	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		101.46			101.06	
Net assets value per unit at end of the year		101.82			101.46	

The annexed notes 1 to 31 from an integral part of these financial statements.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
Note	----- (Rupees in '000) -----	-----
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the year before taxation	2,011,995	1,086,925
Adjustments for:		
Unrealised (appreciation) on re-measurement of investments classified at 'fair value through profit or loss' - net	(71,294)	(15,411)
	1,940,701	1,071,514
(Increase) / decrease in assets		
Investments	(2,263,464)	(3,307,287)
Profit receivable	39,016	(202,908)
Receivable against sale of units	(1,673,153)	-
Advances & deposits	(2,177)	(5,653)
	(3,899,778)	(3,515,848)
Increase / (decrease) in liabilities		
Payable to Habib Asset Management Limited - Management Company	9,792	9,717
Payable to Central Depository Company of Pakistan Limited - Trustee	1,530	188
Payable to Securities and Exchange Commission of Pakistan	1,931	(812)
Payable to against redemption of units	56,482	-
Accrued expenses and other liabilities	(68,372)	225,701
	1,363	234,794
Net cash (used in) operating activities	(1,957,714)	(2,209,540)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issuance of units	59,190,419	12,892,268
Payment made on redemption of units	(49,070,235)	(10,854,122)
Dividend paid during the year	(74,956)	(1,096,506)
Net cash generated from financing activities	10,045,228	941,640
Net increase /(decrease) in cash and cash equivalents	8,087,514	(1,267,900)
Cash and cash equivalents at beginning of the year	2,603,239	3,871,139
Cash and cash equivalents at the end of the year	5 10,690,753	2,603,239

The annexed notes 1 to 31 from an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Islamic Income Fund was established under a Trust Deed executed between AL Habib Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as Trustee. The Trust Deed was executed on August 30, 2016 and was approved by the Securities and Exchange Commission of Pakistan on August 22, 2016 under Rule 67 of the Non- banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non-Banking Finance Company under the NBFC Rules by SECP. The registered office of the management company is situated at 3rd Floor, MacKinnon's Building, I.I. Chundrigar Road Karachi, Pakistan.
- 1.3** The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange . Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.
- 1.4** The Fund has been formed to provide reasonable rate of return consistent with reasonable concern for safety of principal amount to the unit holders, along with facility to join or leave the fund at their convenience. The management team would seek to enhance returns through active portfolio management using efficiency tools. The Fund has been categorized as an Open-End Shairah Complaint (Islamic) Income Scheme as per criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Scheme .
- 1.5** The Fund is registered under the Sindh Trusts Act, 2020, after the promulgation of Provincial Trust Act.
- 1.6** The Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a trustee of the Fund.
- 1.7** The management company and the fund has been assigned a rating of 'AM1' by Pakistan Credit Rating Agency (PACRA) dated December 12, 2024. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and Processes. The Fund has been given a stability rating of AA(f) by Pakistan Credit Rating Agency (PACRA) dated April 22, 2025.

2 BASIS OF PRESENTATION

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

2.1 BASIS OF PREPARATION

2.1.1 Statement of Compliance

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

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

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

2.1.2 Functional and presentation currency

These financial statement is presented in Pakistan rupee ('Rupees' or 'Rs.'), which is the Fund's functional and presentational currency.

2.1.3 Basis of measurement

These financial statements have been prepared under the historical cost basis except for certain investments which are required to be measured at fair value.

2.1.4 Use of judgements and estimates

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectation of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 the revision and future years if the revision affects both current and future years.

Estimates and judgments that have significant effect on the financial statements and relate to classification and valuation and impairment of financial assets are as follow:

2.1.5 Classification and valuation of financial assets

For details please refer notes 4.2.2.1 and 6 to these financial statements.

2.1.6 Impairment of financial assets

For details please refer note 4.2.2.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025**

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024

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

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2026

	Effective date (annual periods beginning on or after)
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	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
IFRS 17 Insurance Contracts	January 01, 2027
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 revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)	
IFRS 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).	

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

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

4.2 Financial instruments

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

4.2.1 Financial assets

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

4.2.2 Initial recognition and measurement

Financial assets are recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction cost associated with these financial assets are charged to the income statement.

4.2.2.1 Classification

Debt Instruments

Amortized cost

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

- the asset is held within a business model whose objective is 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.

Fair value through profit or loss

Financial assets not classified as measured at amortised cost are measured at FVTPL. A financial asset at FVTPL is initially measured at fair value and transaction costs that are directly attributable to its acquisition are charged to income statements.

Subsequent, the financial asset measured at:

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost

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

Debt investments at FVTPL

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

4.2.2.2 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly investment, advances, deposits, other receivables, mark-up receivable and bank balances.

4.2.2.3 Regular way contracts

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

4.2.2.4 Derecognition

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

4.2.2.5 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.

4.2.3 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the income statement.

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 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 the form of cash among the unit holders. Provided that, for the purpose of determining distribution of at least 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund intends to continue availing the tax exemption in future years by distributing at least 90% of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year. Accordingly, no tax liability or deferred tax has been recognised in these financial statements.

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

4.5 Proposed distributions

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

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. 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 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.

4.7 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 year. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend (NAV) of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

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

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Income on sukuk certificates and government securities is recognised on a time proportionate basis using effective yield method, except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis; and
- Profit on balances with banks is recognised on an accrual basis.

AL HABIB ISLAMIC INCOME FUND

4.10 Expenses

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

5	BALANCES WITH BANKS	Note	2025 ----- Rupees in '000 -----	2024 -----
	Savings accounts	5.1 & 5.2	9,690,753	2,603,239
	Term deposit receipts		1,000,000	-
			<u>10,690,753</u>	<u>2,603,239</u>

5.1 These carries mark-up ranging from 8.75% to 11.5% (June 30, 2024: 19.10% to 21.50%) per annum.

5.2 It includes balance of Rs. 512.92 million (June 30, 2024: Rs 38.486 million) with Bank AL Habib Limited, a related party.

6 INVESTMENTS

At fair value through profit or loss

Investment in Sukuk Certificates	6.1	<u>6,876,111</u>	<u>4,541,353</u>

6.1 Investment in Sukuk Certificate

As at June 30, 2025									
Name of the Investee	As at July 01 2024	Purchases during the period	Sold / Matured during the period	As at June 30, 2025	Carrying value	Market value	Unrealized appreciation / (diminution) as at June 30, 2025	Percentage in relation to	Market value as a percentage of total investments
	Units.....			(Rupees in '000)			%-----		
Unquoted									
Ghani Chemicals Industries Limited (certificates of Rs. 12,500 each)	105	-	105	-	-	-	-	-	-
Meezan Bank Limited Sukuk (certificates of Rs. 1,000,000 each)	275	-	275	-	-	-	-	-	-
Meezan Bank Limited - TIER II Mudaraba Sukuk (certificates of Rs. 1,000,000 each)	250	-	100	150	149,053	147,599	(1,454)	0.77%	2.15%
Dubai Islamic Bank Sukuk (02-12-2022) (certificates of Rs. 1,000,000 each)	222	-	222	-	-	-	-	-	-
Gas and Oil Pakistan Limited Sukuk (certificates of Rs. 1,000,000 each)	5	-	-	5	1,849	1,869	20	0.01%	0.03%
Quoted									
GOP Ijara Sukuk VRR (26-10-2022)	9,255	6,000	15,255	-	-	-	-	-	-
GOP Ijara Sukuk (29-05-2020)	15,480	-	15,480	-	-	-	-	-	-
GOP Ijara Sukuk 1 Year FRR (07-08-2023)	11,500	-	11,500	-	-	-	-	-	-
GOP Ijara Sukuk 1 YEAR VRR (24-01-2024)	12,000	-	12,000	-	-	-	-	-	-
GOP Ijara Sukuk 1 YEAR VRR (04-12-2023)	12,800	-	12,800	-	-	-	-	-	-
GOP Ijara Sukuk 3 YEAR VRR (24-01-2024)	-	2000	600	1,400	7,018	7,097	79	0.04%	0.10%
GOP IJARA SUKUK 3 YEAR FRR (21-10-2024)	-	160,000	1,000	159,000	796,910	818,294	21,384	4.25%	11.90%
GOP IJARA SUKUK 3 YEAR VRR (18-09-2024)	-	362,700	362,700	-	-	-	-	-	-
GOP IJARA SUKUK 3 YEAR VRR (21-10-2024)	-	445,000	50,001	394,999	1,980,753	1,991,388	10,635	10.35%	28.96%
GOP IJARA SUKUK 3 YEAR VRR (28-06-2024)	-	185,000	185,000	-	-	-	-	-	-
GOP IJARA SUKUK 5 YEAR FRR (21-10-2024)	-	172,520	17,000	155,520	780,767	823,789	43,022	4.28%	11.98%
GOP IJARA SUKUK 5 YEAR VRR (21-10-2024)	-	457,520	457,520	-	-	-	-	-	-

AL HABIB ISLAMIC INCOME FUND

As at June 30, 2025									
Name of the Investee	As at July 01 2024	Purchases during the period	Sold / Matured during the period	As at June 30, 2025	Carrying value	Market value	Unrealized appreciation / (diminution) as at June 30, 2025	Percentage in relation to	Market value as a percentage of total investments
		Units				(Rupees in '000)		%	
GOP IJARA SUKUK 5 YEAR VRR (28-06-2024)	-	15,000	8,000	7,000	35,700	35,371	(329)	0.18%	0.51%
GIS 1 YEAR DISCOUNTED(04-12-2024)	-	5,001,000	100,050	4,900,950	469,467	469,560	93	2.44%	6.83%
GIS 1 YEAR DISCOUNTED(07-11-2024)	-	2,500,000	2,500,000	-	-	-	-	-	-
GIS 1 YEAR DISCOUNTED(16-08-2024)	-	500,000	500,000	-	-	-	-	-	-
GIS 1 YEAR DISCOUNTED(18-09-2024)	-	2,500,000	2,500,000	-	-	-	-	-	-
GIS 1 YEAR DISCOUNTED(21-10-2024)	-	1,250,000	1,250,000	-	-	-	-	-	-
GIS 1 YEAR DISCOUNTED(26-04-2024)	-	50	50	-	-	-	-	-	-
GIS 1 YEAR DISCOUNTED(26-07-2024)	-	3,250,000	1,000,000	2,250,000	222,866	223,628	762	1.16%	3.25%
GIS 1 YEAR DISCOUNTED(06-02-2025)	-	500,000	500,000	-	-	-	-	-	-
GIS 1 YEAR DISCOUNTED(07-03-2025)	-	1,500,000	1,500,000	-	-	-	-	-	-
GIS 1 YEAR DISCOUNTED(09-01-2025)	-	1,875,000	1,875,000	-	-	-	-	-	-
GOP IJARA SUKUK - VRR (26-10-2022)	-	51,130	51,130	-	-	-	-	-	-
GOP IJARA SUKUK 03 YEAR FRR (09-01-2025)	-	25,000	25,000	-	-	-	-	-	-
GOP IJARA SUKUK 03 YEAR VRR (09-01-2025)	-	57,500	57,500	-	-	-	-	-	-
GOP IJARA SUKUK 05 YEAR FRR (09-01-2025)	-	17,500	17,500	-	-	-	-	-	-
GOP IJARA SUKUK 05 YEAR VRR (09-01-2025)	-	57,500	57,500	-	-	-	-	-	-
GOP IJARA SUKUK 1 YEAR VRR (07-08-2023)	-	23,000	23,000	-	-	-	-	-	-
GOP IJARA SUKUK - VRR (29-07-2020)	-	20,000	-	20,000	2,004,111	2,000,200	(3,911)	10.40%	29.09%
GOP IJARA SUKUK 03 YEAR FRR (30-05-2025)	-	12,500	-	12,500	62,473	62,500	27	0.32%	0.91%
GOP IJARA SUKUK 05 YEAR FRR (30-05-2025)	-	12,500	-	12,500	61,291	62,500	1,209	0.32%	0.91%
GOP IJARA SUKUK 05 YEAR VRR (30-05-2025)	-	12,500	-	12,500	62,513	62,513	-	0.33%	0.91%
GIS 1 YEAR DISCOUNTED (26-06-2025)	-	1,875,000	-	1,875,000	170,047	169,803	(243)	0.88%	2.47%
Total as at June 30, 2025				9,801,524	6,804,818	6,876,111	71,294		
Total as at June 30, 2024					4,525,942	4,541,353	15,411		

7	PROFIT RECEIVABLE	Note	2025	2024
			Rupees in '000	
	Receivable on			
	Sukuk certificates		177,238	221,961
	Bank deposit		59,490	36,445
	Term deposit receipts		14,270	-
	Sale of units		-	31,608
			<u>250,998</u>	<u>290,014</u>
8	ADVANCES & DEPOSITS			
	Advance tax	8.1	14,864	14,853
	Deposits with:			
	National Clearing Company of Pakistan Limited		1,000	1,000
	Central Depository Company of Pakistan Limited		100	100
	Mutual fund rating fee		75	9
	Others		2,100	-
			<u>18,139</u>	<u>15,962</u>

AL HABIB ISLAMIC INCOME FUND

- 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, 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.

9 PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	2025 ----- Rupees in '000 -----	2024 ----- Rupees in '000 -----
Remuneration payable to the Management	9.1	14,252	12,851
Sindh sales tax	9.2	2,138	1,671
Reimbursement of CIS	9.3	8,365	441
		<u>24,755</u>	<u>14,963</u>

- 9.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated June 20, 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund. The Management Company has charged its remuneration at rate ranging from 0% to 10% of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.

- 9.2** The Sindh Sales Tax has been charged at 15% on the Management Company's remuneration during the year (2024: 13%).

- 9.3** As per Regulation 60(3)(s) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to the CIS.

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (CDC) - TRUSTEE

	Note	2025 ----- Rupees in '000 -----	2024 ----- Rupees in '000 -----
Trustee fee payable	10.1	1,812	496
Sales tax payable on trustee remuneration	10.2	271	57
		<u>2,083</u>	<u>553</u>

- 10.1** The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document based on the daily Net Asset Value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the Trustee fee has been revised effective from July 01, 2019, whereby the revised tariff is 0.075% of average daily net assets of the Fund.

- 10.2** The Sindh Sales Tax has been charged at 15% on the Trustee's remuneration charged during the year (2024: 13%).

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Sales tax payable on trustee remuneration	<u>2,370</u>	<u>439</u>

- 11.1** This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) at 0.075% (2024: 0.075%) of net assets in accordance with regulation 62 of the NBFC Regulations.

12 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditor's remuneration	889	461
Payable against redemption of unit	-	636
Withholding tax	25,083	36,085
Capital Gain tax	155,902	32,629
Payable against printing charges	11	11
Settlement charges	369	91
Brokerage	1,218	210

	Note	2025 ----- Rupees in '000 -----	2024
Dividend payable		5,623	185,312
Payable against purchase of investment		-	2,079
Others		47	-
		<u>189,142</u>	<u>257,514</u>

13 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2025 (2024: Nil).

14 NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the year	70,740,913	50,945,056
Add: Units issued during the year	563,726,975	118,784,966
Less: units redeemed during the year	(445,568,455)	(98,989,109)
Total units in issue at the end of the year	<u>188,899,433</u>	<u>70,740,913</u>

15 PROFIT ON BANK DEPOSITS

Saving accounts	15.1	<u>985,271</u>	<u>318,890</u>

15.1 It represents profit on deposits with Bank AL Habib Limited, a related party amounting to Rs. 16.77 million (2024: Rs 78.081 million).

16 AUDITORS' REMUNERATION

Annual audit fee	323	324
Half yearly review fee	170	150
Other certifications	195	137
	<u>688</u>	<u>611</u>

17 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90% of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current year as the management intends to distribute in cash atleast 90 percent of the Fund's accounting income for the year ending June 30, 2025 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

18 EARNINGS PER UNIT

Earnings 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 earnings per unit is not practicable.

19 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2025		
	Fair value through profit or loss	Amortised cost	Total
	----- Rupees in '000 -----		
Financial assets			
Balances with banks	-	10,690,753	10,690,753
Investments			
GOP Ijarah Sukuks	6,876,111	-	6,876,111
Profit receivable	-	250,998	250,998
Advances and deposits	-	3,275	3,275
	<u>6,876,111</u>	<u>10,945,026</u>	<u>17,821,137</u>

AL HABIB ISLAMIC INCOME FUND

Particulars	As at June 30, 2025		
	Fair value through profit or loss	Amortised cost	Total
Rupees in '000			
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	24,755	24,755
Payable to Central Depository Company of Pakistan Limited- Trustee	-	2,083	2,083
Payable to Securities and Exchange Commission of Pakistan	-	2,370	2,370
Accrued expenses and other liabilities	-	164,059	164,059
	-	193,267	193,267

Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortised cost	Total
Rupees in '000			
Financial assets			
Balances with banks	-	2,603,239	2,603,239
Investments			
GOP Ijarah Sukuks	4,541,353	-	4,541,353
Profit receivable	-	290,014	290,014
Advances and deposits	-	1,109	1,109
	4,541,353	2,894,362	7,435,715

Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	14,963	14,963
Payable to Central Depository Company of Pakistan Limited- Trustee	-	553	553
Payable to Securities and Exchange Commission of Pakistan	-	439	439
Accrued expenses and other liabilities	-	221,429	221,429
	-	237,384	237,384

20 TRANSACTIONS AND BALANCES WITH RELATED/ CONNECTED PERSONS

- 20.1** Related party/ Connected persons include AL Habib 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 person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of Fund and the directors and officers of the Management Company and the Trustee and unit holders holding 10% or more units of the Fund.
- 20.2** The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.
- 20.3** Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 20.4** The details of significant transactions carried out by the Fund with connected persons and balances with them at the end of reporting year are as follows:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of AL Habib Management Company.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Currency Exchange Ltd	Subsidiary of Bank AL Habib Limited
5	AL Habib Cash Fund Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited

S.No	Company Name	Relationship
18	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
19	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
20	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Limited
21	Central Depository Company	Trustee

Connected persons includes directors and officers of the above entities as at June 30, 2025 and staff retirement benefit funds of the above companies.

	2025	2024
	----- Rupees in '000 -----	
Details of transactions with connected persons are as follows:		
AL Habib Asset Management Limited - Management Company		
- Management Remuneration	175,743	56,479
- Sindh Sales Tax on Management Company's Remuneration	26,366	7,342
- Expenses allocated by the Management Company	8,580	6,538
- Dividend paid	-	-
Central Depository Company of Pakistan Limited - Trustee		
-Trustee Remuneration	12,470	4,210
-Sindh Sales Tax on Trustee Remuneration	1,870	547
-CDC charges	6	6
Bank AL Habib Limited		
- Dividend paid	-	-
- Profit on Bank deposits	16,766	78,081
Details of balances with connected persons at year end are as follows:		
Parent Company		
Bank Al Habib Limited	512,920	38,486
Profit Receivable on bank deposits	5,977	5,828
AL Habib Asset Management Limited - Management Company		
-Management Company fee payable	24,755	14,963
Central Depository Company of Pakistan Limited - Trustee		
-Remuneration payable	2,083	553
-Security deposit - Non interest bearing	100	100

	2025		2024	
Sale / redemption of units	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units sold to:				
Management Company				
- AL Habib Asset Management Limited	35,397,801	4,007,617	6,531,367	694,691
Other connected persons				
- Directors and spouse of the Management Company	251,120	25,895	752,182	80,313
- Key Executives of the Management Company	303,153	31,441	438,015	48,293
- Habib Insurance Company Limited	5	1	8	1
Unit sold to Connected Persons holding 10% or more of the unit in issue	93,887,917	10,523,462	51,704,547	5,631,560
Units redeemed by:				
Management Company				
- AL Habib Asset Management Limited	35,937,801	4,048,374	11,295,763	1,207,527

	2025		2024	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Other connected parties:				
- Directors and spouse of the Management Company	305,078	34,071	720,972	78,711
- Key Executives of the Management Company	226,228	25,246	410,977	45,200
Unit redeemed to Connected Persons holding 10% or more of the unit in issue	31,634,995	3,592,585	46,333,900	5,050,356
Units held by:				
Parent Company				
- Bank AL Habib Limited	250,421	24,421	250,421	25,408
Other connected persons				
- Directors and spouse of the Management Company	189,556	18,486	3,690,932	374,482
- Key Executives of the Management Company	266,604	25,999	226,203	22,951
- Habib Insurance Company Ltd.	55	5	-	-
Units held by Connected Persons holding 10% or more of the units in issue:	62,252,922	6,070,905	21,620,283	2,193,594

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

The Fund primarily invests in a portfolio of investments such as Government securities, spread transactions and in other money market instruments. These activities expose the Fund to a variety of financial risks, such as market risk, credit risk and liquidity risk.

21.1 Market risk

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

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

Market risk comprises of three types of risk; currency risk, interest rate risk and other price risk. The fund is exposed to interest rate risk only.

21.1.1 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) Sensitivity analysis of variable rate

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 08.75% to 11.5% per annum, and against investments in Sukuks, the interest rate on which range between 10.59% to 18.99% respectively.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 106.909 million (2024: Rs. 33.501 million).

b) Sensitivity analysis of fixed rate

The Fund's investment in GOP Ijara Sukuk and Term Finance Certificates exposes it to fair value interest rate risk.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 68.76 million.. (June 30, 2024: 45.41 million).

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

Particulars	As at June 30, 2025					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	8.75 - 11.5	10,690,753	-	-	-	10,690,753
Investments						
GOP Ijarah Sukuks	10.59 - 18.99	-	-	6,876,111	-	6,876,111
Profit receivable		-	-	-	250,998	250,998
Advances and deposits		-	-	-	3,275	3,275
Sub total		10,690,753	-	6,876,111	254,273	17,821,137
Financial liabilities						
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	24,755	24,755
Payable to Central Depository Company of Pakistan Limited- Trustee		-	-	-	2,083	2,083
Payable to Securities and Exchange Commission of Pakistan		-	-	-	2,370	2,370
Accrued expenses and other liabilities		-	-	-	164,059	164,059
Sub total		-	-	-	193,267	193,267
On-balance sheet gap (a)		10,690,753	-	6,876,111	61,006	17,627,870
Off-balance sheet financial instruments		-	-	-	-	24,755.00
Off-balance sheet gap (b)		-	-	-	-	2,083.00
Total interest rate sensitivity gap (a) + (b)		10,690,753	-	6,876,111	61,006	17,627,870
Cumulative interest rate sensitivity gap		10,690,753	-	6,876,111		164,059

Particulars	As at June 30, 2024					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	19.10 - 21.15	2,603,239	-	-	-	2,603,239
Investments						
GOP Ijarah Sukuks	19.86 - 23.71	-	-	4,541,353	-	4,541,353
Profit receivable		-	-	-	290,014	290,014
Advances and deposits		-	-	-	1,109	1,109
Sub total		2,603,239	-	4,541,353	291,123	7,435,715
Financial liabilities						
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	14,963	14,963
Payable to Central Depository Company of Pakistan Limited- Trustee		-	-	-	553	553
Payable to Securities and Exchange Commission of Pakistan		-	-	-	439	439
Accrued expenses and other liabilities		-	-	-	221,429	221,429
Sub total		-	-	-	237,384	237,384
On-balance sheet gap (a)		2,603,239	-	4,541,353	53,740	221,429
Off-balance sheet financial instruments		-	-	-	-	14,963.00
Off-balance sheet gap (b)		-	-	-	-	553.00
Total interest rate sensitivity gap (a) + (b)		2,603,239	-	4,541,353	53,740	7,198,332
Cumulative interest rate sensitivity gap		2,603,239	-	4,541,353		

21.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to investment in debt securities such as Sukuks and Bank balances. Bank balances are maintained with balance with a reasonably high credit rating. The risk of default is considered minimal due to inherent systematic measures taken therein.

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

Name of Banks	Balances held as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
Balances with banks by rating category		Rupees in '000	
Al Baraka Bank Pakistan Limited	5,377	AA-	PACRA
Bank Al Habib Limited	503,007	AAA	PACRA
BankIslami Pakistan Limited	764	AA-	PACRA
Dubai Islamic Bank Pakistan Limited	109	AA	VIS
Faysal Bank Limited	5,925	AA+	PACRA
Habib Bank Limited	4,696	AAA	VIS
MCB Bank Limited	1,300	A+	VIS
Allied Bank Limited	458,934	AAA	PACRA
MCB Islamic Bank	60	A+	PACRA
MCB Islamic Bank	45	A+	PACRA
Meezan Bank Limited	1,497	AAA	VIS
Bank Alfalah Ltd (Islamic)	522,185	A+	PACRA
Bank Al Habib Limited	4,141	AAA	PACRA
Askari Bank Limited	4,848,418	AA+	PACRA
Habib Metro Islamic Bank Limited	6	AA+	PACRA
Sindh Bank Limited	505	AA-	VIS
National Bank of Pakistan	10	AAA	VIS
Faysal Bank Limited	3,328,000	AA+	VIS
Bank Al Habib Limited	5,772	AAA	PACRA
Askari Bank Limited	1,000,000	AA+	PACRA
	<u>10,690,751</u>		

Name of Banks	Balances held as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
Balances with banks by rating category		Rupees in '000	
Bank Islami Limited	575	AA-	PACRA
Sindh Bank Limited	100	AA-	VIS
MCB Bank Limited	1,177	AAA	PACRA
Bank Al Habib Limited	25,205	AAA	PACRA
National Bank Of Pakistan	10	AAA	PACRA
Dubai Islamic Bank Limited	100	A-1+	VIS
Habib Bank Limited	854	A-1+	VIS
Albaraka Bank Limited	173	A+	VIS
Faysal Bank Limited	5,055	AA	PACRA
Allied Bank Limited	2,555,979	AAA	PACRA
Bank Al Habib Limited	13,281	AAA	PACRA
MCB Islamic Bank Limited	60	A+	PACRA
MCB Islamic Bank Limited	45	A+	PACRA
Meezan Bank Limited	532	AAA	VIS
Bank Alfalah Islamic Limited	10	AAA	PACRA
Habib Metro Bank Limited	6	AA+	PACRA
Askari Bank Limited	77	AA+	PACRA
	<u>2,603,239</u>		

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

Rating by rating category	2025	2024
	(Percentage)	(Percentage)
AA-	0.06%	0.02%
AAA	9.09%	99.73%
A-1+	0.00%	0.03%
A+	4.89%	0.01%
AA	0.00%	0.19%
AA+	85.93%	0.00%
	100.00%	100.00%

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in Gop Ijara sukkuks 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. At the reporting date the fund is not exposed to a concentration of credit risk.

21.3 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.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current year (2024: 10%).

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.

Particulars	As at June 30, 2025			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	24,755	-	-	24,755
Payable to Central Depository Company of Pakistan Limited- Trustee	2,083	-	-	2,083
Payable to Securities and Exchange Commission of Pakistan	2,370	-	-	2,370
Payable to against redemption of units	56,482	-	-	56,482
Accrued expenses and other liabilities	189,142	-	-	189,142
	274,832	-	-	274,832

Particulars	As at June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				
Financial liabilities				
Payable to the Management Company	14,963	-	-	14,963
Payable to the Trustee	553	-	-	553
Payable to Securities and Exchange Commission of Pakistan	439	-	-	439
Accrued expenses and other liabilities	257,514	-	-	257,514
	273,469	-	-	273,469

22 UNITS HOLDERS' FUND RISK MANAGEMENT

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

AL HABIB ISLAMIC INCOME FUND

- 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 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:

- Level 1 Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities traded.
- Level 2 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 3 Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

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

	Carrying amount				Fair value			
	At fair value through profit and loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
June 30, 2025	(Rupees in '000)							
Financial assets - measured at fair value								
GOP Ijarah Sukuk	6,876,111	-	-	6,876,111	-	6,876,111	-	6,876,111
	6,876,111	-	-	6,876,111	-	6,876,111	-	6,876,111

	Carrying amount				Fair value			
	At fair value through profit and loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
June 30, 2024	(Rupees in '000)							
Financial assets - measured at fair value								
GOP Ijarah Sukuk	4,541,353	-	-	4,541,353	-	4,541,353	-	4,541,353
	4,541,353	-	-	4,541,353	-	4,541,353	-	4,541,353

23.1 Valuation techniques

For the level 2 investments at fair value through profit or loss - investment in respect of GOP Ijarah Sukuks, Fund uses the rates which are derived from PKISRV rates at reporting date per certificate multiplied by the number of certificates held as at year end.

23.2 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 yearly. Therefore, their carrying amounts are reasonable approximation of fair value.

23.3 Transfers during the year

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

24 PATTERN OF UNITHOLDING

Unit holding pattern of the fund is as follows:

Category	----- As at June 30, 2025 -----			Percentage
	No. of unit holders	Number of units held	Investment amount	
Rupees in '000				
Individuals	971	64,903,621	6,608,685	34.36%
Associated company	2	416,072	42,366	0.22%
Insurance companies	8	11,225,657	1,143,031	5.94%
Retirement Funds	8	2,000,468	203,694	1.06%
Other Corporate	41	110,353,602	11,236,546	58.42%
	1,030	188,899,420	19,234,322	100.00%

Category	----- As at June 30, 2024 -----			Percentage
	No. of unit holders	Number of units held	Investment amount	
(Rupees in '000)				
Individuals	569	41,420,339	4,142,034	58.55%
Associated company	1	250,421	25,042	0.35%
Insurance companies	3	3,081,163	308,116	4.36%
Retirement Funds	6	451,280	45,128	0.64%
Other Corporate	25	25,537,709	2,553,771	36.10%
	604	70,740,912	7,074,091	100.00%

25 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of Broker	2025 (Percentage)	2024
Continental Exchange (Pvt) Limited	0.00%	37.00%
Optimus Markets (Pvt) Limited	5.00%	26.00%
Invest One Markets Limited	1.00%	10.00%
Next Capital Limited	40.00%	1.00%
JS Global Capital Limited	39.00%	22.00%
Arif Habib Limited	10.00%	4.00%
Akd Securities	5.00%	0.00%

26 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:

Name	Designation	Qualifications	Experience in years
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24 years
Mr. Zahid Hussain Vasanani	Chief Operating Officer & Company Secretary	CA- Affiliate	25 years
Mr. Faran ul Haq	Head of Equity	CFA	14.5 years
Mr. Fawad Javaid	Head of Fixed Income	CMA	14.5 years
Mr. Ahmed Abbas	Fund Manager	MBA	17 years
Mr. Hamza Abdur Rehman Siddiqui	Fund Manager - Equity	Msc (Hons)	7 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS ECO, FMVA	7 years

26.1 Mr. Ahmed Abbas is also Fund Manager of AL Habib Cash Fund, AL Islamic Cash Fund, AL Habib Income Fund, AL Habib Islamic Savings Funds, AL Habib Islamic Income Fund, AL Habib Fixed Return Fund, AL Habib Islamic Munafa Fund & AL Habib Government Securities Fund.

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

Four meetings of the Board of Directors of the Management Company were held on August 1, 2024 and October 17, 2024, January 23, 2025, April 25, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Abbas D.Habib	4	4	-	-
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	103rd, 104th and 105th Meeting
5	Mr. Imran Azim	4	2	2	103rd and 106th Meeting
6	Mr. Kashif Rafi	4	4	-	-

28 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the year ended June 30, 2023 is 1.46% (2024: 1.46%) which includes 0.25% (2024: 0.22%) representing Government levy and SECP fee.

29 CORRESPONDING FIGURES

Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

30 GENERAL

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

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 25, 2025** by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective

The primary objective of AHIF is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium- and short-term Shariah Compliant debt instruments while taking into account liquidity considerations.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHIF maintained strategy to get exposure in broadly diversified portfolio of high quality shariah complaint fixed and floater rate instrument. Such investments include Shariah Complaint Government securities (GOP Ijarah Sukuk), Banks Deposits/Placements and Corporate Sukuks.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 378 bps as it posted YTD return of 14.14% as against the benchmark of 10.37%.

Fund Description

Fund Type & Category	Open ended - Shariah Compliant Income Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	January 23, 2017	Management Fee	Up to 10% of the gross earnings of the Scheme
Benchmark	75% six (6) months PKISRV + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Bank or window of conventional Banks, as selected by MUFAP	Sales Load	3.00% (Management has the discretion to reduce or waive load on any transaction)
Annual Return	14.14%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	10.37%	Dealing Days/ Timings	Monday to Thursday 4:00 pm Friday 4:30 pm
Net Assets	Rs. 19.234 billion (June 30, 2025)	Fund Stability Rating	"AA (f)" by PACRA, (April 22, 2025)
NAV per unit	Rs. 101.8231 per unit (June 30, 2025)	AMC Rating	"AM1" by PACRA (December 12, 2024)
Pricing Mechanism	Forward Pricing	Trustee	Central Depository Company of Pakistan Limited.
Risk Profile	Medium (Principal at medium risk)		

Economic Review:

The main highlights of the outgoing fiscal year were lower than expected inflation, surplus current account balance, IMF's extended financing facility worth USD 7 Billion, narrowing fiscal deficit and record remittances.

CPI witnessed an extensive improvement, increasing only by 4.7%YoY against the forecast of 7%-8%, compared to 26%YoY in FY24. The main contributors were high base effect, lower food prices and decrease in energy charges. Also, the government's keeping the USD/PKR parity in the check played a vital role.

The current account balance stood at USD2.1 billion on the back of shrinking trade gap and higher remittances which reached a

AL HABIB ISLAMIC INCOME FUND

record high of USD 38 Billion. Such phenomenon also resulted in higher foreign exchange reserve held by the Central bank at USD14.51 Billion compared to USD9.39 billion in FY'24.

The outgoing year was not without challenges whereby country's GDP recorded an increase of 2.68% against the target of 3.56%. Agricultural sector, the backbone of country's GDP, grew only by 0.56%YoY due to crop failures amid water shortages. Large Scale manufacturing, witnessed a growth of 4.8%YoY, merely covering up for the negative LSM growth in FY'24.

Low inflation, exchange rate stabilization and adequate foreign exchange flows provided room for the SBP to reduce its Policy rate by 1,100bps, from 22% to 11%. Such drastic cut in interest rates was welcomed by the cross section of the market participants. Market is hoping for further cuts in Policy rates amid high real interest rates and satisfactory foreign exchange flows.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	49.68%	34.94%
GoP Ijarah Sukuk	34.48%	50.93%
Corporate Sukuk	0.77%	10.03%
TDR	5.13%	-
Others	9.95%	4.1%

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	434
1001-5000	129
5001-10000	72
10001-50000	186
50001-100000	68
100001-500000	95
500001-1000000	19
1000001-5000000	22
5000001-10000000	2
10000001-100000000	3
Grand Total	1030

Income Distribution

AHIIF made a total distribution of Rs. 20.5467 during FY24 in the form of dividend, the details of which is as follows;

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Dec 16, 2023	115.3930	101.4577	13.9353

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Islamic Income Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the period, 219,023,201 units valued Rs. 23.550 billion were sold, while 190,833,670 units valued Rs. 20.886 billion were redeemed, resulting in to a net sale of 28,189,531 units valued Rs. 2.664 billion.

Unit Holder Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 24 of the Annual Accounts 2024.

Fund Performance at a Glance

	2025	2024
Net Assets as at June 30 (Rs. in billion)	19.234	7.177
NAV per unit as at June 30 (Rs.)	101.8231	100.4577
Distribution during the year ended June 30 (Rs.)	13.9353	20.5467
Annual Return	14.14%	21.78%

AL HABIB ISLAMIC STOCK FUND
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200
Karachi.

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton,

Trustee

Central Depository Company of Pakistan Limited
Quality
S.M.C.H.S,
Main Shahra-e-Faisal, Karachi.

Rating

AM1 Management Company
CDC House, 99-B, Block 'B',
Rating Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Bank Islami Pakistan Limited
MCB Bank Limited
National Bank of Pakistan Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**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

AL HABIB ISLAMIC STOCK FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Islamic Stock Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2025



REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Advisor of **AL Habib Islamic Stock Fund**, I am issuing this report. The scope of the report is to express an opinion on the Shariah compliance of the fund's activities.

It is the responsibility of the management of aforesaid fund to establish and maintain a system of internal control to ensure compliance with Shariah guidelines. My responsibility is to express an opinion, based on my review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, I hereby certify that:

- The modes of investments, transactions, relevant documentations, operations and the procedures adopted have been in accordance with the Shariah principles and rules.
- The provisions of the scheme, investments and affairs have been carried out in accordance with Shariah principles, rules and relevant Shariah opinions issued from time to time.
- The earnings that have been realized from sources and means prohibited by Shariah have been credited to the charity account.



Dr. Mufti Ismatullah Hamdullah

Shariah Advisor

Date: June 30, 2025



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

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

TO THE BOARD OF DIRECTORS OF AL HABIB ASSET MANAGEMENT LIMITED

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of Al Habib Islamic Stock Fund (the Fund) managed by Al Habib Asset Management Limited (the Management Company) for assessing compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June 30, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2025) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under;

- 1) Essentials, Regulations, Instructions and Guidelines issued by the SECP;
- 2) The rulings of Central Shariah Board as notified by the SECP;
- 3) Requirements of the applicable Islamic Financial Accounting Standards as notified by the SECP;
- 4) Approvals and rulings given by the Shariah Board (SB) directives, regulations, instructions and guidelines issued in accordance with the rulings of SECP's Shariah Board.

The above criteria were evaluated, for their implications on the financial statements of the Fund for the year ended June 30, 2025.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Fund with its unitholders, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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BDO Ebrahim & Co. Chartered Accountants

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4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM) 1 "Quality Management for firms that perform Audit or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended June 30, 2025 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depend on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund internal control. We have designed and performed necessary verification procedures on various financial arrangements, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

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6. Conclusion

Based on our reasonable assurance engagement we report that in our opinion, the Fund overall financial arrangements, contracts, transactions for the year ended June 30, 2025, are in compliance with the Shariah rules and principles, in all material respects.

Engagement Partner
Tariq Feroz Khan


BDO EBRAHIM & CO.
CHARTERED Accountants

Date: **29 SEP 2025**
Place: Karachi



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Pakistan

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE UNIT HOLDERS' OF AL HABIB ISLAMIC STOCK FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Islamic Stock Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2025, 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 give a true and fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the Key audit matter:

S. No	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of investments As disclosed in note 6 to the accompanying financial statements, the investment held by the Fund comprised of equity instruments amounting to Rs.5,542.88 million representing 96.49% of the net assets value (NAV) of the Fund.	Our audit procedures included the following: • We obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2025 and traced it with books and records of the Fund;



S. No	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement and re-performance of valuations as per valuation methodology specified in accounting policies; and - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

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 the Management and Board of Directors 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 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.



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 Ebrahim & Co. Chartered Accountants

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From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking 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: 29 SEP 2025

UDIN: AR202510166QJKA2LNMx


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

	2025	2024
Note ----- (Rupees in '000) -----		
Assets		
Balances with banks	5 327,442	56,776
Investments	6 5,542,883	1,110,512
Dividend and profit receivable	7 24,478	719
Receivable against issuance of units	40,838	2,340
Receivable against sale of investments	-	70,422
Advances and deposits	8 1,792	1,792
Total assets	5,937,433	1,242,561
Liabilities		
Payable to AL Habib Asset Management Limited - Management Company	9 10,330	2,232
Provision for Federal Excise Duty on remuneration of the Management Company	10 1,478	1,478
Payable to Central Depository Company of Pakistan Limited - Trustee	11 606	198
Payable to Securities and Exchange Commission of Pakistan	12 430	91
Accrued expenses and other liabilities	13 179,866	80,155
Total liabilities	192,710	84,154
Net assets	<u>5,744,723</u>	<u>1,158,407</u>
Unit holders' fund (as per statement attached)	<u>5,744,723</u>	<u>1,158,407</u>
Contingencies and Commitments	14	
	----- (Number of units) -----	
Number of units in issue	15 <u>39,308,320</u>	<u>11,564,148</u>
	----- (Rupees) -----	
Net assets value per unit	<u>146.15</u>	<u>100.17</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in '000)	2024
Income			
Profit on bank deposits	16	1,458	5,398
Dividend income		200,967	42,597
Realised gain / (loss) sale of investments - net		1,710,868	155,812
Unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss' - net		680,415	171,472
		2,391,283	327,284
Total income		2,593,708	375,279
Expenses			
Remuneration of Al Habib Asset Management Limited - Management Company		94,900	9,832
Sindh Sales Tax on Management Company's remuneration		14,227	1,278
Expenses allocated by the Management Company		4,991	55
Remuneration of Central Depository Company of Pakistan Limited - Trustee		5,741	1,094
Sindh Sales Tax on remuneration of the Trustee		861	142
Fees to the Securities and Exchange Commission of Pakistan		4,508	515
Brokerage expense		33,302	4,302
Settlement and bank charges		1,699	380
Annual listing fee		25	25
Auditors' remuneration	17	589	533
Printing charges		57	64
Charity expense		5,853	828
Total expenses		166,753	19,048
Net income for the year before taxation		2,426,955	356,231
Taxation	18	-	-
Net income for the year after taxation		2,426,955	356,231
Allocation of net income for the year after taxation			
Net income for the year after taxation		2,426,955	356,231
Income already paid on units redeemed		(1,466,873)	(329,733)
		960,082	26,498
Accounting income available for distribution:			
- Relating to capital gains		960,082	155,812
- Excluding capital gains		-	(129,314)
		960,082	26,498

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	----- (Rupees in '000) -----	
Net income for the year after taxation	2,426,955	356,231
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>2,426,955</u>	<u>356,231</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	2025			2024		
	Capital Value	(Accumulated losses) / Undistributed income	Total	Capital Value	Accumulated losses	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the year	1,203,019	(44,613)	1,158,406	356,014	(57,656)	298,358
Issuance of 141,763,274 units (2024: 26,747,846 units)						
- Capital value	14,200,427	-	14,200,427	1,993,517	-	1,993,517
- Element of income	7,595,698	-	7,595,698	1,415,624	-	1,415,624
Total proceeds on issuance of units	21,796,125	-	21,796,125	3,409,141	-	3,409,141
Redemption of 114,019,102 units (2024: 19,187,012 units)						
- Capital value	(11,421,293)	-	(11,421,293)	(1,430,008)	-	(1,430,008)
- Element of loss	(5,809,003)	(1,466,873)	(7,275,876)	(726,047)	(329,733)	(1,055,780)
Total payments on redemption of units	(17,230,296)	(1,466,873)	(18,697,169)	(2,156,055)	(329,733)	(2,485,788)
Total comprehensive income for the year	-	2,426,955	2,426,955	-	356,231	356,231
Distribution during the year	(714,619)	(224,975)	(939,594)	(406,081)	(13,455)	(419,536)
Income / (Loss) for the year less distribution	(714,619)	2,201,980	1,487,361	(406,081)	342,776	(63,305)
Net assets at end of the year	5,054,229	690,494	5,744,723	1,203,019	(44,613)	1,158,406
Accumulated loss brought forward						
- Realised loss		(216,085)			(36,564)	
- Unrealised gain / (loss)		171,472			(21,092)	
		(44,613)			(57,656)	
Accounting income available for distribution						
- Relating to capital gains	960,082			155,812		
- Excluding capital gains	-			(129,314)		
	960,082			26,498		
Distribution during the year @ Rs. 27 per unit declared on June 28, 2025 (2024: Rs. 47.5663 per unit)		(224,975)			(13,455)	
Undistributed income/ (accumulated loss) carried forward		690,494			(44,613)	
Undistributed income/ (accumulated loss) carried forward comprising of:						
- Realised income / (loss)		10,079			(216,085)	
- Unrealised income		680,415			171,472	
		690,494			(44,613)	
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the year	100.17			74.53		
Net assets value per unit at end of the year	146.15			100.17		

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		2,426,955	356,231
Adjustments for:			
Unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		(680,415)	(171,472)
		1,746,540	184,759
Increase in assets			
Investments - net		(3,751,956)	(699,609)
Dividend and profit receivable		(23,759)	47
Receivable against issuance of units		(38,498)	9,660
Receivable against sale of investments		70,422	(70,422)
Advances and deposits		-	1,866
		(3,743,791)	(758,458)
Increase in liabilities			
Payable to AL Habib Asset Management Limited - Management Company		8,098	2,220
Payable to Central Depository Company of Pakistan Limited - Trustee		407	143
Payable to Securities and Exchange Commission of Pakistan		339	35
Accrued expenses and other liabilities		99,711	78,642
		108,555	81,040
Net cash used in operating activities		(1,888,696)	(492,659)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance of units		21,796,125	3,409,141
Payments made against redemption of units		(18,697,169)	(2,485,788)
Dividend paid		(939,594)	(419,535)
Net cash generated from financing activities		2,159,362	503,818
Net increase in cash and cash equivalents during the year		270,666	11,159
Cash and cash equivalents at beginning of the year		56,776	45,617
Cash and cash equivalents at end of the year	5	327,442	56,776

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Islamic Stock Fund (the "Fund") was established under a Trust Deed between AL Habib Asset Management Limited (HAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on November 24, 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 03, 2011 under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 (NBFC Rules).
- 1.2** The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 15, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the Management Company is situated at 3rd floor, Mackinnon's Building, I,I Chundrigar Road, Karachi, Pakistan.
- 1.4** The Fund has been categorized as an open-end Shariah Complaint Equity Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited (PSX). Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.
- 1.5** The investment objective of the fund is to seek long-term capital growth by investing primarily in a Shariah Compliant diversified pool of equities and equity related instruments. The management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance of applicable laws.
- 1.7** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund
- 1.8** The management company has been assigned a rating of "AM1" by Pakistan Credit Rating Agency (PACRA) dated December 12, 2024

2 BASIS OF PRESENTATION

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

2.1 BASIS OF PREPARATION

2.1.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations 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 stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency. All amounts have been rounded to the nearest thousand rupees, unless stated otherwise.

2.4 Critical accounting estimates and judgement

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates 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 the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 the revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.2.1.1, 6 and 9.5).

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025**

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting years, beginning on or after the date

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024

	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 IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 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 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

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

4.2 Financial instruments

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

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss. The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.2 Initial recognition and measurement

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

4.2.2.1 Classification

Equity Instruments

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

Debt Instruments**Amortized cost**

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

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

Fair value through profit or loss

Financial assets not classified as measured at amortized cost are measured at FVTPL. A financial asset at FVTPL is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition

Subsequent, the financial asset measured at:**Debt investments at amortised cost**

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

Debt investments at FVOCI

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

Debt investments at FVTPL

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

Equity investments at FVTPL

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

4.2.2.2 Regular way purchase and sale of financial asset

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.

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

4.2.2.3 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.

4.2.2.4 Impairment of financial assets

The Fund assess on a forward-looking basis the expected credit losses (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:

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

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

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

4.2.3 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the income statement.

4.2.4 Offsetting of financial assets and liabilities

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

4.3 Provisions

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

4.4 Taxation

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

The Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent (90%) of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year. Accordingly, no tax liability or deferred tax has been recognised in these financial statements.

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

4.5 Proposed distributions

Distribution to the unit holders are recognized 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 the year end reporting date are subject to the approval of the Board of Directors of the Management Company and considered as non-adjusting events and are recognised before the reporting date.

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the Net Asset Value (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.

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 NAV as on the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.7 Element of income / (loss)

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 year. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

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

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized using the effective interest method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.

4.10 Expenses

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

5	BALANCES WITH BANKS	Note	2025 ------(Rupees in '000)-----	2024
	Balances with banks in:			
	Current accounts	5.1	183,274	50,360
	Savings accounts	5.2	144,168	6,416
			<u>327,442</u>	<u>56,776</u>

5.1 These carries profit rates ranging from 10.00% to 13.00% (2024: 20.50% to 21.50%) per annum.

5.2 This includes a balance of Rs. 188.93 million (2024: Rs. 6.22 million) with Bank AL Habib Limited, a related party.

6 INVESTMENTS

Financial assets at 'fair value through profit or loss'

Listed equity securities	6.1	<u>5,542,883</u>	<u>1,110,512</u>

6.1 Investments in Equity Securities - listed

Name of the Investee	Note	As at July 01, 2024	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2024	Unrealised appreciation / (diminution) as at June 30, 2025	Market Value as a percentage of:		Face value of investments as a percentage of the paid up capital of the investee company
										Net Assets	Total Investment	
(Number of shares) (Rupees in '000) (%)												
COMMERCIAL BANKS												
Bank Islami Pakistan limited	6.1.1	3,600,000	4,673,000	-	8,273,000	-	-	-	-	-	-	-
Faysal Bank Limited		1,125,000	3,425,000	-	4,550,000	-	-	-	-	0.00%	0.00%	-
Meezan Bank Limited		680,000	3,163,000	-	2,768,000	1,075,000	276.654	356.954	80,300	6.21%	6.44%	0.06%
		5,405,000	11,261,000	-	15,591,000	1,075,000	276.654	356.954	80,300	6.21%	6.44%	0.06%
CHEMICALS												
Biafo Industries Ltd.		35,400	271,029	-	16,429	290,000	31,473	50,930	19,457	0.89%	0.92%	0.63%
Dynca Pakistan limited		12,000	-	-	12,000	-	-	-	-	-	-	-
		47,400	271,029	-	28,429	290,000	31,473	50,930	19,457	0.89%	0.92%	0.63%
FERTILIZERS												
Engro Fertilizers Limited		270,000	2,529,390	-	1,804,339	995,051	215,003	184,672	(30,331)	3.21%	3.33%	0.07%
Fauji Fertilizer Bin Qasim Ltd		1,035,000	3,390,000	-	4,425,000	-	-	-	-	-	-	-
Fatima Fertilizers Company Limited		-	6,772,892	-	5,340,491	1,432,401	125,352	142,395	17,043	2.48%	2.57%	0.07%
Engro Corporation Limited		153,000	605,147	-	758,147	-	-	-	-	-	-	-
		1,458,000	13,297,429	-	12,327,977	2,427,452	340,355	327,067	(13,288)	5.69%	5.90%	0.14%
CEMENT												
Attock Cement Pakistan Limited		108,000	3,000	-	111,000	-	-	-	-	-	-	-
Bestway Cement Limited		23,000	148,960	-	-	171,960	48,311	69,730	21,419	1.21%	1.26%	0.03%
Cherat Cement Company Limited		163,991	739,000	-	607,991	295,000	85,624	85,639	15	1.49%	1.55%	0.15%
Fauji Cement Company Limited		1,500,000	8,865,000	-	7,815,000	2,550,000	100,926	113,909	12,983	1.98%	2.06%	0.10%
Gharibwal Cement Limited		119,000	-	-	119,000	-	-	-	-	-	-	-
Kohat Cement Company Limited		44,284	692	-	44,976	-	-	-	-	-	-	-

AL HABIB ISLAMIC STOCK FUND

Name of the Investee	Note	As at July 01, 2024	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2024	Unrealised appreciation / (diminution) as at June 30, 2025	Market Value as a percentage of:		Face value of investments as a percentage of the paid up capital of the investee company
										Net Assets	Total Investment	
(Number of shares)						(Rupees in '000)			(-%)			
Lucky Cement Limited		45,000	1,923,798	-	943,711	1,025,087	278,490	364,152	85,662	6.34%	6.57%	0.07%
Maple Leaf Cement Factory Limited		630,000	4,795,000	-	2,850,000	2,575,000	144,026	217,021	72,995	3.78%	3.92%	0.25%
D.G Khan Cement Company Limited		-	2,247,200	-	1,222,200	1,025,000	131,042	169,699	38,657	2.95%	3.06%	0.23%
Pioneer Cement Limited		190,000	1,011,681	-	474,746	726,935	143,800	165,836	22,036	2.89%	2.99%	0.32%
		2,823,275	19,734,331	-	14,188,624	8,368,982	932,219	1,185,986	253,767	20.64%	21.41%	1.15%
POWER GENERATION AND DISTRIBUTION												
Engro Powergen Qadirpur Limited	6.1.1	412,000	-	-	412,000	-	-	-	-	-	-	-
The Hub Power Company Limited		575,000	4,034,615	-	2,759,615	1,850,000	247,039	254,949	7,910	4.44%	4.60%	0.14%
		987,000	4,034,615	-	3,171,615	1,850,000	247,039	254,949	7,910	4.44%	4.60%	0.14%
MISCELLANEOUS												
Pakistan Aluminium Beverage Cans Ltd.		100,000	-	-	100,000	-	-	-	-	-	-	-
Shifa International Hospitals Limited		-	205,387	-	-	205,387	95,039	97,586	2,547	1.70%	1.76%	0.32%
		100,000	205,387	-	100,000	205,387	95,039	97,586	2,547	1.70%	1.76%	0.32%
ENGINEERING												
International Steels Limited		-	17,783	-	-	17,783	1,654	1,648	(6)	0.03%	0.03%	-
		-	17,783	-	-	17,783	1,654	1,648	(6)	0.03%	0.03%	-
INV. BANKS / INV. COS. / SECURITIES COS.												
Engro Holdings Limited		-	3,418,470	-	1,563,470	1,855,000	325,029	338,649	13,620	5.89%	6.11%	0.15%
		-	3,418,470	-	1,563,470	1,855,000	325,029	338,649	13,620	5.89%	6.11%	0.15%
LEATHER & TANNERIES												
Service GlobalFootwear Limited		-	553,038	-	-	553,038	40,285	43,900	3,615	0.76%	0.79%	0.27%
		-	553,038	-	-	553,038	40,285	43,900	3,615	0.76%	0.79%	0.27%
AUTOMOBILE ASSEMBLERS												
Sazgar Engineering Works.		115,000	508,000	-	623,000	-	-	-	-	-	-	-
Ghandhara Automobiles Limited		-	935,000	-	739,480	195,520	74,873	73,783	(1,090)	1.28%	1.33%	0.34%
Ghandhara Industries Limited		-	360,000	-	285,522	74,478	31,413	48,443	17,030	0.84%	0.87%	0.17%
		115,000	1,803,000	-	1,648,002	269,998	106,286	122,226	15,940	2.12%	2.20%	0.51%
AUTOMOBILE PARTS & ACCESSORIES												
Atlas Battery Ltd.		-	75,000	-	75,000	-	-	-	-	-	-	-
Baluchistan Wheels Ltd.		18,000	-	-	18,000	-	-	-	-	-	-	-
Exide Pakistan Limited		45,000	55,000	-	34,000	66,000	48,105	56,084	7,979	0.98%	1.01%	0.85%
		63,000	130,000	-	127,000	66,000	48,105	56,084	7,979	0.98%	1.01%	0.85%
OIL AND GAS EXPLORATION COMPANIES												
Mari Energies Limited (formerly Mari Petroleum Company Limited)	6.1.2	28,000	328,000	216,000	438,800	133,200	78,365	83,496	5,131	1.45%	1.51%	0.01%
Oil & Gas Development Company Limited		-	4,635,000	-	2,226,419	2,408,581	522,240	531,237	8,997	9.25%	9.58%	0.06%
Pakistan Petroleum Limited	6.1.1	900,000	7,047,329	-	5,507,329	2,440,000	390,904	415,215	24,311	7.23%	7.49%	0.09%
		928,000	12,010,329	216,000	8,172,548	4,981,781	991,509	1,029,948	38,439	17.93%	18.58%	0.16%
OIL AND GAS MARKETING COMPANIES												
Attock Petroleum Limited		25,000	91,026	-	5,026	111,000	48,538	53,238	4,700	0.93%	0.96%	0.09%
Pakistan State Oil Company Limited		-	1,918,000	-	1,370,185	547,815	186,083	206,817	20,734	3.60%	3.73%	0.12%
Sui Northern Gas Pipeline Limited		250,000	1,675,000	-	875,000	1,050,000	112,065	122,546	10,481	2.13%	2.21%	0.17%
		275,000	3,684,026	-	2,250,211	1,708,815	346,686	382,601	35,915	6.66%	6.90%	0.38%
REFINERY												
Attock Refinery Ltd.		-	420,000	-	340,000	80,000	38,087	54,354	16,267	0.95%	0.98%	0.08%
		-	420,000	-	340,000	80,000	38,087	54,354	16,267	0.95%	0.98%	0.08%
TEXTILE COMPOSITE												
Interloop Limited		100,000	1,937,649	-	437,000	1,600,649	97,200	108,460	11,260	1.89%	1.96%	0.11%
Towellers Limited.		20,800	-	-	20,800	-	-	-	-	-	-	-
Nishat Mills Limited		-	3,784,005	-	3,424,005	360,000	39,668	45,317	5,649	2.68%	2.77%	0.10%
		120,800	5,721,654	-	3,881,805	1,960,649	136,868	153,777	16,909	4.57%	4.73%	0.21%
PHARMACEUTICAL												
Abbott Laboratories		4,000	289,396	-	59,441	233,955	226,924	227,416	492	3.96%	4.10%	0.24%
AGP limited		-	770,000	-	770,000	-	-	-	-	-	-	-
BF Biosciences Limited		-	1,887,000	-	1,887,000	-	-	-	-	-	-	-
Citi Pharma Limited		-	3,624,000	-	3,624,000	-	-	-	-	-	-	-
GlaxoSmithKline Pakistan Limited		-	1,475,063	-	814,780	660,283	171,743	257,986	86,243	4.49%	4.65%	0.21%
Haleon Pakistan Limited		-	466,050	-	80,695	385,355	264,379	283,748	19,369	4.94%	5.12%	0.33%
Hoechst Pakistan Limited		-	10,000	-	-	10,000	20,860	32,827	11,967	0.57%	0.59%	0.10%
Highnoon Laboratories Limited		15,000	148,730	-	160,889	2,841	2,651	2,807	156	0.05%	0.05%	0.01%
		19,000	8,670,239	-	7,396,805	1,292,434	686,557	804,784	118,227	10.05%	10.41%	0.89%
CABLE AND ELECTRICAL GOODS												
Fast Cables Limited		569,065	5,530,935	-	6,100,000	-	-	-	-	-	-	-
		569,065	5,530,935	-	6,100,000	-	-	-	-	-	-	-
FOOD & PERSONAL CARE PRODUCTS												
Barkat Frisian Agro Limited		-	3,113,534	-	2,113,534	1,000,000	25,263	40,950	15,687	0.71%	0.74%	0.32%
National Foods Limited		-	528,000	-	11,600	516,400	133,861	168,982	35,121	2.94%	3.05%	0.22%
		-	3,641,534	-	2,125,134	1,516,400	159,124	209,932	50,808	3.65%	3.79%	0.54%
GLASS & CERAMICS												
Tariq Glass Industries Limited		-	391,000	-	106,302	284,698	59,499	71,508	12,009	1.24%	1.29%	0.17%
		-	391,000	-	106,302	284,698	59,499	71,508	12,009	1.24%	1.29%	0.17%
Total equity securities as at June 30, 2025							4,862,474	5,542,883	680,415	100%	100%	
Total equity securities as at June 30, 2024							939,040	1,110,512	171,472			

6.1.1 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against exposure margin and mark to market losses.

	2025 (Number of Shares)	2024
Pakistan Petroleum Limited	950,000	2,310
Meezan Bank Limited	190,000	190,000
The Hub Power Company Limited	-	50,000
	<u>1,140,000</u>	<u>242,310</u>

- 6.1.2** During the tax year 2023, section 236Z of the Income Tax Ordinance, 2001 introduced for levy a withholding tax at the rate of 10% of amount of bonus shares declared by company. During the period, the Fund has received 216,000 bonus shares from Mari Petroleum Company Limited, against which 21,600 shares were withheld by the investee company as withholding tax under section 236Z of the income tax ordinance, 2001. The Management Company in consultation with other CISs, has formed a considered view that since the fund is a pass through entity and its income, upon distribution of 90% to unit holders, is not subject to tax. Therefore, the provision of Section 236Z - withholding tax is not applicable to the Fund as no tax incidence will eventually arise.

Further, a Petition having reference no. C.P. No. D-4747 of 2024 and C.P. No D-5461 of 2024 have been filed by the Central Depository Company of Pakistan Limited (CDC) as Trustee on behalf of CISs and management companies against the investee companies before the Honorable High Court of Sindh (the Court) against implementation of Section 236Z on CISs and to seek exemption certificates from Income tax authorities. The Court has issued order and directed the investee companies to retain 10% of the bonus shares being issued to petitioners (i.e. investment management companies) and shall not pay any tax to Inland Revenue Department until further order received from the Court. In order to cater the fair value differences and resulting withholding tax amount as requested by the investee company, the Court has further directed to retain additional 10% shares. Accordingly, the CDC being the custodian of the shares has frozen additional 10% shares in the investment account held with them.

Based on Islamabad High Court order, Mari Energies Limited has disposed of the shares withheld and the proceeds has been deposited with government treasury except those entities which are in litigation with SHC. As a result, CDC released frozen additional 10% shares in the investment account held by CDC irrespective of litigation. However, SHC decision is still pending adjudication.

		2025 (Rupees in '000)	2024
7	DIVIDEND AND PROFIT RECEIVABLE		
	Profit receivable on saving accounts	147	569
	Dividend receivable	24,331	150
		<u>24,478</u>	<u>719</u>

- 7.1** This includes an amount receivable from Bank Al Habib Limited (a related party) amounting to Rs. 0.12 million (2024: 0.34 million).

		2025 (Rupees in '000)	2024
8	ADVANCES AND DEPOSITS		
	Advance tax	692	692
	Security deposit with:		
	National Clearing Company of Pakistan Limited	1,000	1,000
	Central Depository Company of Pakistan Limited	100	100
		<u>1,792</u>	<u>1,792</u>

- 8.1** The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule to the 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 12 May 2015 made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150, 150A and 151 of ITO 2001.

9 PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

		2025 (Rupees in '000)	2024
	Remuneration payable	8,910	1,894
	Sindh Sales Tax payable on Management Company's remuneration	1,328	246
	Allocated expenses payable	92	92
		<u>10,330</u>	<u>2,232</u>

9.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) 2019 dated 20 June 2019, the Management Company has set and disclosed in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of average net assets of the Fund. The Management Company has charged its remuneration at rate ranging from 0% to 10% of the average net assets of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.

9.2 Sindh Sales Tax has been charged at 15% (2024: 13%) on the Management Company's remuneration during the period.

9.3 In accordance with Regulation 60(3)(s) of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

10 PROVISION FOR FEDERAL EXCISE DUTY ON REMUNERATION OF THE MANAGEMENT COMPANY

As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan (MUFAP) with the Honorable Sindh High Court (SHC) on September 04, 2013.

While disposing the above petition through order dated July 16, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2016. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan (SCP), which is pending for decision.

Furthermore, the Finance Act 2016 also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provincial sales tax. Therefore, in the current year, provision for FED has not been recorded.

However, since the appeal is pending in the Supreme Court of Pakistan, the Fund, as a matter of abundant caution, is carrying provision for FED for the year from June 13, 2013 to June 30, 2016 aggregating to Rs. 1.478 million. Had the provision not been made, NAV per unit of the Fund as at June 30, 2025 would have been higher by Rs. 0.04 (2024: Rs. 0.13) per unit.

11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	2025 ----- Rupees in '000 -----	2024 ----- Rupees in '000 -----
Trustee fee payable	10.1	527	176
Sales tax payable on trustee remuneration	10.2	79	22
		<u>606</u>	<u>198</u>

11.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily net asset value of the Fund. The remuneration of the Trustee has been calculated as per following applicable tariff :

Average net assets (Rs. in million)	Tariff
Upto Rs. 1,000	0.2% per annum of net asset value.
Rs. 1,000 and above	Rs. 2 million plus 0.10% per annum of net assets on amount exceeding Rs. 1,000 million.

11.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% (2024: 13%) on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011.

12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2025 ----- Rupees in '000 -----	2024 ----- Rupees in '000 -----
Annual fee payable	12.1	<u>430</u>	<u>91</u>

12.1 This represents annual fee payable to Securities and Exchange Commission of Pakistan at 0.095% of net assets in accordance with regulation 62 of the NBFC Regulations and pursuant to S.R.O 685(I) 2019, dated June 28, 2019.

13 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2025 ----- Rupees in '000 -----	2024
Auditor's remuneration payable		446	954
Printing charges payable		202	145
Charity payable	13.1	6,629	776
Withholding tax payable		26,931	33,292
Other payables		145,658	44,988
		<u>179,866</u>	<u>80,155</u>

- 13.1** The Shariah Advisor of the Fund has certified an amount of Rs. 5.85 million (2024 : Rs. 0.83) against dividend income, as Shariah non-compliant income during the year, which has accordingly been marked to charity.

14 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2025 (2024: Nil).

	Note	2025 -----Number of units -----	2024
15 NUMBER OF UNITS IN ISSUE			
Total units in issue at the beginning of the year		11,564,148	4,003,314
Add: Units issued during the year		141,763,274	26,747,846
Less: Units redeemed during the year		(114,019,102)	(19,187,012)
Total units in issue at the end of the year		<u>39,308,320</u>	<u>11,564,148</u>

16 PROFIT ON BANK DEPOSITS

Savings accounts	16.1	<u>1,458</u>	<u>5,398</u>

- 16.1** This includes a balance of Rs. 1.05 million (2024: Rs. 5.22 million) with Bank AL Habib Limited (a related party), carrying profit rate of 7.75% (2024: 21.50%) per annum.

	2025 -----Rupees in 000-----	2024
17 AUDITORS' REMUNERATION		
Annual audit fee	285	259
Fee for half yearly review	143	130
Shariah compliance fee	128	105
Other certifications and out of pocket expenses	33	39
	<u>589</u>	<u>533</u>

18 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current year as the management intends to distribute in cash atleast 90 percent of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

19 EARNINGS PER UNIT

Earnings 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 earnings per unit is not practicable.

20 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2025		
Fair value through profit or loss	Amortized cost	Total
----- Rupees in '000 -----		
Financial assets		
Bank balances	-	327,442
Investments	5,542,883	-
Dividend and profit receivable	-	24,478
Receivable against sale of units	-	40,838
Advances and Deposits	-	1,792
	5,542,883	394,550
		5,937,433
Financial liabilities		
Payable to AL Habib Asset Management Limited - Management Company	-	10,330
Payable to Central Depository Company of Pakistan Limited - Trustee	-	606
Payable to Securities and Exchange Commission of Pakistan	-	430
Accrued expenses and other liabilities	-	179,866
	-	191,232
		191,232
As at June 30, 2024		
Fair value through profit or loss	Amortized cost	Total
----- Rupees in '000 -----		
Financial assets		
Bank balances	-	56,776
Investments	1,110,512	-
Dividend and profit receivable	-	719
Receivable against sale of units	-	2,340
Advances and Deposits	-	1,792
	1,110,512	61,627
		1,172,139
Financial liabilities		
Payable to AL Habib Asset Management Limited - Management Company	-	2,232
Payable to Central Depository Company of Pakistan Limited - Trustee	-	198
Payable to Securities and Exchange Commission of Pakistan	-	91
Accrued expenses and other liabilities	-	80,155
	-	82,676
		82,676

21 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

- 21.1** Related party/ Connected persons include AL Habib 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 person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of Fund and the directors and officers of the Management Company and the Trustee and unit holders holding Ten percent or more units of the Fund.
- 21.2** The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.
- 21.3** Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 21.4** The details of significant transactions carried out by the Fund with connected persons and balances with them at the end of reporting year are as follows:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of Al Habib Management Company.

S.No	Company Name	Relationship
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Currency Exchange Ltd	Subsidiary of Bank AL Habib Limited
5	AL Habib Cash Fund Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
19	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
20	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Limited
21	Central Depository Company	Trustee

Related parties include directors and officers of the above entities as at June 30, 2025 and staff retirement benefit funds of the above related parties. The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with regulatory requirements and as agreed between the parties.

21.1 Details of the transactions with connected persons / related parties are as follows:

	2025	2024
AL Habib Asset Management Limited	------(Rupees in '000)-----	
Management Company's Remuneration	94,900	9,832
Sindh Sales Tax on Management Company's remuneration	14,227	1,278
Expenses allocated by the Management Company	4,991	55
AL Habib Capital Markets (Private) Limited		
Brokerage	7,523	626
Central Depository Company of Pakistan Limited		
Remuneration of Trustee	5,741	1,094
Sindh Sales Tax on Trustee's remuneration	861	142
Bank AL Habib Limited - Parent Company of AL Habib Asset Management Company		
Profit on bank balances	1,052	5,233
Dividend income	2,726	4,801
Details of the balances with connected persons / related parties as at year end are as follows:		
Bank AL Habib Limited - Parent Company of AL Habib Asset Management Company		
Bank balance	188,929	50,360
Bank profit receivable	118	550
AL Habib Asset Management Limited		
Payable to Management Company (inclusive of Sindh Sales tax)	10,330	2,232
Federal excise duty on Management Fee payable	1,478	1,478
Central Depository Company of Pakistan Limited		
Remuneration payable (inclusive of Sindh Sales Tax)	606	198
Security deposit - non interest bearing	100	100
AL Habib Capital Markets (Private) Limited		
Brokerage payable	7,523	11,796

AL HABIB ISLAMIC STOCK FUND

Sale / redemption of units during the year	2025		2024	
Units sold to:	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Management Company				
- AL Habib Asset Management Limited	2,079,451	309,849	2,070,192	240,137
Directors & Their Relatives of the Management Company				
- Directors of the Management Company	1,077,494	178,640	7,945,320	1,095,863
Key Management Executives	452,709	67,946	58,324	6,423
Other connected person				
- Habib Insurance company limited - Employee Provident Fund	0.4521	0.07	1	0.08
Unit sold to Connected Persons holding 10% or more of the unit in issue	6,509,279	1,038,324	-	-
Units redeemed by:				
Management Company				
- AL Habib Asset Management Limited	1,719,405	262,899	2,247,861	254,561
Directors & their relatives of the Management Company	468,389	66,535	2,654,319	277,812
Key Management Executives	433,223	62,945	56,836	5,777
Units held by:				
Management Company				
- AL Habib Asset Management Limited	360,046	52,621	117,578	11,778
Parent of AL Habib Asset Management Limited				
- Bank AL Habib Limited	100,929	14,751	100,929	10,110
Directors & their relative of the Management Company	5,321,239	777,699	8,500,670	851,512
Key Management Executives & their relatives of Directors	8,379	1,225	5,002	501
Other connected person				
- Habib Insurance Company Limited - Employee Provident Fund	3	0.44	3	0.30
Connected party holding 10% or more of the units in issue):	6,509,279	951,331	6,500,037	651,109

22 FINANCIAL RISK MANAGEMENT

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

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

The Fund primarily invests in a portfolio of equity instruments and deposits accounts with banks. These activities are exposed to a variety of financial risks: market risks, credit risks and liquidity risks.

22.1 Market risk

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

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

Market risk comprises of three types of risk: currency risk, interest rate risk and price risk. The Fund is exposed to interest rate risk and price risk only

22.1.1 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) Sensitivity analysis of variable rate

The Fund is exposed to cash flow interest rate risk for balances in certain savings account, the interest rates on which range between 9.25% to 20.75% per annum.

In case of 100 basis points increase / (decrease) in interest rates on June 30, 2025 with all other variable held constant, the net income for the year and the net assets would have been higher / lower by Rs. 1.4417 million (2024: Rs. 3.381 million)

b) Sensitivity analysis of fixed rate

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. Yield / Interest rate sensitivity position for financial instrument is as follows:

The composition of the Fund's investment portfolio and interest rates are expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

----- As at June 30, 2025 -----					
Effective yield / interest rate	Exposed to yield / interest rate			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	10.00 - 13.00	327,442	-	-	327,442
Investments		-	-	5,542,883	5,542,883
Dividend and profit receivable		-	-	24,478	24,478
Receivable against sale of units		-	-	40,838	40,838
Advances and deposits		-	-	1,100	1,100
		327,442	-	5,609,299	5,936,741
Financial liabilities					
Payable to the Management Company		-	-	10,330	10,330
Payable to the Trustee		-	-	606	606
Payable to the SECP		-	-	430	430
Accrued expenses and other liabilities		-	-	152,935	152,935
		-	-	164,301	164,301
On-balance sheet gap (a)		327,442	-	5,444,998	5,772,440
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a) + (b)		327,442	-	5,444,998	5,772,440
Cumulative interest rate sensitivity gap		327,442	-	-	-

AL HABIB ISLAMIC STOCK FUND

As at June 30, 2024					
Effective yield / interest rate	Exposed to yield / interest rate			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	20.50 - 21.50	56,776	-	-	56,776
Investments		-	-	1,110,512	1,110,512
Dividend and profit receivable		-	-	719	719
Receivable against sale of units		-	-	2,340	2,340
Advances and deposits		-	-	1,100	1,100
		56,776	-	1,114,671	1,171,447
Financial liabilities					
Payable to the Management Company		-	-	2,232	2,232
Payable to the Trustee		-	-	198	198
Payable to the SECP		-	-	91	91
Accrued expenses and other liabilities		-	-	46,863	46,863
		-	-	49,384	49,384
On-balance sheet gap (a)		56,776	-	1,065,287	1,122,063
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a) + (b)		56,776	-	1,065,287	1,122,063
Cumulative interest rate sensitivity gap		56,776	-	-	-

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 has exposure to equity price risk arising from its investments in equity securities. The Fund manages its price risk arising from investment in equity investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time. The Fund's equity investments and their fair values exposed to price risk as at the year end are concentrated in the sectors given in note 6.1.

In case of 5% increase / decrease in price of all shares held by Fund at the year end, net income for the year would increase / decrease by Rs. 276.467 million (2024: Rs. 55.526 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 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 deposits from banks and financial institutions, profit receivable on bank deposits, receivable against sale of investments and dividend receivable.

22.2.1 The analysis below summarises the credit quality of the Fund's bank balances as at June 30, 2025 and June 30, 2024:

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	134,107	AAA
Bank Al Habib Limited	188,929	AAA
MCB Bank Limited	127	AAA
Dubai Islamic Bank Limited	82	AA
Bank Islami Pakistan Limited	4,085	AA-
National Bank of Pakistan	100	AAA
Meezan Bank Limited	12	AAA
	327,442	

	Balances held by the Fund as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency
Balances with banks by rating category	(Rupees in '000')		
Habib Bank Limited	9	AAA	VIS
Bank Al Habib Limited	337,879	AAA	PACRA
MCB Bank Limited	124	AAA	PACRA
Dubai Islamic Bank Limited	60	AA	VIS
Meezan Bank Limited	11	AAA	VIS
	<u>338,083</u>		

22.2.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and mark-up accrued thereon and receivable against sale of investments. The credit rating profile of balances with banks is as follows:

	2025	2024
Rating by rating category	----- (Percentage) -----	
AAA	98.73	99.98
AA	0.03	0.02
AA-	1.24	-
	<u>100.00</u>	<u>100.00</u>

Concentration of credit risk

Concentration of credit risk exists when change in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's 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. The Fund is not exposed to a concentration of credit risk.

22.3 Liquidity risk

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

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

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

	As at June 30, 2025			
	Upto three months	More than three months and upto one year	More than one year	Total
Financial liabilities	----- Rupees in '000 -----			
Payable to Management Company	10,330	-	-	10,330
Provision for Federal Excise Duty	1,478	-	-	1,478
Payable to Trustee	606	-	-	606
Payable to Securities and Exchange Commission of Pakistan (SECP)	430	-	-	430
Payable against Purchase of investment	-	-	-	-
Accrued expenses and other liabilities	179,866	-	-	179,866
	<u>192,710</u>	<u>-</u>	<u>-</u>	<u>192,710</u>

Financial liabilities

As at June 30, 2024			
Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000			
Payable to Management Company	2,232	-	2,232
Provision for Federal Excise Duty	1,478	-	1,478
Payable to Trustee	198	-	198
Payable to Securities and Exchange Commission of Pakistan (SECP)	91	-	91
Payable against Purchase of investment	-	-	-
Accrued expenses and other liabilities	80,155	-	80,155
	84,154	-	84,154

23 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.

24 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 i.e. listed equity shares 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:

- 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).

AL HABIB ISLAMIC STOCK FUND

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

		----- 2025 -----						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		----- Rupees in '000' -----						
ASSETS								
Financial assets measured at 'fair value through profit or loss'								
Listed equity securities	24.1	5,542,883	-	5,542,883	5,542,883	-	-	5,542,883

		----- 2024 -----						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		----- Rupees in '000' -----						
ASSETS								
Financial assets measured at 'fair value through profit or loss'								
Listed equity securities	24.1	1,110,512	-	1,110,512	1,110,512	-	-	1,110,512

24.1 Valuation techniques

For level 1 investments at fair value through profit or loss - Investment in respect of equity securities, the Fund uses daily quotation rates which are taken from Pakistan Stock Exchange Limited at the reporting date.

24.2 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 yearly. Therefore, their carrying amounts are reasonable approximation of fair value.

24.3 Transfers during the year

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

25 UNITHOLDING PATTERN OF THE FUND

----- As at June 30, 2025 -----				
Category	No. of unit holders	Number of units held	Investment amount	Percentage of total
(Rupees)				
Associated Companies	3	502,211	73,386,982	1.28%
Insurance Companies	5	8,407,331	1,228,545,573	21.39%
Retirement Funds	5	3,087,027	451,100,780	7.85%
Other Corporate	10	12,093,223	1,767,157,218	30.76%
Others	733	15,222,967	2,224,500,154	38.72%
	756	39,312,759	5,744,690,707	100%
----- As at June 30, 2024 -----				
Category	No. of unit holders	Number of units held	Investment amount	Percentage of total
(Rupees)				
Associated Companies and Directors	1	100,929	10,093,909	0.87%
Retirement Funds	1	2	200	0.00%
Insurance companies	2	978,222	97,831,982	8.46%
Other Corporate	3	217,517	21,753,875	1.88%
Others	143	10,267,478	1,026,850,475	88.79%
	150	11,564,148	1,156,530,441	100%

AL HABIB ISLAMIC STOCK FUND

26 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

----- 2025 -----		----- 2024 -----	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
AL Habib Capital Markets (Pvt.) Limited	22.59%	AL Habib Capital Markets (Private) Limited	16.46%
AKD Securities Limited	12.59%	AKD Securities Limited	16.45%
Optimus Capital Management (Pvt.) Limited	8.37%	Optimus Capital Management (Pvt.) Limited	13.54%
JS Global Capital Limited	7.75%	DJM Securities Limited	11.99%
Topline Securities (Pvt.) Limited	7.72%	Arif Habib Limited	8.30%
DJM Securities Limited	7.25%	KTRade Securities Limited	8.11%
KTrade Securities Limited	5.83%	JS Global Capital Limited	7.40%
Ismail Iqbal Securities (Pvt.) Limited	5.61%	Topline Securities (Pvt.) Limited	6.44%
Habib Metropolitan Financial Services	4.52%	Next Capital Limited	4.97%
Arif Habib Limited	4.44%	BMA Capital (Pvt.) Limited	3.55%

27 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 follow:

Name	Designation	Qualifications	Experience in years
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	25 years
Mr. Faran ul Haq	Head of Equity	CFA	14.5 years
Mr. Fawad Javaid	Head of Fixed Income	CMA	14.5 years
Mr. Ahmed Abbas	Fund Manager	MBA	17 years
Mr. Hamza Abdur Rehman Siddiqui	Fund Manager - Equity	Msc (Hons)	7 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS ECO, FMVA	7 years

27.1 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualifications	Other Funds Managed by the Fund Manager
Mr. Hamza Abdur Rehman Siddiqui	Fund Manager - Equity	MSc (Hons.)	AL Habib Asset Allocation Fund and AL Habib Stock Fund

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

The dates of the meetings of the Board of Directors of the Management Company of the Fund and attendance of its members are given below:

Name of directors	Designation	Meetings Attended	Attended meeting held on			
			August 01, 2024	October 17, 2024	January 23, 2025	April 25, 2025
Mr. Abbas D.Habib	Chairman	4	Yes	Yes	Yes	Yes
Mr. Mansoor Ali Khan	Director	4	Yes	Yes	Yes	Yes
Mr. Saeed Allawala	Director	4	Yes	Yes	Yes	Yes
Ms. Zarine Aziz	Director	1	No	No	No	Yes
Mr. Imran Azim	Director	2	No	No	No	No
Mr. Kashif Rafi	Chief Executive	4	Yes	Yes	Yes	Yes

29 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 3.52% (2024: 3.46%) which includes 0.52% (2024: 0.44%) representing Government Levy and SECP Fee. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulation 60(5) for a collective investment scheme categorised as an "Equity Scheme".

30 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.

31 GENERAL

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

32 These financial statements were authorised for issue on **August 25, 2025** by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective:

The investment objective of AHISF is to seek long-term capital growth by investing primarily in a Shariah Compliant diversified pool of equities and equity related instruments. The management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance of applicable laws.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

AHISF primarily invests in Shariah compliant equity securities listed on Pakistan Stock Exchange. The selection criterion for these securities is based upon hybrid investment approach with companies having sound financial history back by strong fundamentals. The residual funds are placed with Commercial Banks in order to maintain liquidity requirements of the fund.

Performance of the fund with benchmark

The Fund outperformed its benchmark by 2661 bps as it posted YTD return of 72.85% as against the benchmark of 46.24%.

Fund Description

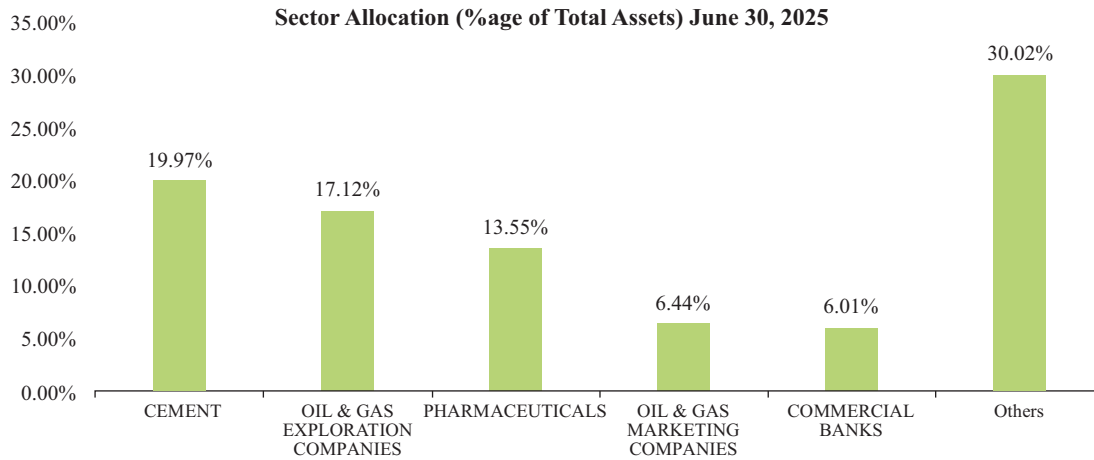
Fund Type & Category	Open Ended - Shariah Compliant Equity Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	April 01, 2017	Management Fee	2% per annum of average daily net assets.
Benchmark	KMI-30 Index	Sales Load	2% front-end-load (Management has the discretion to reduce or waive load on any transaction)
Annual Return	72.85%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	46.24%	Dealing Days/Timings	Monday to Thursday 9:00 am to 3:30 pm Friday 9:00 am to 4:30 pm
Net Assets	Rs. 5.745 billion (June 30, 2025)	AMC Rating	"AM1" by PACRA
NAV per unit	Rs. 146.4723 per unit (June 30, 2025)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Risk Profile	High (Principal at High Risk)

Market Review:

During FY25, Pakistan's economy extended its recovery momentum, recording GDP growth of 2.68% YoY against a target of 3.56%, as industry and services gained traction while agriculture lagged at just 0.56% amid water shortages. CPI rose by only 4.7% YoY versus 26% in FY24, supported by lower food and energy prices, high base effect, and stable PKR, enabling SBP to slash the policy rate from 22% to 11%. The current account posted a surplus of USD 2.1 billion, underpinned by record remittances of USD 38 billion and narrowing trade gap, which also lifted SBP reserves to USD 14.5 billion from USD 9.4 billion a year earlier. On the equity front, the KSE-100 index surged by 58.6% in PKR terms, closing at 124,379 points. The rally was driven by falling interest rates, IMF program support, and robust trading activity. Looking ahead, with attractive valuations, low inflation, and expectations of sustained reforms, the equity market is well positioned for continued momentum in FY26.

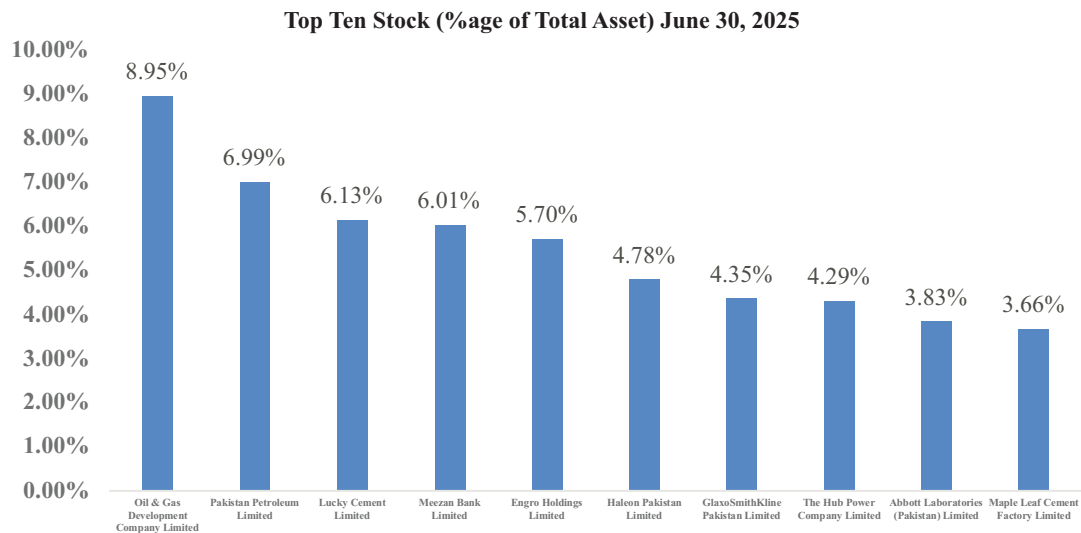
Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	5.51%	22.92%
Equity	93.13%	75.30%
Others	1.36%	1.78%



Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	471
1001-5000	134
5001-10000	45
10001-50000	61
50001-100000	10
100001-500000	19
500001-1000000	7
1000001-5000000	7
5000001-10000000	2
Grand Total	756



AL HABIB ISLAMIC STOCK FUND

Income Distribution

AHISF made a total distribution of Rs.27 during FY25 in the form of dividend, the details of which is as follows;

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun-25	173.0173	146.0173	27

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Islamic Stock Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 30,713,762 units valued Rs. 4.384 billion were sold, while 13,726,924 units valued Rs. 2.164 billion were redeemed, resulting in to a net sale of 16,986,838 units valued Rs. 2.219 billion during the year.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2025, please refer to note 27 of the Annual Accounts 2025.

Fund Performance at a Glance

	2025	2024
Net Assets as at June 30 (Rs. in billion)	5,745	1,160
NAV per unit as at June 30 (Rs.)	146.4723	100.1722
Distribution during the year ended June 30 (Rs.)	27	47.5663
Annual Return	72.85%	98.34%

AL HABIB ISLAMIC SAVINGS FUND
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasanani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Rating

AA(f) Fund Stability Rating, Rating by PACRA
AM1 Management Company Quality
Rating Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Bank Islami Pakistan Limited
Al Baraka Bank Pakistan Limited
Allied Bank Limited
Faysal Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**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

AL HABIB ISLAMIC SAVINGS FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Islamic Savings Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Abdul Samad
Chief Operating Officer
Central Depository Company of Pakistan Limited

Karachi, September 26, 2025



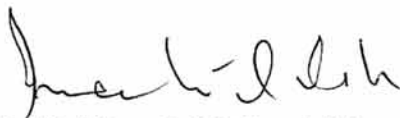
REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Advisor of the **AL Habib Islamic Savings Fund**, I am issuing this report. The scope of the report is to express an opinion on the Shariah compliance of the fund's activities.

It is the responsibility of the management of aforesaid fund to establish and maintain a system of internal control to ensure compliance with Shariah guidelines. My responsibility is to express an opinion, based on my review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, I hereby certify that:

- The modes of investments, transactions, relevant documentations, operations and the procedures adopted have been in accordance with the Shariah principles and rules.
- The provisions of the scheme, investments and affairs have been carried out in accordance with Shariah principles, rules and relevant Shariah opinions issued from time to time.
- The earnings that have been realized from sources and means prohibited by Shariah have been credited to the charity account.



Dr. Mufti Ismatullah Hamdullah

Shariah Advisor

Date: June 30, 2025



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

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

TO THE BOARD OF DIRECTORS OF AL HABIB ASSET MANAGEMENT LIMITED

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of Al Habib Islamic Savings Fund (the Fund) managed by Al Habib Asset Management Limited (the Management Company) for assessing compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June 30, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2025) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under;

- 1) Essentials, Regulations, Instructions and Guidelines issued by the SECP;
- 2) The rulings of Central Shariah Board as notified by the SECP;
- 3) Requirements of the applicable Islamic Financial Accounting Standards as notified by the SECP;
- 4) Approvals and rulings given by the Shariah Board (SB) directives, regulations, instructions and guidelines issued in accordance with the rulings of SECP's Shariah Board.

The above criteria were evaluated, for their implications on the financial statements of the Fund for the year ended June 30, 2025.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Fund with its unitholders, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.



4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM) 1 "Quality Management for firms that perform Audit or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended June 30, 2025 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depend on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund internal control. We have designed and performed necessary verification procedures on various financial arrangements, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

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BDO Ebrahim & Co. Chartered Accountants

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6. Conclusion

Based on our reasonable assurance engagement we report that in our opinion, the Fund overall financial arrangements, contracts, transactions for the year ended June 30, 2025, are in compliance with the Shariah rules and principles, in all material respects.

Engagement Partner
Tariq Feroz Khan

Date: 29 SEP 2025
Place: Karachi


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INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF FINANCIAL STATEMENTS TO THE UNITHOLDERS OF AL HABIB ISLAMIC SAVING FUND

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Al Habib Islamic Saving Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. 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 are the Key audit matter:

S.NO	Key audit matter	How the matter was addressed in our audit
1.	Existence and valuation of Investments As disclosed in note 6 to the accompanying financial statements, the investments held by the Fund comprised of debt instruments amounting to Rs. 5,686 million which represent 43% of the Net Asset Value (NAV) of the Fund.	Our audit procedures included the following: We obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2025 and traced it with books and records of the Fund;



S.NO	Key audit matter	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, any discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated. In view of the significance of above-mentioned balances in relation to the Fund's total assets and NAV, we considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement and re-performance of valuations as per valuation methodology specified in accounting policies; and - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

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 the Management and its Board of Directors for the Financial Statements

Management of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and for such internal control as the management determines 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.

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

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



From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking 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: 29 SEP 2025

UDIN: AR202510166sU8r1xMeW


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

	2025	2024
Note	-----Rupees in '000-----	
ASSETS		
Balances with bank	5 6,749,382	2,655,397
Investments	6 5,686,912	10,300,893
Profit receivable	7 189,442	513,434
Advances, deposits, and other receivables	8 317	274
Receivable against sale of units	1,001,267	611,517
Preliminary expenses and flotation costs	9 453	523
TOTAL ASSETS	13,627,773	14,082,038
LIABILITIES		
Payable to AL Habib Asset Management Limited - Management Company	10 23,628	31,253
Payable to Central Depository Company of Pakistan Limited - Trustee	11 1,334	935
Payable to Securities and Exchange Commission of Pakistan	12 1,187	827
Payable against redemption of units	150,094	-
Accrued expenses and other liabilities	13 283,922	67,749
TOTAL LIABILITIES	460,165	100,764
NET ASSETS	13,167,608	13,981,274
UNIT HOLDERS' FUND (AS PER THE STATEMENT ATTACHED)	13,167,608	13,981,274
CONTINGENCIES AND COMMITMENTS		
	14	
	-----Number of units-----	
Number of units in issue	15 131,157,015	139,257,936
	-----Rupees-----	
Net asset value per unit	100.40	100.40

The annexed notes 1 to 31 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 -----Rupees in '000-----	2024
Income			
Profit on bank deposits	15	1,369,083	638,540
Profit on term deposits receipts		150,369	3,528
Income from government securities		1,479,484	1,689,192
		<u>2,998,936</u>	<u>2,331,260</u>
Net gain / (loss) on investments classified at fair value through profit or loss - net			
- Realised (loss) / gain on sale of investment - net		(25,864)	76,574
- Unrealised appreciation on re-measurement of investment - net		96,237	32,001
		<u>70,373</u>	<u>108,575</u>
		<u>3,069,309</u>	<u>2,439,835</u>
Expenses			
Remuneration of AL Habib Asset Management Limited - Management Company	10	228,461	103,551
Sindh sales tax on Management Company's remuneration	10.2	34,216	13,462
Expense allocated by the Management Company	10.3	7,590	7,955
Sindh Sales tax on Expenses allocated by the Management Company		1,264	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11	16,607	8,753
Sindh sales tax on remuneration of Trustee	11.2	2,486	1,138
Annual fee to Securities and Exchange Commission of Pakistan	12	16,602	8,753
Amortization of preliminary expenses and floatation costs	9	70	70
Auditors' remuneration	16	444	417
Broakrage		1,007	-
Listing fee		25	25
Settlement & bank charges		41	53
Other expenses		207	992
		<u>309,020</u>	<u>145,169</u>
Net income for the year before taxation		2,760,289	2,294,666
Taxation	17	-	-
Net income for the year after taxation		<u>2,760,289</u>	<u>2,294,666</u>
Allocation of net income for the year			
Net income for the year		2,760,289	2,294,666
Income already paid on redemption of units		(2,662,160)	(1,077,354)
		<u>98,129</u>	<u>1,217,312</u>
Accounting income available for distribution			
Relating to capital gains		70,373	108,575
Excluding capital gains		27,756	1,108,737
		<u>98,129</u>	<u>1,217,312</u>
Earnings per unit	18		

The annexed notes 1 to 31 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	-----Rupees in '000-----	
Net income for the year	2,760,289	2,294,666
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,760,289</u>	<u>2,294,666</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Note	2025			2024		
	Capital Value	Undistributed income	Net Asset Rupees in '000	Capital Value	Undistributed income	Net Asset
Net assets at the beginning of the year	13,887,168	94,106	13,981,274	4,388,960	18,400	4,407,360
Issuance of 765,070,124 units (June 30, 2024: 1,840,278,603 units)						
Capital value	76,811,816	-	76,811,816	184,029,075	-	184,029,075
Element of income	5,685,383	-	5,685,383	1,374,303	-	1,374,303
Total proceeds on issuance of units	82,497,199	-	82,497,199	185,403,378	-	185,403,378
Redemption of 773,171,045 units (June 30, 2024: 1,744,888,415 units)						
Capital value	(77,625,136)	-	(77,625,136)	(174,491,093)	-	(174,491,093)
Element of loss	(3,718,526)	(2,662,160)	(6,380,686)	(145,061)	(1,077,354)	(1,222,415)
Total payments on redemption of units	(81,343,662)	(2,662,160)	(84,005,822)	(174,636,154)	(1,077,354)	(175,713,508)
Total comprehensive income for the year	-	2,760,289	2,760,289	-	2,294,666	2,294,666
Cash distribution Rs. 14.05 per unit (2024: 22.11)	(1,954,438)	(110,894)	(2,065,332)	(1,269,016)	(1,141,606)	(2,410,622)
Net income for the year less distribution	(1,954,438)	2,649,395	694,957	(1,269,016)	1,153,060	(115,956)
Net assets at the end of the year	13,086,267	81,341	13,167,608	13,887,168	94,106	13,981,274
Undistributed income brought forward						
Realised gain		94,106			15,255	
Unrealised gain		-			3,145	
		94,106			18,400	
Accounting income available for distribution						
Relating to capital gains		70,373			108,575	
Excluding capital gains		27,756			1,108,737	
		98,129			1,217,312	
Distribution for the year:						
Rs. 14.05 per unit (June 30, 2024: 22.11)		(110,894)			(1,141,606)	
Undistributed income carried forward		81,341			94,106	
Undistributed income carried forward comprises of:						
Realised income		81,341			94,106	
Unrealised income		-			-	
		81,341			94,106	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		100.40			100.42	
Net assets value per unit at end of the year		100.40			100.40	

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
Note	----- Rupees in '000 -----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	2,760,289	2,294,666
Adjustments for:		
Unrealised appreciation on revaluation of investments classified as financial assets at fair value through profit and loss -net	(96,237)	(32,001)
	<u>2,664,052</u>	<u>2,262,665</u>
Decrease / (increase) in assets		
Investments	4,710,218	(9,280,438)
Profit receivable	323,992	(355,212)
Advances, deposits, and other receivables	(43)	(32)
Receivable against sale of units	(389,750)	(611,517)
Preliminary expenses and flotation costs	70	70
	<u>4,644,487</u>	<u>(10,247,129)</u>
Increase / (decrease) in liabilities		
Payable to AL Habib Asset Management Limited - Management Company	(7,625)	26,682
Payable to Central Depository Company of Pakistan Limited - Trustee	399	545
Payable to Securities and Exchange Commission of Pakistan	360	126
Payable against redemption of units	150,094	-
Accrued expenses and other liabilities	216,173	(41,142)
	<u>359,401</u>	<u>(13,789)</u>
Net cash generated from / (used in) operating activities	<u>7,667,940</u>	<u>(7,998,253)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	82,497,199	185,403,378
Payments against redemption of units	(84,005,822)	(175,713,508)
Dividend paid	(2,065,332)	(2,410,622)
Net cash (used in) / generated from financing activities	<u>(3,573,955)</u>	<u>7,279,248</u>
Net increase / (decrease) in cash and cash equivalents	4,093,985	(719,005)
Cash and cash equivalents at the beginning of the year	2,655,397	3,374,402
Cash and cash equivalents at the end of the year	<u>5</u> <u>6,749,382</u>	<u>2,655,397</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 AL Habib Islamic Savings Fund ("the Fund") was established under a Trust Deed executed between AL Habib Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/AHISF/161/2021 dated November 29, 2021 and the Trust deed was executed on September 27, 2021.
- 1.2 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3 Effective from September 1, 2016, AL Habib Asset Management Limited became Management Company of the Fund, which is a wholly owned subsidiary of Bank AL Habib Limited.
- 1.4 The Management Company of the Fund has been registered as Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules) and has obtained the requisite licence from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 3rd floor, MacKinnon's Building, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.5 The Fund is an open-ended shariah compliant income fund and is listed on Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at the initial price of Rs. 100 per unit which was only for one day that began at the start of the banking hours and end at the close of the banking hours on December 20, 2021. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferrable and redeemable by surrendering them to the Fund at the option of the unit holder.
- 1.6 The Fund has been categorized as an open ended shariah compliant income scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).
- 1.7 The core objective of the Fund is to provide competitive risk adjusted return to its investors by investing in a diversified portfolio of long, medium and short term shariah compliant debt instrument while taking into account liquidity considerations.
- 1.8 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a trustee of the Fund.
- 1.9 The management company and the Fund has been assigned a rating of 'AM1' and AA(f) by Pakistan Credit Rating Agency (PACRA) dated December 12, 2024 and April 22, 2025, respectively.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, 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 the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 year, or in the year of the revision and future years if the revision affects both current and future years.

Estimates and judgments that have significant effect on the financial statements relate to classification, valuation and impairment of financial assets are as follows:

2.4.1 Classification and measurement of financial assets and financial liabilities

For details please refer notes 4.2.2.1 and 6 to these financial statements.

2.4.2 Impairment of financial assets

For details please refer notes 4.2.3 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025**

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
AAmendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the 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 IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

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

4.2 Financial instruments

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

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss. The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.2 Initial recognition and measurement

Financial assets are recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized at fair value plus transaction cost except for financial assets carried at fair value through profit or loss.

4.2.2.1 Classification**4.2.2.1.1 Debt Instruments****Amortized cost**

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

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

Fair value through profit or loss

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. These are initially measured at fair value and transaction costs that are directly attributable to its acquisition are charged to income statement.

4.2.2.2 Subsequent measurement:**Debt investments at amortised cost**

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

Debt investments at FVTPL

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

4.2.2.3 Regular way purchase and sale of financial asset

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

4.2.2.4 Derecognition

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

4.2.3 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.4 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the income statement.

4.2.5 Offsetting of financial assets and liabilities

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

4.3 Provisions

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

4.4 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent (90%) of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders.

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

4.5 Proposed distributions

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements in the year in which such distributions are declared.

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the management company for the applications received by the distributors during business hours 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 sale load is payable to Management Company / Distributors as processing fee.

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 represents the net assets value per unit as of the close of the business day less any duties, taxes, charges on redemption and any provision for transaction costs, 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. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

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

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / Government securities, return on investment in debt securities are recognized using the effective interest method.

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- Unrealised gains / (losses) arising on investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.

4.10 Expenses

All expenses chargeable to the fund including the remuneration of the management company, trustee and annual fee of SECP are recognised in Income Statement on an accrual basis

4.11 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at normal commercial rates on the same terms and conditions as applicable to third party transactions.

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

		2025	2024
5	BALANCES WITH BANK	Note	------(Rupees in '000)-----
	Saving accounts	5.1 & 5.2	5,749,382
	Term deposit receipt	5.3	1,000,000
			<u>6,749,382</u>
			<u>2,655,397</u>

5.1 These carries profit rates ranging from 7.00% to 20.26% (2024: 18% to 21.10%) per annum.

5.2 This includes balance of Rs. 1,611 million (2024: Rs 2,496 million) held with Bank AL Habib Limited, a related party.

5.3 This represent term deposit receipts held with Bank Al-Falah Limited and Askari Bank Limited carrying profit rates ranging from 10.63% to 11.30% (2024: Nil) per annum with maturities upto July 2025.

6 INVESTMENTS

Financial assets classified at fair value through profit or loss

GOP Ijarah Sukuks (GIS)	6.1	5,517,108	10,300,893
Discounted GIS	6.2	169,804	-
		<u>5,686,912</u>	<u>10,300,893</u>

6.1 Government Ijarah Sukuks (GOP Ijarah Sukuks)

Name of the Investee	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (dimunation) as at June 30, 2025	Market value as percentage of	
								Net Assets	Total Investments
	------(Number of certificates)-----				------(Rupees in '000)-----				
GOP Ijarah Sukuks									
GOP IJARA SUKUK - VRR (26-10-2022)	25,910	281,355	307,265	-	-	-	-	-	-
GOP IJARA SUKUK - VRR (29-07-2020)	-	268,214	268,214	-	-	-	-	-	-
GOP IJARA SUKUK (29-05-2020)	-	3,931,700	3,931,700	-	-	-	-	-	-
GOP IJARA SUKUK 03 YEAR FRR (09-01-2025)	-	25,000	25,000	-	-	-	-	-	-
GOP IJARA SUKUK 03 YEAR VRR (09-01-2025)	-	417,500	417,500	-	-	-	-	-	-
GOP IJARA SUKUK 05 YEAR FRR (09-01-2025)	-	17,500	17,500	-	-	-	-	-	-
GOP IJARA SUKUK 05 YEAR FRR (18-09-2024)	-	100,000	-	100,000	532,593	542,250	9,657	4.12%	9.54%
GOP IJARA SUKUK 05 YEAR VRR (09-01-2025)	-	317,500	317,500	-	-	-	-	-	-
GOP IJARA SUKUK 1 YEAR FRR (07-08-2023)	1,760	-	1,760	-	-	-	-	-	-
GOP IJARA SUKUK 1 YEAR FRR (09-10-2023)	38,000	380,930	418,930	-	-	-	-	-	-
GOP IJARA SUKUK 1 YEAR VRR (04-12-2023)	8,040	-	8,040	-	-	-	-	-	-
GOP IJARA SUKUK 1 YEAR VRR (07-08-2023)	15,316	3,035	18,351	-	-	-	-	-	-
GOP IJARA SUKUK 1 YEAR VRR (09-10-2023)	-	42,000	42,000	-	-	-	-	-	-
GOP IJARA SUKUK 1 YEAR VRR (20-09-2023)	6,575	8,425	15,000	-	-	-	-	-	-
GOP IJARA SUKUK 3 YEAR FRR (04-12-2023)	-	6,000	6,000	-	-	-	-	-	-
GOP IJARA SUKUK 3 YEAR FRR (21-10-2024)	-	165,000	-	165,000	827,130	849,173	22,043	6.45%	14.93%
GOP IJARA SUKUK 3 YEAR VRR (04-12-2023)	6,985	10,500	17,485	-	-	-	-	-	-

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Name of the Investee	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (diminution) as at June 30, 2025	Market value as percentage of	
								Net Assets	Total Investments
(Number of certificates)				(Rupees in '000)					
GOP IJARA SUKUK 3 YEAR VRR (05-01-2023)	-	219	219	-	-	-	-	-	-
GOP IJARA SUKUK 3 YEAR VRR (21-10-2024)	-	550,000	50,003	499,997	2,504,049	2,520,735	16,686	19.14%	44.33%
GOP IJARA SUKUK 5 YEAR FRR (21-10-2024)	-	177,500	15,000	162,500	816,356	860,763	44,407	6.54%	15.14%
GOP IJARA SUKUK 5 YEAR VRR (21-10-2024)	-	522,700	522,700	-	-	-	-	-	-
GOP IJARA SUKUK 03 YEAR FRR (28-06-2024)	-	50,000	-	50,000	268,847	272,175	3,328	2.07%	4.79%
GOP IJARA SUKUK 03 YEAR FRR (30-05-2025)	-	12,500	-	12,500	62,473	62,500	27	0.47%	1.10%
GOP IJARA SUKUK 05 YEAR FRR (10-05-2024)	-	50,000	-	50,000	285,376	284,500	(876)	2.16%	5.00%
GOP IJARA SUKUK 05 YEAR FRR (30-05-2025)	-	12,500	-	12,500	61,291	62,500	1,209	0.47%	1.10%
GOP IJARA SUKUK 05 YEAR VRR (30-05-2025)	-	12,500	-	12,500	62,513	62,512	(1)	0.47%	1.10%
Total - as at June 30, 2025	102,586	7,362,578	6,400,167	1,064,997	5,420,628	5,517,108	96,480	41.90%	97.01%
Total - as at June 30, 2024	-	240,801	148,095	102,586	10,268,892	10,300,893	32,002	73.00%	100%

6.2 Discounted GIS

Name of the Investee	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (dimunation) as at June 30, 2025	Market value as percentage of	
								Net Assets	Total Investments
(Number of certificates)				(Rupees in '000)					
GIS Ijarah Sukuks (1 year discounted)									
GIS 1 YEAR DISCOUNTED(04-12-2024)	-	5,000,000	5,000,000	-	-	-	-	-	-
GIS 1 YEAR DISCOUNTED(06-02-2025)	-	500,000	500,000	-	-	-	-	-	-
GIS 1 YEAR DISCOUNTED(07-03-2025)	-	2,500,000	2,500,000	-	-	-	-	-	-
GIS 1 YEAR DISCOUNTED(07-11-2024)	-	2,500,000	2,500,000	-	-	-	-	-	-
GIS 1 YEAR DISCOUNTED(09-01-2025)	-	1,875,000	1,875,000	-	-	-	-	-	-
GIS 1 YEAR DISCOUNTED(21-10-2024)	-	1,250,000	1,250,000	-	-	-	-	-	-
GIS 1 YEAR DISCOUNTED(26-06-2025)	-	1,875,000	-	1,875,000	170,047	169,804	(243)	1.29%	2.99%
							-		
Total as at June 30, 2025	-	15,500,000	13,625,000	1,875,000	170,047	169,804	(243)	1.29%	2.99%
Total as at June 30, 2024	-	-	-	-	-	-	-	-	-

	Note	2025	2024
		Rupees in '000	
7 PROFIT RECEIVABLE			
Savings accounts		52,827	16,936
Term deposit receipt		13,979	-
Government Ijara Sukuks		122,636	496,498
		189,442	513,434
8 ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
Advance tax	8.1	217	36
Security deposit with Central Depository Company of Pakistan Limited		100	100
Mutual fund rating fee		-	138
		317	274

- 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, 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.

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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. On 28 January 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 Fund 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 on bank deposits by the Fund has been shown as advance tax as at June 30, 2025 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		2025	2024
	Note	-----Rupees in '000-----	
9 PRELIMINARY EXPENSES AND FLOATATION COSTS			
Opening balance	9.1	523	593
Less: Amortization for the year		(70)	(70)
Closing balance		<u>453</u>	<u>523</u>

9.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operation of the fund and are being amortized over the period of 10 years, as per the requirements set out in the trust deed of the Fund and NBFC Rules.

10. PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration payable to the Management Company	10.1	12,847	22,084
Sindh Sales Tax on Management Company's remuneration	10.2	1,927	2,871
Allocation of expenses related to registrar services, accounting, operation and valuation	10.3	8,610	6,298
Sindh Sales Tax on expenses related to registrar services, accounting, operation and valuation services		244	-
		<u>23,628</u>	<u>31,253</u>

10. PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration payable to the Management Company	10.1	12,847	22,084
Sindh Sales Tax on Management Company's remuneration	10.2	1,927	2,871
Allocation of expenses related to registrar services, accounting, operation and valuation	10.3	8,610	6,298
Sindh Sales Tax on expenses related to registrar services, accounting, operation and valuation services		244	-
		<u>23,628</u>	<u>31,253</u>

10.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund. The management company has charged its remuneration at rate ranging from 0% to 10% (2024: 0% to 10%) of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.

10.2 The Sindh Government has levied Sindh Sales Tax at the rate of 15% (2024: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

10.3 As per Regulation 60(3)(s) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to the CIS. During the year, the fee is being charged at the rate 0.1% of the average annual net assets.

		2025	2024
		-----Rupees in '000-----	
11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED			
Remuneration payable to the Trustee	11.1	1,160	827
Sindh Sales Tax payable on remuneration of the Trustee	11.2	174	108
		<u>1,334</u>	<u>935</u>

11.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily net asset value of the Fund. The remuneration of the Trustee is fixed at 0.075% (2024: 0.075%) per annum of net assets.

11.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% (2024: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2025 ----- Number of units -----	2024 -----
Annual fee payable	12.1	1,187	827
		<u>1,187</u>	<u>827</u>

12.1 As per Regulation 62 of NBFC Regulations, an Asset Management Company managing a Collective Investment Scheme shall pay SECP an annual fee of 0.075% (2024: 0.075%) of the average annual nets assets. The fee is payable annually in arrears.

13 ACCURED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	335	457
Preliminary expenses and floatation costs	665	585
Withholding tax payable	280,597	55,273
Other payable	2,325	11,434
	<u>283,922</u>	<u>67,749</u>

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the reporting date. (2024: Nil)

15 NUMBER OF UNITS IN ISSUE	2025 ----- Number of units -----	2024 -----
Total units issue at the beginning of the year	139,257,936	43,890,230
Add: Units issued during the year	765,070,124	1,840,278,636
Less: Units redeemed during the year	(773,171,045)	(1,744,910,930)
Total units at the end of the year	<u>131,157,015</u>	<u>139,257,936</u>

16 AUDITOR'S REMUNERATION

Audit fee	219	189
Out of pocket expenses	-	28
Half yearly review fee	109	95
Shariah Compliance fee	116	105
	<u>444</u>	<u>417</u>

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 NBFC Regulations, 2008, the Fund is required to distribute atleast 90% of its net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current year as the management intends to distribute in cash atleast 90% of the Fund's accounting income for the year ending June 30, 2025 as reduced by capital gains (whether realised or unrealised) to its 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 of the Income Tax Ordinance, 2001.

18 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 cumulative weighted average number of outstanding units is not practicable.

19. FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	June 30, 2025		
	At fair value through profit or loss	Amortised cost	Total
Rupees in '000'			
Financial assets			
Balances with bank	-	6,749,382	6,749,382
Investments	5,517,108	-	5,517,108
Profit Receivable	-	189,442	189,442
Advances, Deposits And Other Receivables		317	317
Receivable against sale of units		1,001,267	1,001,267
Preliminary expenses and flotation costs		453	453
	5,517,108	7,940,861	13,457,969
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	21,701	21,701
Payable to Central Depository Company of Pakistan Limited - Trustee	-	1,160	1,160
Payable to Securities and Exchange Commission of Pakistan	-	1,187	1,187
Payable against redemption of units		150,094	150,094
Accrued expenses and other liabilities	-	3,325	3,325
	-	177,467	177,467

Particular	June 30, 2024		
	At fair value through profit or loss	Amortised cost	Total
Financial assets			
Balances with bank	-	2,655,397	2,655,397
Investments	10,300,893	-	10,300,893
Profit Receivable	-	513,434	513,434
Advances, Deposits And Other Receivables		274	274
Receivable against sale of units		611,517	611,517
Preliminary expenses and flotation costs		523	523
	10,300,893	3,781,145	14,082,038
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	28,382	28,382
Payable to Central Depository Company of Pakistan Limited - Trustee	-	827	827
Payable to Securities and Exchange Commission of Pakistan	-	827	827
Payable against redemption of units	-	-	-
Accrued expenses and other liabilities	-	12,476	12,476
	-	42,512	42,512

20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES/ CONNECTED PERSONS

Related parties / connected persons include Al Habib Fund Managers Limited being the Management Company, Bank Al Habib Limited being the Sponsor, Central Depository Company of Pakistan Limited being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

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

Related parties / connected persons include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of Al Habib Management Company.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Currency Exchange Ltd	Subsidiary of Bank AL Habib Limited
5	AL Habib Cash Fund Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
19	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
20	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Limited
21	Central Depository Company	Trustee

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

	2025	2024
	-----Rupees in '000-----	
20.1 Transactions during the year		
AL Habib Asset Management Limited - Management Company		
Remuneration of the Management company	228,461	103,551
Sindh sales tax on remuneration of Management Company	34,216	13,462
Allocation of expenses / (reversal) related to	7,590	7,955
Issuance of 40,245,269 units (2024: 49,091,870)	4,476,677	4,959,067
Redemption of units 29,358,431 (2024: 26,524,336)	3,108,220	2,662,484
Dividend paid	-	47,041
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	16,607	8,753
Sindh sales tax on remuneration of the Trustee	2,486	1,138
Bank Al Habib Limited		
Bank charges	21	43
Profit on bank deposits	53,991	125,376
Dividend paid	14,053	18,628
Directors and their relatives of the Management Company		
Issuance of 151,497 (2024: 18,515,440 units)	17,252	1,858,929
Redemption of 515,772 (2024: 18,929,067 units)	57,984	1,898,397
Transactions during the year		
Key Management Executives		
Issuance of 188,384 units (2024: 1,290,192 units)	21,351	130,303
Redemption of 229,654 units (2024: 1,258,415 units)	25,782	126,888

	2025 -----Rupees in '000-----	2024
Connected party holding 10% or more of the units in issue: 85,051,248 units (2023: 3,807,996 units)	<u>8,538,788</u>	<u>382,317</u>
Balances outstanding as at year end		
AL Habib Asset Management Limited Management Company		
Remuneration payable to the Management company	<u>12,847</u>	<u>22084</u>
Sindh sales tax payable on remuneration of Management Company	<u>1,927</u>	<u>2,871</u>
Allocation of expenses related to registrar services,	<u>8,854</u>	<u>6,298</u>
Formation cost payable to AMC	<u>665</u>	<u>585</u>
Central Depository Company of Pakistan Limited - Trustee		
- Remuneration payable (Inclusive of Sindh sales tax)	<u>1,334</u>	<u>935</u>
Bank Al Habib Limited		
Bank Balance	<u>1,610,732</u>	<u>2,496,102</u>
Profit receivable	<u>2,130</u>	<u>2,843</u>
Held of 1,000,000 units (2024: 1,000,000 units)	<u>100,396</u>	<u>100,400</u>
Central Depository Company Of Pakistan Limited - Trustee		
Trustee Fee Payable	<u>1,160</u>	<u>827</u>
Sindh Sales Tax Payable On Remuneration Of The Trustee	<u>174</u>	<u>108</u>
Security Deposit - Non Interest Bearing	<u>100</u>	<u>100</u>
Directors And Their Relatives Of The Management Company		
Held of Nil units (2024:559,174 units)	<u>-</u>	<u>56,141</u>
Key Management Executives		
Units held: 12,702 (2024: 100,000 units)	<u>1,275</u>	<u>10,040</u>
Connected party holding 10% or more of the units in issue:		
Held of 85,051,248 units (2023: 13,288,066 units)	<u>8,538,788</u>	<u>1,334,122</u>

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

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 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.

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 is not exposed to currency risk.

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.

a) Cash flow interest rate risk

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 7.00% to 20.26% per annum, and against investments in GOP Ijara Sukuks, the interest rate on which range between 8.37% to 22.49% respectively.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 67.49 million (2024: Rs. 26.55 million).

b) Fair value interest rate risk

The Fund's investment in GOP Ijara Sukuk exposes it to fair value interest rate risk.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 56.87 million. (2024: 103.01 million).

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

Particulars	June 30, 2025					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances and term deposit receipts	7.00%- 20.26%	6,749,382	-	-	-	6,749,382
Investments	8.37%-22.49%	-	-	5,517,108	-	5,517,108
Profit receivable		-	-	-	189,442	189,442
Advances, deposits, prepayments and other receivables		-	-	-	317	317
Preliminary expenses and flotation costs		-	-	-	453	453
Sub total		6,749,382	-	5,517,108	190,212	12,456,702
Financial liabilities						
Payable to the Management Company		-	-	-	23,628	23,628
Payable to the Trustee		-	-	-	1,334	1,334
Payable to the SECP		-	-	-	1,187	1,187
Accrued expenses and other liabilities		-	-	-	283,922	283,922
Sub total		-	-	-	310,071	310,071
On-balance sheet gap (a)		6,749,382	-	5,517,108	(119,859)	12,146,631
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		6,749,382	-	5,517,108	(119,859)	12,146,631
Cumulative interest rate sensitivity gap		6,749,382	-	5,517,108		

Particulars	June 30, 2024					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	----- Rupees in '000 -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances and term deposit receipts	18%-21.10%	2,655,397	-	-	-	2,655,397
Investments	20% - 22%	-	-	10,300,893	-	10,300,893
Profit receivable		-	-	-	513,434	513,434
Advances, deposits, prepayments and other receivables		-	-	-	274	274
Sub total		2,655,397	-	10,300,893	513,708	13,469,998

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Particulars	June 30, 2024					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
Financial liabilities						
Payable to the Management Company		-	-	-	31,253	31,253
Payable to the Trustee		-	-	-	935	935
Payable to the SECP		-	-	-	827	827
Accrued expenses and other liabilities		-	-	-	67,749	98,188
Sub total		-	-	-	100,764	131,203
On-balance sheet gap (a)		2,655,397	-	10,300,893	412,944	13,338,795
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		2,655,397	-	10,300,893	412,944	13,338,795
Cumulative interest rate sensitivity gap		2,655,397	-	10,300,893		

21.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to investment in debt securities such as GOP Ijara Sukuks and Bank balances. Bank balances are maintained with balance with a reasonably high credit rating. The risk of default is considered minimal due to inherent systematic measures taken therein.

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

Name of Banks	Balances held as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency

Balances with banks by rating category

Rupees in '000

Bank Al Habib Limited	1,650,023	A1+	PACRA
United Bank Limited	14,074	A1+	VIS
Allied Bank Limited	254,566	A1+	PACRA
Meezan Bank Limited	24,317	A1+	VIS
Bank Islami Pakistan	18,820	A1	PACRA
Al Baraka Bank Limited	10,300	A1	PACRA
Bank Alfalah Islamic	681,152	A1+	PACRA
Askari Commercial Bank Ltd	2,321,299	A1+	PACRA
Faysal Bank Ltd	774,492	A1+	PACRA
Dubai Islami Bank	322	A1+	VIS
Habib Metropolitan Bank	18	A1+	PACRA
	5,749,382		

Name of Banks	Balances held as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency

Balances with banks by rating category

Rupees in '000

Bank Al Habib Limited	2,496,102	A1+	PACRA
United Bank Limited	1,006	A1+	VIS
Allied Bank Limited	61,200	A1+	PACRA
Meezan Bank Limited	81,892	A1+	VIS
Bank Islami Pakistan	237	A1	PACRA
Al Baraka Bank Limited	54	A1	PACRA
Bank Alfalah Islamic	370	A1+	PACRA
Askari Commercial Bank Ltd	31	A1+	PACRA
Faysal Bank Ltd	14,180	A1+	PACRA
Dubai Islami Bank	310	A1+	VIS
Habib Metropolitan Bank	16	A1+	PACRA
	2,655,397		

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

Rating by rating category	2025	%	2024
A1+	99.49%		99.99%
A1	0.51%		0.01%
	100.00%		100.00%

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure, while the remaining transactions are entered into with diverse credit-worthy counterparties, thereby mitigating any significant concentration of credit risk to counterparties. The fund is not exposed to a concentration of credit risk.

21.3 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.

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 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 (2024: None).

The table below summarizes the maturity profile for the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including balances with bank have been included in the maturity.

Particulars	June 30, 2025			
	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----				
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	23,628	-	-	23,628
Payable to Central Depository Company of Pakistan Limited - Trustee	1,334	-	-	1,334
Payable to Securities and Exchange Commission of Pakistan	1,187	-	-	1,187
Accrued expenses and other liabilities	283,922	-	-	283,922
Total liabilities	310,071	-	-	310,071
Particulars	June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	31,253	-	-	31,253
Payable to Central Depository Company of Pakistan Limited - Trustee	935	-	-	935
Payable to Securities and Exchange Commission of Pakistan	827	-	-	827
Accrued expenses and other liabilities	67,749	-	-	67,749
Total liabilities	100,764	-	-	100,764

22 UNITHOLDERS' FUND RISK MANAGEMENT

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unitholders' fund. Unitholders fund risk management is carried out by the 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 unitholders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the 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 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

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

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

Particulars	June 30, 2025						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)						
On balance sheet financial instruments							
Financial assets measured at fair value							
GoP Ijarah Sukuk Certificates	5,517,108	-	5,517,108	-	5,517,108	-	5,517,108
Discounted GIS	169,804	-	169,804	169,804	-	-	169,804
	5,686,912	-	5,686,912	169,804	5,517,108	-	5,686,912

Particulars	Note	June 30, 2024						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)						
On balance sheet financial instruments								
Financial assets measured at fair value		23.1						
GoP Ijarah Sukuk Certificates			10,300,893	-	10,300,893	-	10,300,893	-
Discounted GIS			-	-	-	-	-	-
			10,300,893	-	10,300,893	-	10,300,893	-

23.1 Valuation techniques

23.1.1 For level 1 investments at fair value through profit or loss, Fund uses daily quotations which are taken from PSX, for the purpose of computation of Market value at the reporting date.

23.1.2 For level 2 investments at fair value through profit or loss, Fund uses PKISRV rates which are taken from MUFAP, for the purpose of computation of Market value at the reporting date.

23.1.3 The Fund has not disclosed the fair values for other 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.

23.2 Transfers during the year

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

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

Top brokers during the year	2025	2024
	Percentage	Percentage
AKD Securities Limited	1.72%	-
Arif Habib Limited	6.24%	71.65%
BCP Securities	2.41%	-
BMA Capital Management Limited	4.34%	-
C & M Management Private Limited	3.89%	-
Capital Edge (Private) Limited	17.03%	15.92%
DirectFN Private Limited	29.84%	-
Icon Securities (Private) Limited	2.65%	-
Intermarket Securities Limited	15.47%	-
JS Global Capital Limited	4.70%	12.43%
Next Capital Limited	1.75%	-
Optimus Markets (Private) Limited	0.02%	-
Optimus Capital Management (Private) Limited	0.00%	-
Paramount Capital (Private) Limited	7.40%	-
Summit Capital (Private) Limited	2.55%	-
	100.00%	100.00%

25 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Name	Designation	Qualifications	Experience in years
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	25 years
Mr. Faran ul Haq	Head of Equity	CFA	14.5 years
Mr. Fawad Javaid	Head of Fixed Income	CMA	14.5 years
Mr. Ahmed Abbas	Fund Manager	MBA	17 years
Mr. Hamza Abdur Rehman Siddiqui	Fund Manager - Equity	Msc (Hons)	7 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS ECO, FMVA	7 years

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26 PATTERN OF UNITHOLDING

Category	----- As at June 30, 2025 -----			
	No. of unit holders	Number of units held	Investment amount	Percentage
Rupees in '000				
Associated Companies	2	23,503,418	2,359,644	17.92%
Insurance Companies	2	735,257	73,817	0.56%
Other Corporate	26	52,580,150	5,278,826	40.09%
Others	309	53,147,721	5,335,808	40.52%
Retirement Fund	5	1,190,463	119,517	0.91%
	344	131,157,009	13,167,613	100%

27 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 01, 2024 and October 17, 2024, January 23, 2025, April 25, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Abbas D.Habib	4	4	-	-
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	103rd, 104th and 105th Meeting
5	Mr. Imran Azim	4	2	2	103rd and 106th Meeting
6	Mr. Kashif Rafi	4	4	-	-

28 TOTAL EXPENSE RATIO

In accordance with the Directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio for the fund for period ended June 30, 2025 is 1.41% (2024: 1.26%) which includes 0.25% (2024: 0.20%) representing Government levy and SECP fee.

29 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.

30 GENERAL

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

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2025 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective

The investment objective of AHISAVF is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium- and short-term Shariah Compliant debt instruments while taking into account liquidity considerations.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHISAVF maintained strategy to get exposure in broadly diversified portfolio of high quality shariah complaint fixed and floater rate instrument. Such investments include Shariah Complaint Government securities (GOP Ijarah Sukuk), Banks Deposits/Placements and Corporate Sukuks.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 368 bps as it posted YTD return of 14.05% as against the benchmark of 10.37%.

Fund Description

Fund Type & Category	Open ended - Shariah Compliant Income Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	March 10, 2011	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	75% six (6) months PKISRV + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Bank or window of conventional Banks, as selected by MUFAP	Sales Load	3.00% (Management has the discretion to reduce or waive load on any transaction)
Annual Return	14.05%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	10.37%	For Regular Transactions For same Day Redemption	Monday to Thursday 4:00 pm Friday 4:30 pm 9:30 am
Net Assets	Rs. 13.168 billion (June 30, 2025)	Fund Stability Rating	AA(f) by PACRA (April 22, 2025)
NAV per unit	Rs. 100.3958 per unit (June 30, 2025)	AMC Rating	"AM1" by PACRA (December 12, 2024)
Pricing Mechanism	Backward Pricing	Trustee	Central Depository Company of Pakistan Limited.
Risk Profile	Medium (Principal at medium risk)		

Economic Review:

The main highlights of the outgoing fiscal year were lower than expected inflation, surplus current account balance, IMF's extended financing facility worth USD 7 Billion, narrowing fiscal deficit and record remittances.

CPI witnessed an extensive improvement, increasing only by 4.7%YoY against the forecast of 7%-8%, compared to 26%YoY in FY24. The main contributors were high base effect, lower food prices and decrease in energy charges. Also, the government's keeping the USD/PKR parity in the check played a vital role.

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The current account balance stood at USD2.1 billion on the back of shrinking trade gap and higher remittances which reached a record high of USD 38 Billion. Such phenomenon also resulted in higher foreign exchange reserve held by the Central bank at USD14.51 Billion compared to USD9.39 billion in FY'24.

The outgoing year was not without challenges whereby country's GDP recorded an increase of 2.68% against the target of 3.56%. Agricultural sector, the backbone of country's GDP, grew only by 0.56%YoY due to crop failures amid water shortages. Large Scale manufacturing, witnessed a growth of 4.8%YoY, merely covering up for the negative LSM growth in FY'24.

Low inflation, exchange rate stabilization and adequate foreign exchange flows provided room for the SBP to reduce its Policy rate by 1,100bps, from 22% to 11%. Such drastic cut in interest rates was welcomed by the cross section of the market participants. Market is hoping for further cuts in Policy rates amid high real interest rates and satisfactory foreign exchange flows.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	42.02%	18.86%
TDR	7.36%	-
GoP Ijarah Sukuk	41.85%	73.15%
Others	8.77%	7.99%

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	198
1001-5000	34
5001-10000	10
10001-50000	40
50001-100000	11
100001-500000	33
500001-1000000	5
1000001-5000000	7
5000001-10000000	2
10000001-100000000	4
Grand Total	344

Income Distribution

AHISAVF made a total distribution of Rs. 14.0528 during FY25 in the form of dividend. EX-NAV of the fund after each dividend becomes Rs. 100

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jul 23, 2023	114.0528	100	14.0528

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Islamic Savings Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the period, 382,439,907 units valued Rs. 40.720 billion were sold while 287,072,750 units valued Rs. 30.743 billion were redeemed resulting in to a net sale of 95,367,157 units valued Rs. 9.976 billion.

Unit Holder Pattern

For the breakdown of unit holding by size as on June 30, 2025, please refer to note 22 of the Annual Accounts 2025.

Fund Performance at a Glance

	2025	2024
Net Assets as at June 30 (Rs. in billion)	13.168	13.981
NAV per unit as at June 30 (Rs.)	100.3958	100.3984
Distribution during the year ended June 30 (Rs.)	14.0528	20.1133
Annual Return	14.05%	21.96%

AL HABIB FIXED RETURN FUND
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.

Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.

Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S,

Main Shahra-e-Faisal, Karachi.

Rating

AM1 Management Company Quality
Rating Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**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

AL HABIB FIXED RETURN 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 AL Habib Fixed Return Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 29, 2025





Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF FINANCIAL STATEMENTS TO THE UNITHOLDERS OF AL HABIB FIXED RETURN FUND

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Al Habib Fixed Return Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. 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 are the Key audit matter:

S.NO	Key audit matter	How the matter was addressed in our audit
1.	Existence and valuation of balances with bank and investments As disclosed in note 5 & 6 to the accompanying financial statements of the Fund for the year ended June 30, 2025, the balances with bank and investment amounting to Rs. 620.90 and Rs. 4,523.11 million which represent 99.66% of the total assets.	Our audit procedures included the following: We obtained independent confirmations for verifying the existence of balances with bank and the investment portfolio as at June 30, 2025 and traced it with books and records of the Fund;



S.NO	Key audit matter	How the matter was addressed in our audit
	The existence of bank balances and existence and valuation of investments are significant components of statement of asset and liabilities for the determination of net asset value of the Fund as at June 30, 2025. We considered existence of bank balance and existence and valuation of investment as Key audit matter due to significance of these in relation to net assets.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement and re-performance of valuations as per valuation methodology specified in accounting policies; and - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

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 the Management and its Board of Directors for the Financial Statements

Management of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and for such internal control as the management determines 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.

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'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 the 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 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.

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 year 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, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking 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: **29 SEP 2025**

UDIN: AR202510166Uvmxsqjuy


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

As at June 30, 2025																
	Rupees in '000															Total
	AH-FRF Plan 6	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 12	AH-FRF Plan 13	AH-FRF Plan 14	AH-FRF Plan 15	AH-FRF Plan 16	AH-FRF Plan 18	AH-FRF Plan 19	AH-FRF Plan 19	AH-FRF Plan 21	AH-FRF Plan 22	
ASSETS																
Bank balances	7,206	848	29,855	8,746	37,223	113,267	8	56,817	7,977	240,162	47,958	1,991	1,299	2,686	64,872	620,895
Investments	-	-	-	-	-	-	-	-	-	-	-	75,964	1,867,349	503,872	2,075,922	4,523,107
Profit receivable	411	5	497	156	1,310	-	-	2,300	229	2,129	4,123	4,140	1,219	924	274	17,717
TOTAL ASSETS	7,617	853	30,352	8,902	38,533	113,267	8	59,117	8,206	242,291	52,061	82,095	1,869,867	507,482	2,141,068	5,161,719
LIABILITIES																
Payable to AL Habib Asset Management Limited - Management Company	7,533	782	8,908	873	6,736	17,690	-	7,802	600	23,090	8,730	35	318	115	813	84,025
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	75	-	114	62	137	286	-	888	21	172	158	4	98	19	113	2,147
Payable to Securities and Exchange Commission of Pakistan (SECP)	3	-	87	37	111	339	-	423	14	76	187	4	233	47	138	1,699
Payable against redemption of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	6	711	21,243	7,930	31,549	94,952	8	50,004	7,571	218,953	42,986	946	14,627	5,689	5,324	501,859
TOTAL LIABILITIES	7,617	853	30,352	8,902	38,533	113,267	8	59,117	8,206	242,291	52,061	989	15,276	5,870	6,388	589,730
NET ASSETS																
-	-	-	-	-	-	-	-	-	-	-	-	81,106	1,854,591	501,612	2,134,680	4,571,989
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)																
-	-	-	-	-	-	-	-	-	-	-	-	81,106	1,854,591	501,612	2,134,680	4,571,989
CONTINGENCIES AND COMMITMENTS																
(Number of units)																
11																
Number of units in issue																
12	-	-	-	-	-	-	-	-	-	-	-	809,846	18,530,365	5,010,608	21,346,798	45,697,617
Net assets value per unit																
-	-	-	-	-	-	-	-	-	-	-	-	100.15	100.08	100.11	100.00	-

The annexed notes 1 to 31 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2024

As at June 30, 2024											
	AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 7	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 13	Total
Note	Rupees in '000										
ASSETS											
5	1,713	4,100	798	1,029,903	268	9,073	-	353	4,085	50	1,050,343
6	-	-	-	-	-	3,216	1,464,666	521,351	3,233,201	1,060,808	6,283,242
	1,282	1,019	40	4,074	-	920	1	10	524	23	7,893
TOTAL ASSETS	2,995	5,119	838	1,033,977	268	13,209	1,464,667	521,714	3,237,810	1,060,881	7,341,478
LIABILITIES											
7	2,467	1,789	642	7,025	215	1,441	2,588	765	3,215	682	20,829
8	165	90	2	264	6	94	114	26	189	47	997
9	58	9	-	162	1	118	89	32	227	63	759
	-	-	-	-	46	-	-	-	-	-	46
	305	3,231	194	33,077	-	8,559	23,046	6,867	29,874	12	105,165
TOTAL LIABILITIES	2,995	5,119	838	40,528	268	10,212	25,837	7,690	33,505	804	127,796
NET ASSETS											
	-	-	-	993,449	-	2,997	1,438,831	514,023	3,204,304	1,060,078	7,213,683
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	-	-	-	993,449	-	2,997	1,438,831	514,023	3,204,306	1,060,078	7,213,683
CONTINGENCIES AND COMMITMENTS											
11	(Number of units)										
12	-	-	-	9,933,701	-	29,841	14,374,404	5,135,344	32,007,925	10,589,300	72,070,515
Number of units in issue											
Net asset value per unit	-	-	-	100.01	-	100.43	100.10	100.10	100.11	100.11	

11

(Number of units)

12

The annexed notes 1 to 31 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2025

[illegible]

Net gain on investments designated as 'at fair value through profit or loss'

Gain on sale of government securities
Unrealised appreciation on re-measurement of investments
classified at 'fair value through profit or loss' - net

Total income

Expenses

Remuneration of AL Habib Asset Management Limited - Management Company

Sindh Sales Tax on Management Company's remuneration

Expenses Allocated by Management Company

Expense Allocated by Management

Marketing and selling expense

Sindh Sales Tax on Allocated Expenses and Selling and Marketing

Remuneration of Central Depository Company

Sindh Sales Tax on Trustee's remuneration

Annual fee to the Securities and Exchange Commission of Pakistan (SECP)

Brokerage expense

Audit remuneration

Printing charges

Settlement and bank charges

Journal of Management and Organization Studies

Net income before taxation

relaxation

Allocation of net income for the year:

Net income for the year after taxation

Income already paid on redemption of units

presenting an easy path on a description of what

Accounting income available for distribution:

- Relative to capital gains

- Excluding capital gains

curtis mitchell simonson

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

AL Habib Asset Management Limited

The annexed notes 1 to 31 form an integral part of this financial information.

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	For the period from July 01, 2024 to July 03, 2024	For the period from July 01, 2024 to July 08, 2024	For the period from July 01, 2024 to Nov 29, 2024	For the period from July 01, 2024 to January 09, 2025	For the period from July 01, 2024 to Oct 18, 2024	For the period from July 18, 2023 to Oct 18, 2024	For the period from July 01, 2024 to Oct 18, 2024	For the period from October 16, 2024 to Dec 27, 2024	For the period from October 16, 2025 to June 13, 2025	For the period from August 29, 2024 to June 13, 2025	For the period from Feb 25, 2025 to June 13, 2025	For the period from March 06, 2025 to June 30, 2025	For the period from March 06, 2025 to June 30, 2025	For the period from May 21, 2025 to June 30, 2024	Total
	AH-PRF Plan	AH-PRF Plan	AH-PRF Plan	AH-PRF Plan	AH-PRF Plan	AH-PRF Plan	AH-PRF Plan	AH-PRF Plan	AH-PRF Plan	AH-PRF Plan	AH-PRF Plan	AH-PRF Plan	AH-PRF Plan	AH-PRF Plan	Total
	6	8	9	10	11	12	13	14	15	16	18	19	20	21	22
	Rupees in '000														
Net income for the year after taxation	932	276	113,551	49,225	188,538	460,907	64,486	213,618	44,899	1,073,983	280,054	3,828	66,748	26,908	2,608,702
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	932	276	113,551	49,225	188,538	460,907	64,486	213,618	44,899	1,073,983	280,054	3,828	66,748	26,908	2,608,702

The annexed notes 1 to 31 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	For the period from March 15, 2023 to June 02, 2023	For the period from March 28, 2023 to June 16, 2023	For the period from July 01, 2023 to July 14, 2023	For the period from July 01, 2023 to September 22, 2023	For the period from July 01, 2023 to January 03, 2024	For the period from July 01, 2023 to June 30, 2024	For the period from July 13, 2023 to June 30, 2024	For the period from August 08, 2023 to June 30, 2024	For the period from December 05, 2023 to June 30, 2024	For the period from January 02, 2024 to June 30, 2024	For the period from March 15, 2024 to June 30, 2024	For the period from April 03, 2024 to June 30, 2024
	AH-FRF Plan 1	AH-FRF Plan 2	AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 7	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 13
	Rupees in '000											
Net income for the year after taxation	-	-	8,105	30,988	81,437	239,146	35,421	51,077	141,681	47,907	214,425	50,078
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	8,105	30,988	81,437	239,146	35,421	51,077	141,681	47,907	214,425	50,078
												900,265

The annexed notes 1 to 31 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	For the period from July 01, 2024 to July 03, 2024			For the period from July 01, 2024 to July 08, 2024			For the period from July 01, 2024 to Nov 29, 2024			For the period from July 01, 2024 to January 09, 2025			For the period from July 01, 2024 to Oct 18, 2024		
	AH-RRF Plan 6			AH-RRF Plan 8			AH-RRF Plan 9			AH-RRF Plan 10			AH-RRF Plan 11		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the year	994,497	(1,048)	993,449	2,979	19	2,997	1,437,441	1,389	1,438,831	515,276	(1,253)	514,023	3,200,793	3,512	3,204,306
Issuance of 311,468,958 units															
- Capital value	-	-	-	-	-	-	29,386	-	29,386	-	-	-	3,422	-	3,422
- Element of income / (loss)	-	-	-	-	-	-	-	-	-	784	-	784	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	29,386	-	29,386	784	-	784	3,422	-	3,422
Redemption of 337,841,856 units															
- Capital Value	(993,469)	-	(993,469)	(2,997)	-	(2,997)	(1,468,296)	-	(1,468,296)	(514,318)	-	(514,318)	(500,223)	-	(500,223)
- Element of income / (loss)	-	(912)	(912)	-	(276)	(276)	-	(74,287)	(74,287)	(489)	(48,180)	(48,669)	(2,707,716)	(183,964)	(2,891,300)
Total payments on redemption of units	(993,469)	(912)	(994,381)	(2,997)	(276)	(3,273)	(1,468,296)	(74,287)	(1,542,583)	(514,807)	(48,180)	(562,987)	(3,207,739)	(183,964)	(3,391,703)
Total comprehensive income for the year	-	932	932	-	276	276	-	113,551	113,551	-	49,225	49,225	-	188,538	188,538
Interim distribution for the period ended June 30, 2025:	-	-	-	-	-	-	-	(93,185)	(93,185)	-	(1,045)	(1,045)	-	(4,563)	(4,563)
Net income for the year less distribution	-	932	932	-	276	276	-	74,366	74,366	-	48,180	48,180	-	183,975	183,975
Net assets at the end of the year	1,028	(1,028)	-	(18)	19	-	(1,469)	1,468	-	1,253	(1,253)	-	(3,324)	3,523	-
Undistributed income brought forward															
- Realised gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Unrealised gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting income available for distribution															
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interim distribution for the period ended June 30, 2025:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed income carried forward															
Undistributed income carried forward comprise of:															
- Realised gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Unrealised gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets value per unit at beginning of the year	(Rupees)	-	-	(Rupees)	-	-	(Rupees)	-	-	(Rupees)	-	-	(Rupees)	-	-
Net assets value per unit at end of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	For the period from July 18, 2023 to Oct 18, 2024			For the period from July 01, 2024 to Oct 18, 2024			For the period from October 16, 2024 to Dec 27, 2024			For the period from October 16, 2024 to June 13, 2025			For the period from August 29, 2024 to June 13, 2025		
	AH-FRF Plan 12			AH-FRF Plan 13			AH-FRF Plan 14			AH-FRF Plan 15			AH-FRF Plan 16		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the year	-	-	-	1,058,930	1,148	1,060,078	-	-	-	-	-	-	-	-	-
Issuance of 311,468,958 units															
- Capital value	10,486,631	-	10,486,631	483	-	483	8,017,967	-	8,017,966	514,745	-	514,745	8,339,808	-	8,339,808
- Element of income / (loss)	41,904	-	41,904	-	-	-	21,468	-	21,468	883	-	883	24,591	-	24,591
Total proceeds on issuance of units	10,528,535	-	10,528,535	483	-	483	8,039,435	-	8,039,435	515,628	-	515,628	8,364,399	-	8,364,399
Redemption of 337,841,856 units															
- Capital Value	(10,486,631)	-	(10,486,631)	(1,060,566)	-	(1,060,566)	(8,017,967)	-	(8,017,967)	(514,745)	-	(514,745)	(8,339,808)	-	(8,339,808)
- Element of income / (loss)	(39,949)	(385,136)	(425,085)	-	(63,837)	(63,837)	(21,278)	(184,119)	(205,397)	(884)	(44,007)	(44,891)	(24,591)	(982,643)	(1,007,234)
Total payments on redemption of units	(10,526,580)	(385,136)	(10,911,716)	(1,060,566)	(63,837)	(1,124,403)	(8,039,245)	(184,119)	(8,223,364)	(515,628)	(44,007)	(559,635)	(8,364,399)	(982,643)	(9,347,042)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interim distribution for the period ended June 30, 2025:															
Net income for the year less distribution	(1,955)	(75,769)	(77,724)	(644)	(644)	(644)	(190)	(28,590)	(29,690)	-	(892)	(892)	-	(9,134)	(9,134)
Net assets at the end of the year	(1,955)	385,136	383,181	-	63,842	63,842	(190)	184,119	183,929	-	44,007	44,008	-	982,643	982,643
Undistributed income brought forward															
- Realised gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Unrealised gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting income available for distribution															
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interim distribution for the period ended June 30, 2025:															
Undistributed income carried forward															
Undistributed income carried forward comprise of:															
- Realised gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Unrealised gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets value per unit at beginning of the year	-	-	-	(Rupees)	-	-	(Rupees)	-	-	(Rupees)	-	-	(Rupees)	-	-
Net assets value per unit at end of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	For the period from Feb 25, 2025 to June 13, 2025		For the period from March 06, 2025 to June 30, 2025		For the period from March 06, 2025 to June 30, 2025		For the period from March 06, 2025 to June 30, 2025		For the period from May 21, 2025 to June 30, 2024		Total
	Capital value	Undistributed income	Capital value	Undistributed income	Capital value	Undistributed income	Capital value	Undistributed income	Capital value	Undistributed income	
Net assets at beginning of the year	-	-	-	-	-	-	-	-	-	-	7213.683
Issuance of 311,468,958 units											
- Capital value	9,695,308	-	9,695,308	-	80,985	-	1,902,658	-	2,134,680	-	42,027,397
- Element of income / (loss)	25,706	-	25,706	-	129	-	1,521	-	5,629	-	125,101
Total proceeds on issuance of units	9,721,014	-	9,721,014	-	81,114	-	1,904,179	-	2,140,309	-	42,152,498
Redemption of 137,841,856 units											
- Capital Value	(9,695,308)	-	(9,695,308)	-	-	-	(49,621)	-	-	-	(41,964,313)
- Element of income / (loss)	(25,706)	(278,072)	(303,778)	-	-	-	(214)	(929)	-	-	(5078,453)
Total payments on redemption of units	(9,721,014)	(278,072)	(9,999,087)	-	-	-	(49,835)	(929)	-	-	(47,042,766)
Total comprehensive income for the year	280,054	-	280,054	-	80,985	-	1,854,344	-	2,134,680	-	2,608,701
Interim distribution for the period ended June 30, 2025:											
Net income for the year less distribution	-	278,072	278,072	-	(129)	-	(3,837)	-	(5,629)	-	(9,484)
Net assets at the end of the year	-	-	-	-	-	-	-	-	-	-	2,588,055
Undistributed income brought forward											
- Realised gain	-	-	-	-	-	-	-	-	-	-	-
- Unrealised gain	-	-	-	-	-	-	-	-	-	-	-
Accounting income available for distribution											
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-
Interim distribution for the period ended June 30, 2025:											
Undistributed income carried forward											
Undistributed income carried forward comprise of:											
- Realised gain	-	-	-	-	-	-	-	-	-	-	-
- Unrealised gain	-	-	-	-	-	-	-	-	-	-	-
Net assets value per unit at beginning of the year	-	-	-	-	-	-	-	-	-	-	-
Net assets value per unit at end of the year	-	-	-	-	-	-	-	-	-	-	-

The annexed notes 1 to 31 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

AL Habib Asset Management Limited

	For the period from March 15, 2023 to June 02, 2023			For the period from March 28, 2023 to June 16, 2023			For the period from July 01, 2023 to September 22, 2023					
	AH-FRF Plan 1			AH-FRF Plan 2			AH-FRF Plan 3			AH-FRF Plan 4		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the year	-	-	-	-	-	-	1,048,786	1,882	1,050,668	668,472	-	668,472
Issuance of 62,136,814 units												
- Capital value	-	-	-	-	-	-	255	-	255	2,398	-	2,398
- Element of income / (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	255	-	255	2,398	-	2,398
Redemption of 25,770,381 units												
- Capital Value	-	-	-	-	-	-	(1,050,918)	-	(1,050,918)	(670,870)	-	(670,870)
- Element of income / (loss)	-	-	-	-	-	-	1,877	(9,674)	(7,797)	4,710	(32,876)	(28,166)
Total payments on redemption of units	-	-	-	-	-	-	(1,049,041)	(9,674)	(1,058,715)	(666,160)	(32,876)	(699,036)
Total comprehensive income for the year	-	-	-	-	-	-	-	8,105	8,105	-	30,988	30,988
Interim distribution for the year ended June 30, 2024:	-	-	-	-	-	-	-	(313)	(313)	-	(2,822)	(2,822)
Net income for the year less distribution	-	-	-	-	-	-	-	7,792	7,792	-	28,166	28,166
Net assets at the end of the year	-	-	-	-	-	-	-	-	-	4,710	(4,710)	-
Undistributed income brought forward												
- Realised gain	-	-	-	-	-	-		3,325			-	
- Unrealised gain	-	-	-	-	-	-		(1,416)			-	
								1,909				
Accounting income available for distribution												
- Relating to capital gains	-	-	-	-	-	-		-			-	
- Excluding capital gains	-	-	-	-	-	-		8,105			(1,887)	
								8,105			(1,887)	
Interim distribution for the year ended June 30, 2024:	-	-	-	-	-	-		(313)			(2,822)	
Undistributed income carried forward												
	-	-	-	-	-	-		9,701			(4,709)	
Undistributed income carried forward comprise of:												
- Realised gain	-	-	-	-	-	-		9,701			(4,709)	
- Unrealised gain	-	-	-	-	-	-		-			-	
	-	-	-	-	-	-		9,701			(4,709)	
	(Rupees)			(Rupees)							(Rupees)	
	-	-	-	-	-	-		100.18			100.00	
Net assets value per unit at beginning of the year	-	-	-	-	-	-		-			-	
Net assets value per unit at end of the year	-	-	-	-	-	-		-			-	

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	For the period from July 01, 2023 to January 03, 2024			For the period from July 01, 2023 to June 30, 2024			For the period from July 13, 2023 to June 30, 2024			For the period from August 08, 2023 to June 30, 2024		
	AH-FRF Plan 5			AH-FRF Plan 6			AH-FRF Plan 7			AH-FRF Plan 8		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the year	744,734	-	744,734	1,109,782	(427)	1,109,355	-	-	-	-	-	-
Issuance of 62,136,814 units												
- Capital value	-	-	-	154,438	-	154,438	740,489	-	740,489	249,841	-	249,840
- Element of income / (loss)	-	-	-	-	-	-	1,472	-	1,472	(392)	-	(392)
Total proceeds on issuance of units	-	-	-	154,438	-	154,438	741,961	-	741,961	249,449	-	249,448
Redemption of 25,770,381 units												
- Capital Value	(754,696)	-	(754,696)	(269,496)	-	(269,496)	(740,489)	-	(740,489)	(246,857)	-	(246,857)
- Element of income / (loss)	9,962	(69,717)	(59,755)	(227)	(58,075)	(58,302)	(1,472)	(32,932)	(34,404)	387	(50,530)	(50,143)
Total payments on redemption of units	(744,734)	(69,717)	(814,451)	(269,723)	(58,075)	(327,798)	(741,961)	(32,932)	(774,893)	(246,470)	(50,530)	(297,000)
Total comprehensive income for the year	-	81,437	81,437	-	239,146	239,146	-	35,421	35,421	-	51,077	51,077
Interim distribution for the year ended June 30, 2024:	-	(11,720)	(11,720)	-	(2,489)	(2,489)	-	(2,489)	(2,489)	-	(528)	(528)
Net income for the year less distribution	-	69,717	69,717	-	57,454	57,454	-	32,932	32,932	-	50,549	50,549
Net assets at the end of the year	-	-	-	994,497	(1,048)	993,449	-	-	-	2,979	19	2,997
Undistributed income brought forward												
- Realised gain	-	-	-	-	(427)	(427)	-	-	-	-	-	-
- Unrealised gain	-	-	-	-	(427)	(427)	-	-	-	-	-	-
Accounting income available for distribution												
- Relating to capital gains	(2,748)	-	-	-	-	-	-	-	-	-	11	11
- Excluding capital gains	14,468	181,071	195,539	181,071	-	181,071	2,489	2,489	2,489	-	536	547
Interim distribution for the year ended June 30, 2024:	(11,720)	(11,720)	(23,440)	(181,692)	(2,489)	(184,181)	(2,489)	(2,489)	(2,489)	-	(528)	(528)
Undistributed income carried forward	-	-	-	(1,048)	-	(1,048)	-	-	-	19	-	19
Undistributed income carried forward comprise of:												
- Realised gain	2,748	-	2,748	(1,048)	-	(1,048)	-	-	-	8	-	8
- Unrealised gain	-	-	-	-	-	-	-	-	-	11	-	11
Net assets value per unit at beginning of the year	(Rupees)	100.00	100.00	(Rupees)	100.08	100.08	-	-	-	(Rupees)	-	-
Net assets value per unit at end of the year	-	-	-	100.01	100.01	100.01	-	-	-	100.43	-	100.43

AL Habib Asset Management Limited

	For the period from December 05, 2023 to June 30, 2024			For the period from January 02, 2024 to June 30, 2024			For the period from March 15, 2024 to June 30, 2024			For the period from April 03, 2024 to June 30, 2024			Total
	AH-PRF Plan 9			AH-PRF Plan 10			AH-PRF Plan 11			AH-PRF Plan 13			Total
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Total
Net assets at beginning of the year	-	-	-	-	-	-	-	-	-	-	-	-	3,573,229
Issuance of 62,136,814 units													
Capital value	1,447,066	-	1,447,066	605,830	-	605,830	3,902,954	-	3,902,954	1,058,930	-	1,058,930	8,162,201
Element of income / (loss)	2,356	-	2,356	2,088	-	2,088	9,288	-	9,288	102	-	102	14,914
Total proceeds on issuance of units	1,449,422		1,449,422	607,918		607,918	3,912,242		3,912,242	1,059,032		1,059,032	8,177,115
Redemption of 25,770,381 units													
Capital Value	(9,625)	-	(9,625)	(92,296)	-	(92,296)	(702,161)	-	(702,161)	-	-	-	(4,537,408)
Element of income / (loss)	(21)	(354)	(375)	(346)	(3,466)	(3,812)	(1,967)	(36,309)	(38,276)	-	-	-	(281,030)
Total payments on redemption of units	(9,646)	(354)	(10,000)	(92,642)	(3,466)	(96,108)	(704,128)	(36,309)	(740,437)	-	-	-	(4,818,438)
Undistributed income brought forward													
Total comprehensive income for the year	-	141,681	141,681	-	47,907	47,907	-	214,425	214,425	-	50,078	50,078	900,265
Interim distribution for the year ended June 30, 2024:	(2,335)	(139,938)	(142,273)	-	(45,694)	(45,694)	(7,321)	(174,925)	(181,925)	(102)	(48,930)	(49,032)	(618,586)
Net income for the year less distribution	(2,335)	1,43	(991)	-	2,213	2,213	(7,321)	39,821	32,500	(102)	1,148	1,046	281,679
Net assets at the end of the year	1,437,441	1,389	1,438,831	515,276	(1,253)	514,023	3,200,793	3,512	3,204,306	1,058,930	1,148	1,060,078	7,213,785
Undistributed income brought forward													
- Realised gain	-	-	-	-	-	-	-	-	-	-	-	-	-
- Unrealised gain	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting income available for distribution													
- Relating to capital gains	-			(2,195)		(236)					546		
- Excluding capital gains	141,327	141,327	141,327	46,636	44,441	178,332				49,552	50,078		
Interim distribution for the year ended June 30, 2024:	(139,938)			(45,694)		(174,604)					(48,930)		
Undistributed income carried forward													
Undistributed income carried forward comprise of:													
- Realised gain	1,389			942		3,748					602		
- Unrealised gain	-			(2,195)		(236)					546		
	1,389			(1,253)		3,512					1,148		
						</							

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2025

Note	For the period For the period For the period For the period For the period For the period For the period For the period For the period For the period For the period For the period For the period For the period For the period For the period For the period																For the period For the period	
	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan	AH-FRF Plan
	6	8	9	10	11	12	13	14	15	16	18	19	20	21	22	Total		
CASH FLOWS FROM OPERATING ACTIVITIES																		
Net income for the year before taxation	932	276	113,551	49,225	188,538	460,905	64,486	213,618	44,899	1,073,983	280,054	3,828	66,748	26,908	20,749	2,608,700		
Adjustments for:																		
Unrealized (loss) on revaluation of investments	-	-	-	(1,617)	-	-	-	-	-	-	-	(1,157)	(2,682)	(49)	(2,301)	(7,806)		
	932	276	113,551	47,608	188,538	460,905	64,486	213,618	44,899	1,073,983	280,054	2,671	64,066	26,859	18,448	2,600,894		
Increase / (decrease) in assets																		
Investments	-	3,216	1,464,666	522,968	3,253,201	-	1,060,808	-	-	-	-	(74,806)	(1,864,666)	(503,822)	(2,073,621)	1,767,944		
Profit receivable	3,663	915	(496)	(146)	(786)	-	23	(2,300)	(229)	(2,129)	(4,122)	(41,440)	(1,219)	(924)	(274)	(12,164)		
	3,663	4,131	1,464,170	522,822	3,252,415	-	1,060,831	(2,300)	(229)	(2,129)	(4,122)	(78,946)	(1,865,885)	(504,746)	(2,073,895)	1,755,780		
(Decrease) / increase in liabilities																		
Payable to the AL Habib Asset Management Limited - Management Company	508	(659)	6,320	108	3,521	17,690	(682)	7,802	600	23,090	8,730	35	318	115	813	68,309		
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	(189)	(94)	-	36	(52)	286	(47)	888	21	172	158	4	98	19	113	1,413		
Payable to Securities and Exchange Commission of Pakistan (SECP)	(159)	(118)	(2)	5	(116)	339	(63)	423	14	76	187	4	233	47	138	1,008		
Payable against redemption of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Accrued expenses and other liabilities	(33,071)	(8,488)	(1,802)	1,062	1,676	94,952	(3)	50,005	7,572	218,953	42,986	946	14,627	5,689	5,324	400,428		
	(32,911)	(9,359)	4,516	1,211	5,029	113,267	(795)	59,118	8,207	242,291	52,061	989	15,276	5,870	6,388	471,158		
Net cash generated from operating activities	(283,16)	(4,952)	1,582,237	571,641	3,425,982	574,172	1,124,522	270,436	52,877	1,314,145	327,993	(75,286)	(1,786,543)	(472,017)	(2,049,059)	4,827,832		
CASH FLOWS FROM FINANCING ACTIVITIES																		
Proceeds from issuance of units	-	-	29,386	784	3,422	10,526,580	483	8,039,345	515,628	8,364,399	9,721,014	80,385	1,902,871	823,535	2,134,680	42,143,012		
Payments on redemption of units	(994,381)	(3,273)	(1,542,583)	(562,987)	(3,391,703)	(10,911,716)	(1,124,403)	(8,223,364)	(559,656)	(9,347,042)	(9,999,087)	-	(50,764)	(331,828)	-	(47,042,767)		
Dividend paid	-	-	(39,185)	(1,045)	(4,563)	(75,769)	(644)	(29,500)	(892)	(91,340)	(1,982)	(3,708)	(64,265)	(17,004)	(20,749)	(350,646)		
Net cash (used in) financing activities	(994,381)	(3,273)	(1,552,382)	(563,248)	(3,392,844)	(460,905)	(1,124,564)	(213,619)	(44,900)	(1,073,983)	(280,055)	77,277	1,787,842	474,703	2,113,931	(625,040)		
Net decrease in cash and cash equivalents	(1,022,697)	(6,225)	29,855	8,393	33,138	113,267	(42)	-	-	240,162	47,938	1,991	1,299	2,686	64,872	(422,569)		
Cash and cash equivalents at beginning of the year	1,029,903	9,073	-	353	4085	-	50	-	-	-	-	-	-	-	-	1,043,464		
Cash and cash equivalents at end of the year	7,206	848	29,855	8,746	37,223	113,267	8	56,817	7,977	240,162	47,938	1,991	1,299	2,686	64,872	620,895		
Cash and cash equivalent comprise of:																		
Bank balances	7,206	848	29,855	8,746	37,223	113,267	8	56,817	7,977	240,162	47,938	1,991	1,299	2,686	64,872	620,895		
	7,206	848	29,855	8,746	37,223	113,267	8	56,817	7,977	240,162	47,938	1,991	1,299	2,686	64,872	620,895		

The annexed notes 1 to 31 form an integral part of this financial information.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT **FOR THE YEAR ENDED JUNE 30, 2024**

	For the period from July 01, 2023 to July 14, 2023	For the period from July 01, 2023 to September 22, 2023	For the period from July 01, 2023 to July 13, 2024	For the period from July 13, 2023 to June 30, 2024	For the period from August 08, 2023 to June 30, 2024	For the period from December 05, 2023 to June 30, 2024	For the period from January 02, 2024 to June 30, 2024	For the period from March 15, 2024 to June 30, 2024	For the period from April 03, 2024 to June 30, 2024		
Note	AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 7	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 13	Total
CASH FLOWS FROM OPERATING ACTIVITIES											
Net income for the year before taxation	8,105	30,988	81,437	239,146	35,421	51,077	141,681	47,907	214,425	50,078	900,265
Adjustments for:											
Unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss' - net	-	-	2,748	-	-	(11)	-	2,195	236	(546)	4,622
Decrease / (increase) in assets											
Investments	1,054,833	667,942	741,378	1,106,239	-	(3,205)	(1,464,666)	(523,546)	(3,233,437)	(1,060,262)	(2,714,724)
Profit receivable	(508)	(446)	140	(1,808)	-	(920)	(1)	(10)	(524)	(23)	(4,100)
	1,054,325	667,496	741,518	1,104,431	-	(4,125)	(1,464,667)	(523,556)	(3,233,961)	(1,060,285)	(2,718,824)
(Decrease) / increase in liabilities											
Payable to the AL Habib Asset Management Limited	56	1,279	642	7,025	215	1,441	2,588	765	3,215	681	17,907
- Management Company											
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	60	89	(13)	245	6	94	114	26	189	47	857
Payable to Securities and Exchange Commission of Pakistan (SECP)	30	9	(5)	156	1	118	89	32	227	63	720
Payable against redemption of units	-	-	-	-	46	-	-	-	-	-	46
Accrued expenses and other liabilities	(3,202)	2,786	(101)	33,077	-	8,559	23,046	6,867	29,874	12	100,918
	(3,056)	4,163	523	40,503	268	10,212	25,837	7,690	33,505	803	120,448
Profit on bank deposits received			-	-	-	-	-	-	-	-	-
Profit on investments received			-	-	-	-	-	-	-	-	-
Net cash generated from / (used in) operating activities	1,059,374	702,647	826,226	1,384,080	35,689	57,153	(1,297,149)	(465,764)	(2,985,795)	(1,009,950)	(1,693,489)
CASH FLOWS FROM FINANCING ACTIVITIES											
Proceeds from issuance of units	255	2,398	-	154,438	741,961	249,448	1,449,422	607,918	3,912,242	1,059,032	8,177,114
Payments on redemption of units	(1,058,715)	(699,035)	(814,451)	(327,798)	(774,893)	(297,000)	(10,000)	(96,108)	(740,437)	-	(4,818,437)
Distribution made during the year	(313)	(2,822)	(11,720)	(181,692)	(2,489)	(528)	(142,273)	(45,694)	(181,925)	(49,032)	(618,488)
Net cash (used in) / generated from financing activities	(1,058,773)	(699,459)	(826,171)	(355,052)	(35,421)	(48,080)	1,297,149	466,116	2,989,880	1,010,000	2,740,189
Net increase in cash and cash equivalents	601	3,188	55	1,029,028	268	9,073	-	352	4,085	50	1,046,700
Cash and cash equivalents at beginning of the year	1,112	912	743	875	-	-	-	-	-	-	3,643
Cash and cash equivalents at end of the year	1,713	4,100	798	1,029,903	268	9,073	-	352	4,085	50	1,050,343
Cash and cash equivalent comprise of:											
Bank balances	1,713	4,100	798	1,029,903	268	9,073	-	353	4,085	50	1,050,343
	1,713	4,100	798	1,029,903	268	9,073	-	353	4,085	50	1,050,343

The annexed notes 1 to 31 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 AL Habib Fixed Return Fund ("the Fund") was established under a Trust Deed executed between AL Habib Asset Management Limited (AHAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 21, 2022 under Rule 67 of the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund is required to be registered under the Sindh Trust Act. Accordingly, on November 17, 2022 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2 The Management Company of the Fund has been licensed to undertake Asset Management Services as Non-Banking Finance Company under the NBFC Rules by SECP. The registered office of the Management Company is situated at 3rd floor, Mackinnons Building, I, I Chundrigar Road Karachi, Pakistan.
- 1.3 The Fund is an open-end fixed rate / return Collective Investment Scheme as per SECP's Circular No.3 of 2022 dated February 10, 2022 with Allocation Plans. The Allocation Plans under the Fund may have different investment avenues and different maturity dates. The Allocation Plans under the Fund may have a set timeframe or perpetual.
- 1.4 The Fund has been categorized as a Fixed Return Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan (SECP).
- 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 The Fund has launched eight different plans during the year; namely, Al Habib Fixed Return Fund - Plan 14, Al Habib Fixed Return Fund - Plan 15, Al Habib Fixed Return Fund - Plan 16, Al Habib Fixed Return Fund - Plan 18, Al Habib Fixed Return Fund - Plan 19, Al Habib Fixed Return Fund - Plan 20, Al Habib Fixed Return Fund - Plan 21, Al Habib Fixed Return Fund - Plan 22. The units of these plans were initially offered to public from October 15, 2024 till October 30, 2024, October 15, 2024 till October 22, 2024, August 28, 2024 till September 05, 2024, Feb 25, 2025 till April 17, 2025, March 15, 2025 till April 17, 2025, March 06, 2025 till April 17, 2025, March 06, 2025 till April 17, 2025, May 21, 2025 till June 12, 2025 respectively.
- 1.7 Al Habib Fixed Return Fund - Plan 6, Al Habib Fixed Return Fund - Plan 8, Al Habib Fixed Return Fund - Plan 9, Al Habib Fixed Return Fund - Plan 10, Al Habib Fixed Return Fund - Plan 11, Al Habib Fixed Return Fund - Plan 13, Al Habib Fixed Return Fund - Plan 14, Al Habib Fixed Return Fund - Plan 15, Al Habib Fixed Return Fund - Plan 16, Al Habib Fixed Return Fund - Plan 18 have been matured as on July 03, 2024, July 08, 2024, November 29, 2024, January 03, 2025, October 18, 2024, October 18, 2024, December 27, 2024, June 13, 2025, June 13, 2025, and June 13, 2025 respectively.
- 1.8 Pakistan Credit Rating Agency (PACRA) has assigned a management quality rating of 'AM1' to the Management Company on December 12, 2024.
- 1.9 Title to the assets of the Fund are held in the name of Central Depository Company Limited (CDC) as a Trustee of the Fund. The Fund is not listed on Pakistan Stock Exchange.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- The NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Classification and valuation of Investments

For details please refer notes 4.2.3 and 6 to these financial statements.

Impairment of financial assets

For details please refer notes 4.2.5 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025**

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of 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 IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' -
Amendments regarding nature-dependent electricity contracts that are often
structured as power purchase agreements (PPAs)

January 01, 2026

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding
nature-dependent electricity contracts that are often structured as power
purchase agreements (PPAs)

January 01, 2026

IFRS 17 Insurance Contracts

January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

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

4.2 Financial instruments

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

4.2.1 Financial assets

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

4.2.2 Initial recognition and measurement

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

4.2.3 Classification

Debt Instruments

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

- the asset is held within a business model whose objective is 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.

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

4.2.4 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income and impairment are recognized in income statement.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in income statement. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.
Debt investments at FVTPL	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognized in income statement.

4.2.5 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.6 Regular way purchase and sale of financial asset

Regular way 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.

4.2.8 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.

4.2.9 Offsetting of financial assets and liabilities

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

4.3 Provisions

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

4.4 Taxation

The Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year as reduced by capital gains, whether realized or unrealized, is distributed in the form of cash among the unit holders. Provided that, for the purpose of determining distribution of at least ninety percent of its accounting income for the year, the income distributed through bonus units' shall not be taken into account.

The Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realized or unrealized, to its unit holders every year. Accordingly, no tax liability has been recognized in these financial statements.

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

4.5 Proposed distributions

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the financial statements in the period in which such distributions are declared.

4.6 Issuance and redemption of units

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

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

4.7 Element of income

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

4.8 Net 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

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized using the effective interest method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.

4.10 Earnings per unit (EPU)

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.

4.11 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

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

June 30, 2025

5	BANK BALANCES	Note	Rupees in '000																		Total
			AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 12	AH-FRF Plan 13	AH-FRF Plan 14	AH-FRF Plan 15	AH-FRF Plan 16	AH-FRF Plan 18	AH-FRF Plan 19	AH-FRF Plan 20	AH-FRF Plan 21	AH-FRF Plan 22	
			-	-	-	7,206	848	29,855	8,746	37,223	113,267	8	56,817	7,977	240,162	47,938	1,991	1,299	2,686	64,872	620,895
5.1	Saving accounts		-	-	-	7,206	848	29,855	8,746	37,223	113,267	8	56,817	7,977	240,162	47,938	1,991	1,299	2,686	64,872	620,895

June 30, 2024

June 30, 2024													
Note	AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 7	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 13	Total		
	-----Rupees in '000-----												
5.1	1,713	4,100	798	1,029,903	268	9,073	-	353	4,085	50	1,050,343		
	1,713	4,100	798	1,029,903	268	9,073	-	353	4,085	50	1,050,343		

5.1 This represents saving accounts held with various commercial banks carrying profit rates ranging from 7.75% to 11% (June 30, 2024; 19.25% to 21.5%) per annum. These represents balances with Bank AL Habib Limited (ultimate parent), a related party.

June 30, 2025

6	INVESTMENTS	Note	June 30, 2025																			
			AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 12	AH-FRF Plan 13	AH-FRF Plan 14	AH-FRF Plan 15	AH-FRF Plan 16	AH-FRF Plan 18	AH-FRF Plan 19	AH-FRF Plan 20	AH-FRF Plan 21	AH-FRF Plan 22	Total	
			Rupees in '000																			
	At fair value through profit or loss																					
	Marketable Treasury Bills (T- Bills)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,867,349	503,872	2,075,922	4,447,143	
	Pakistan Investment Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,964	-	-	-	75,964	
6.1			-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,964	1,867,349	503,872	2,075,922	4,523,107	

June 30, 2024

June 30, 2024													
	AH-FRF	AH-FRF	AH-FRF	AH-FRF	AH-FRF	AH-FRF	AH-FRF	AH-FRF	AH-FRF	AH-FRF	AH-FRF	AH-FRF	Total
	Plan 3	Plan 4	Plan 5	Plan 6	Plan 7	Plan 8	Plan 9	Plan 10	Plan 11	Plan 13			
Note	-----Rupees in '000-----												
At fair value through profit or loss													
Marketable Treasury Bills (T- Bills)	-	-	-	-	-	-	1,464,666	521,351	3,233,202	1,060,808	6,280,027		
Pakistan Investment Bonds	-	-	-	-	-	3,216	-	-	-	-	3,216		
6.1	-	-	-	-	-	3,216	1,464,666	521,351	3,233,202	1,060,808	6,283,243		

6.1 Government securities - Market Treasury Bills and PIB's

AH-FRF Plan 8		Face Value			As at June 30, 2025			Market value as percentage of	
Name of the Investee	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised gain / (loss)	Net Assets	Total investments
(Rupees in '000)									
PIB 3 YEARS (04-07-2023) - FIXED	35	-	35	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025					-	-	-		
Total as at June 30, 2024					3,205	3,216	11		
AH-FRF Plan 9									
T- BILL 12 MONTHS (30-11-2023)	1,585,500	-	1,585,500	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025					-	-	-		
Total as at June 30, 2024					1,470,962	1,464,666	(6,296)		
AH-FRF Plan 10									
T- BILL 12 MONTHS (30-11-2023)	5,720,000	-	5,720,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025					-	-	-		
Total as at June 30, 2024					523,546	521,351	(2,195)		
AH-FRF Plan 11									
T-Bill 12 Months (19-10-2023)	34,258,000	-	34,258,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025					-	-	-		
Total as at June 30, 2024					3,233,437	3,233,202	(235)		
AH-FRF Plan 12									
PIB 3 Year (07-10-2021) - FLOATER	-	97,690	97,690	-	-	-	-	0.00%	0.00%
T-Bill 12 Months (02-11-2023)	-	6,330,000	6,330,000	-	-	-	-	0.00%	0.00%
T-Bill 12 Months (19-10-2023)	-	103,000,000	103,000,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025					-	-	-		
Total as at June 30, 2024					-	-	-		
AH-FRF Plan 13									
T- BILL 12 MONTHS (15-06-2023)	11,240,000	-	11,240,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025					-	-	-		
Total as at June 30, 2024					1,060,262	1,060,809	547		
AH-FRF Plan 14									
T-Bill 12 Months (28-12-2023)	-	82,315,000	82,315,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025					-	-	-		
Total as at June 30, 2024					-	-	-		

AL HABIB FIXED RETURN FUND

AH-FRF Plan 15	Face Value			As at June 30, 2025			Market value as percentage of		
	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised gain / (loss)	Net Assets	Total investments
Name of the Investee					(Rupees in '000)				
T-Bill 12 Months (13-06-2024)	-	5,585,000	5,585,000.00	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025					-	-	-		
Total as at June 30, 2024					-	-	-		
AH-FRF Plan 16									
T- BILL 12 MONTHS (11-07-2024)	-	5,030,000	5,030,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (13-06-2024)	-	68,890,000	68,890,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (30-05-2024)	-	22,420,000	22,420,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025					-	-	-		
Total as at June 30, 2024					-	-	-		
AH-FRF Plan 18									
T- BILL 06 MONTHS (12-12-2024)	-	20,469,500	20,469,500	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (13-06-2024)	-	79,760,000	79,760,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025					-	-	-		
Total as at June 30, 2024					-	-	-		
AH-FRF Plan 19									
PIB 3 Year (16-01-2025)	-	745	-	745	74,807	75,964	1,157	93.66%	100.00%
Total as at June 30, 2025					74,807	75,964	1,157		
Total as at June 30, 2024					-	-	-		
AH-FRF Plan 20									
T- BILL 12 MONTHS (20-02-2025)	-	10,475,800	-	10,475,800	978,228	979,351	1,123	52.81%	52.45%
T- BILL 12 MONTHS (06-03-2025)	-	9,400,000	225,000	9,175,000	852,946	854,367	1,421	46.07%	45.75%
T- BILL 12 MONTHS (03-04-2025)	-	700,000	336,000	364,000	33,492	33,631	139	1.81%	1.80%
Total as at June 30, 2025					1,864,666	1,867,349	2,683		
Total as at June 30, 2024					-	-	-		
AH-FRF Plan 21									
T- BILL 12 MONTHS (20-02-2025)	-	8,510,000	3,393,000	5,117,000	503,823	503,872	49	100.45%	100.00%
Total as at June 30, 2025					503,823	503,872	49		
Total as at June 30, 2024					-	-	-		
AH-FRF Plan 22									
T - BILL 12 MONTHS (15-05-2025)	-	20,273,100	-	20,273,100	1,850,037	1,852,130	2,093	86.76%	89.22%
T - BILL 12 MONTHS (29-05-2025)	-	2,459,350	-	2,459,350	223,585	223,792	207	10.48%	10.78%
Total as at 30 June 2025					2,073,622	2,075,922	2,300		
Total as at June 30, 2024					-	-	-		

7		PAYABLE TO THE MANAGEMENT COMPANY	Note	June 30, 2025																					
				Rupees in '000																					
				AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 12	AH-FRF Plan 13	AH-FRF Plan 14	AH-FRF Plan 15	AH-FRF Plan 16	AH-FRF Plan 18	AH-FRF Plan 19	AH-FRF Plan 20	AH-FRF Plan 21	AH-FRF Plan 22	Total			
			7.1	-	-	-	957	90	1,107	290	703	2,307	-	1,018	78	3,012	1,146	3	42	15	106	10,874			
			7.1	-	-	-	6,576	692	7,801	354	6,033	15,383	-	6,784	522	20,078	7,584	18	276	100	707	72,908			
			7.1	-	-	-	-	-	-	229	-	-	-	-	-	-	-	14	-	-	-	243			
				-	-	-	7,533	782	8,908	837	6,756	17,690	-	7,802	600	23,090	8,730	35	318	115	813	84,025			
8		PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	June 30, 2025																					
				Rupees in '000																					
				AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 12	AH-FRF Plan 13	AH-FRF Plan 14	AH-FRF Plan 15	AH-FRF Plan 16	AH-FRF Plan 18	AH-FRF Plan 19	AH-FRF Plan 20	AH-FRF Plan 21	AH-FRF Plan 22	Total			
			8.1 & 8.2	-	-	-	45	-	102	52	125	249	-	772	18	150	137	4	85	16	100	1,855			
			8.3	-	-	-	30	-	12	10	12	37	-	116	3	22	21	1	13	2	13	292			
				-	-	-	75	-	114	62	137	286	-	888	21	172	158	5	98	18	113	2,147			

7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% (June 30, 2024: 13%) on the remuneration of Management Company during the year through Sindh Sales Tax on Services Act, 2011.

7.3 As per Regulation 60(3) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to CIS are chargeable to the CIS. During the period, the fee has been charged at the rate 0.1% .

8		PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	June 30, 2025																					
				Rupees in '000																					
				AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 12	AH-FRF Plan 13	AH-FRF Plan 14	AH-FRF Plan 15	AH-FRF Plan 16	AH-FRF Plan 18	AH-FRF Plan 19	AH-FRF Plan 20	AH-FRF Plan 21	AH-FRF Plan 22	Total			
			8.1 & 8.2	-	-	-	45	-	102	52	125	249	-	772	18	150	137	4	85	16	100	1,855			
			8.3	-	-	-	30	-	12	10	12	37	-	116	3	22	21	1	13	2	13	292			
				-	-	-	75	-	114	62	137	286	-	888	21	172	158	5	98	18	113	2,147			

7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% (June 30, 2024: 13%) on the remuneration of Management Company during the year through Sindh Sales Tax on Services Act, 2011.

7.3 As per Regulation 60(3) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to CIS are chargeable to the CIS. During the period, the fee has been charged at the rate 0.1%.

June 30, 2024

Note	Rupees in '000														Total
	AH-FRF PLAN 3	AH-FRF PLAN 4	AH-FRF PLAN 5	AH-FRF PLAN 6	AH-FRF PLAN 7	AH-FRF PLAN 8	AH-FRF PLAN 9	AH-FRF PLAN 10	AH-FRF PLAN 11	AH-FRF PLAN 12	AH-FRF PLAN 13	AH-FRF PLAN 14	AH-FRF PLAN 15	AH-FRF PLAN 16	
8.1 & 8.2	146	80	2	219	5	83	103	23	167	46	874				
8.3	19	10	-	45	1	11	11	3	22	1	123				
	165	90	2	264	6	94	114	26	18	47	997				

Remuneration payable to Trustee

Sindh Sales Tax Payable on remuneration of the Trustee

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

8.2 As per the Trust Deed and Offering Document, the trustee fee shall be charged in accordance to the tariff flat rate of 0.075% pa of net assets.

8.3 Sindh Government has levied Sindh Sales Tax (SST) at the rate of 15% (June 30, 2024; 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

June 30, 2025

Note	Rupees in '000														Total
	AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 12	AH-FRF Plan 13	AH-FRF Plan 14	AH-FRF Plan 15	AH-FRF Plan 16	AH-FRF Plan 18	
9.1	-	-	-	3	-	87	37	111	339	-	423	14	76	187	1,699
	-	-	-	3	-	87	37	111	339	-	423	14	76	187	1,699

9 PAYABLE TO SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN

Annual fee payable to SECP

June 30, 2024

Note	Rupees in '000														Total
	AH-FRF PLAN 3	AH-FRF PLAN 4	AH-FRF PLAN 5	AH-FRF PLAN 6	AH-FRF PLAN 7	AH-FRF PLAN 8	AH-FRF PLAN 9	AH-FRF PLAN 10	AH-FRF PLAN 11	AH-FRF PLAN 12	AH-FRF PLAN 13	AH-FRF PLAN 14	AH-FRF PLAN 15	AH-FRF PLAN 16	
9.1	58	9	-	162	1	118	89	32	227	63	759				
	58	9	-	162	1	118	89	32	227	63	759				

Annual fee payable to SECP

9.1 This represents annual fee payable to SECP at 0.02% of the average net assets in accordance with regulation 62 of the NBFC Regulations and pursuant to S.R.O 685(I) 2019, dated 28 June 2019.

June 30, 2025

10 ACCRUED EXPENSES AND OTHER LIABILITIES

	AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 12	AH-FRF Plan 13	AH-FRF Plan 14	AH-FRF Plan 15	AH-FRF Plan 16	AH-FRF Plan 18	AH-FRF Plan 19	AH-FRF Plan 20	AH-FRF Plan 21	AH-FRF Plan 22	Total
Rupees in '000																			
Auditor's remuneration	-	-	-	-	19	51	-	20	20	-	-	30	-	10	3	10	10	131	304
Withholding tax payable	-	-	-	6	-	9,760	266	1,196	10,371	8	7,375	243	23,004	595	928	14,589	4,261	5,189	77,791
Capital gain tax payable	-	-	-	-	52	11,395	7,654	30,298	83,713	-	42,595	7,273	195,807	42,367	-	-	1,403	-	422,557
Brokerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	37	10	35	848	-	34	25	142	14	15	28	15	4	1,207
	-	-	-	6	71	21,243	7,930	31,549	94,952	8	50,004	7,571	218,953	42,986	946	14,627	5,689	5,324	501,859

June 30, 2024

	AH-FRF PLAN 3	AH-FRF PLAN 4	AH-FRF PLAN 5	AH-FRF PLAN 6	AH-FRF PLAN 7	AH-FRF PLAN 8	AH-FRF PLAN 9	AH-FRF PLAN 10	AH-FRF PLAN 11	AH-FRF PLAN 12	AH-FRF PLAN 13	Total
Rupees in '000												
Auditor's remuneration	-	-	65	-	-	32	19	-	-	-	-	116
Withholding tax payable	305	424	119	27,324	-	79	20,991	6,857	26,365	2	-	82,466
Capital gain tax payable	-	2,807	-	5,743	-	7,560	-	-	3,476	-	-	19,586
Brokerage	-	-	-	-	-	-	45	-	33	-	-	78
Others	-	-	10	10	-	887	1,991	10	-	10	-	2,918
	305	3,231	194	33,077	-	8,558	23,046	6,867	29,874	12	-	105,164

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the reporting date. (June 30, 2024: Nil)

12 NUMBER OF UNITS IN ISSUE

June 30, 2025

	AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 12	AH-FRF Plan 13	AH-FRF Plan 14	AH-FRF Plan 15	AH-FRF Plan 16	AH-FRF Plan 18	AH-FRF Plan 19	AH-FRF Plan 20	AH-FRF Plan 21	AH-FRF Plan 22	Total
Number of Units																			
Total units in issue at the beginning of the year	-	-	-	9,933,701	29,841	14,374,404	5,135,344	32,007,925	-	10,589,300	-	-	-	-	-	-	-	-	72,070,515
Add: Units issued during the year	-	-	-	-	-	-	7,837	-	104,866,313	-	80,179,667	5,147,449	83,398,076	96,953,081	809,846	19,026,579	8,213,243	21,346,798	419,948,889
Less: units redeemed during the year	-	-	-	(9,933,701)	(29,841)	(14,374,404)	(5,143,181)	(32,007,925)	(104,866,313)	(10,589,300)	(80,179,667)	(5,147,449)	(83,398,076)	(96,953,081)	-	(496,214)	(3,202,635)	-	(446,321,787)
Total units in issue at the end of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	809,846	18,530,365	5,010,608	21,346,798	45,697,617

June 30, 2024

	AH-FRF PLAN 3	AH-FRF PLAN 4	AH-FRF PLAN 5	AH-FRF PLAN 6	AH-FRF PLAN 7	AH-FRF PLAN 8	AH-FRF PLAN 9	AH-FRF PLAN 10	AH-FRF PLAN 11	AH-FRF PLAN 13	Total
Number of Units											
Total units in issue at the beginning of the year	10,487,748	6,684,717	7,447,340	11,084,277	-	-	-	-	-	-	35,704,082
Add: Units issued during the year	-	-	-	-	-	-	29,841	14,374,404	5,135,344	32,007,925	10,589,300
Less: units redeemed during the year	(10,487,748)	(6,684,717)	(7,447,340)	(11,150,576)	-	-	-	-	-	-	(25,770,381)
Total units in issue at the end of the year	-	-	-	9,933,701	-	29,841	14,374,404	5,135,344	32,007,925	10,589,300	72,070,515

**13 Remuneration of AL Habib Asset Management Limited -
Management Company**

[illegible]

For the period from July 01, 2023 to July 14, 2023	For the period from July 01, 2023 to September 22, 2023	For the period from July 01, 2023 to January 03, 2024	For the period from July 01, 2023 to June 30, 2024	For the period from July 01, 2023 to June 30, 2024	For the period from August 08, 2023 to June 30, 2024	For the period from December 05, 2023 to June 30, 2024	For the period from January 02, 2024 to June 30, 2024	For the period from March 15, 2024 to June 30, 2024	For the period from April 01, 2024 to June 30, 2024
AH-PRF Plan 3	AH-PRF Plan 4	AH-PRF Plan 5	AH-PRF Plan 6	AH-PRF Plan 7	AH-PRF Plan 8	AH-PRF Plan 9	AH-PRF Plan 10	AH-PRF Plan 11	AH-PRF Plan 13
50	1,390	4,360	11,180	1,489	2,745	5,320	1,261	5,173	1,523
6	181	567	1,453	194	357	692	164	673	198
56	1,571	4,927	12,633	1,683	3,102	6,012	1,425	5,844	1,721
13.1									

13.1 Sindh Government has levied Sindh Sales Tax (SST) at the rate of 15% (2024; 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

14 Remuneration of Central Depository Company of
Pakistan Limited (CDC) - Trustee

[illegible]

For the period from July 01, 2023 to July 14, 2023	For the period from July 01, 2023 to September 22, 2023	Ragases in '000										Total
		AI-PRF Plan 3	AI-PRF Plan 4	AI-PRF Plan 5	AI-PRF Plan 6	AI-PRF Plan 7	AI-PRF Plan 8	AI-PRF Plan 9	AI-PRF Plan 10	AI-PRF Plan 11	AI-PRF Plan 13	
14.1	53	89	218	726	92	124	420	142	590	135	2,589	
	7	12	28	94	12	16	52	19	77	13	330	
	60	101	246	820	104	140	472	161	665	148	2,919	

14.1 Sindh Government has levied Sindh Sales Tax (SST) at the rate of 15% (2024: 13%) on the remuneration of the Central Depository Company through Sindh Sales Tax on Services Act, 2011.

Annual fee to the Securities and Exchange
Commission of Pakistan (SECP)

Annual fee to the Securities and Exchange Commission of Pakistan (SECP)

Annual audit fee
Review of condensed interim financial information
Out of pocket expenses

Annual audit fee
Review of condensed interim financial information
Out of pocket expenses

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the NBFC Regulations 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders.

AL HABIB FIXED RETURN FUND

The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ended June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash. In addition to that, the Super tax enacted by finance act 2022 is not applicable to funds u/s 4(c) of the Income Tax Ordinance 2001.

18 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.

19 PATTERN OF UNITHOLDING

Category	As at June 30, 2025			
	No. of unit holders	Number of units held	Investment amount	Percentage
AHFRFP-19				
Aop / Partnership / Sole Prop.	1	603,488	60,439	74.52%
Corporates	1	51,843	5,192	6.40%
Individuals	1	102,672	10,283	12.68%
Welfare / Social Organizations	1	51,843	5,192	6.40%
	4	809,846	81,106	
AHFRFP-20				
Aop / Partnership / Sole Prop.	1	597,954	59,846	3.23%
Corporates	3	15,497,823	1,551,083	83.63%
Individuals	2	96,831	9,691	0.52%
Provident - Pension Fund - Others	2	21,030,064	203,176	10.96%
Welfare / Social Organizations	2	307,692	30,795	1.66%
	10	18,530,365	1,854,591	
AHFRFP-21				
Aop / Partnership / Sole Prop.	-	-	-	0.00%
Corporates	2	3,884,688	388,897	77.53%
Individuals	6	1,125,920	112,715	22.47%
	8	5,010,608	501,612	
AHFRFP-22				
Aop / Partnership / Sole Prop.	3	778,698	77,870	3.65%
Corporates	4	10,995,214	1,099,521	51.51%
Others	1	1,003,846	100,385	4.70%
Individuals	14	8,569,039	856,904	40.14%
	22	21,346,798	2,134,680	

20 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fund's accounting policy on fair value measurements is disclosed in the financial statements for the year ended June 30, 2025.

Fair value hierarchy

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: 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 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2025 the categorisation of investments is shown below:

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Government securities	-	4,523,107	-	4,523,107
	-	4,523,107	-	4,523,107

As at June 30, 2024 the categorisation of investments is shown below:

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Government securities	-	6,283,244	-	6,283,244
	-	6,283,244	-	6,283,244

21 FINANCIAL INSTRUMENTS BY CATEGORY

[illegible]

22 TRANSACTIONS AND BALANCES WITH RELATED PARTIES/ CONNECTED PARTIES

Related parties/ Connected persons include Al Habib Fund Managers Limited being the Management Company, Bank Al Habib Limited being the Sponsor, Central Depository Company of Pakistan Limited being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

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

Related parties/connected persons include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent company of Bank AL Habib Limited
3	AL Habib Capital Market (Private) Limited	Subsidiary company of Bank AL Habib Limited
4	AL Habib Income Fund	Managed by AL Habib Asset Management Ltd
5	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Ltd
6	AL Habib Stock Fund	Managed by AL Habib Asset Management Ltd
7	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Ltd
8	AL Habib Pension Fund	Managed by AL Habib Asset Management Ltd
9	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Ltd
10	AL Habib Cash Fund	Managed by AL Habib Asset Management Ltd
11	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Ltd
12	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Ltd
13	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Ltd
14	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Ltd
15	AL Habib Money Market Fund	Managed by AL Habib Asset Management Ltd
16	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Ltd
17	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Ltd
18	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Ltd
19	Central depository Company	Trustee

		June 30, 2025									
		AH-FRF PLAN 3	AH-FRF PLAN 4	AH-FRF PLAN 5	AH-FRF PLAN 6	AH-FRF PLAN 7	AH-FRF PLAN 8	AH-FRF PLAN 9	AH-FRF PLAN 10	AH-FRF PLAN 11	AH-FRF PLAN 12
22.1	Transactions during the period	----- Rupees in '000 -----									
	AL Habib Asset Management Limited - Management Company										
	Remuneration of the Management Company	-	-	-	211	-	2	4,676	1,666	2,365	15,383
	Sindh Sales Tax on remuneration of the Management Company	-	-	-	27	-	-	701	250	355	2,307
	Expense Allocated by Management Company	-	-	-	-	-	-	-	-	-	-
	Marketing and selling expense	-	-	-	-	-	-	-	-	-	-
	Sindh Sales Tax on Allocated Expenses and Selling and Marketing				-	-	-	-	-	-	-
	Central Depository Company of Pakistan Limited - Trustee										
	Remuneration of the Trustee	-	-	-	3	-	-	340	151	537	1,317
	Sindh Sales Tax on remuneration of the Trustee	-	-	-	-	-	-	51	23	80	198
	Bank Al Habib Limited - Sponsor										
	Mark-up on bank deposits	-	-	-	1,177	-	103	536	186	1,176	7,134
	AL Habib Asset Management Limited - Management Company										
	Purchase of units of the plan (531,830 units)	-	-	-	-	-	-	873	1,045	63	5,243
	Redemption of units of the plan (554,450 units)	-	-	-	-	-	-	11,574	11,577	1,098	5,182
	Habib Sugar Mills Limited										
	Purchase of units of the plan (5,123,988 units)	-	-	-	-	-	-	21,800	-	-	-
	Redemption of units of the plan (7,850,367 units)	-	-	-	-	-	-	288,988	-	-	-

AL HABIB FIXED RETURN FUND

June 30, 2025										
	AH-FRF PLAN 13	AH-FRF PLAN 14	AH-FRF PLAN 15	AH-FRF PLAN 16	AH-FRF PLAN 18	AH-FRF PLAN 19	AH-FRF PLAN 20	AH-FRF PLAN 21	AH-FRF PLAN 22	TOTAL
Rupees in '000										
AL Habib Asset Management Limited - Management Company										
Remuneration of the Management Company	-	6,784	522	20,078	7,584	18	276	100	707	60,372
Sindh Sales Tax on remuneration of the Management Company	-	1,018	78	3,012	1,146	3	41	15	106	9,059
Expense Allocated by Management Company	-	-	-	-	-	6	-	-	-	6
Marketing and selling expense	-	-	-	-	-	6	-	-	-	6
Sindh Sales Tax on Allocated Expenses and Selling and Marketing	-	-	-	-	-	2	-	-	-	2
Central Depository Company of Pakistan Limited - Trustee										
Remuneration of the Trustee	177	772	191	3,739	1,363	13	311	108	103	9,125
Sindh Sales Tax on remuneration of the Trustee	27	116	29	561	204	2	47	16	15	1,369
Bank Al Habib Limited - Sponsor										
Mark-up on bank deposits	446	6,792	779	8,797	7,274	144	1,219	924	274	36,961
AL Habib Asset Management Limited - Management Company										
Purchase of units of the plan (531,830 units)	-	10,294	-	5,668	5,167	5,246	5,182	5,177	5,062	49,020
Redemption of units of the plan (554,450 units)	-	10,220	-	5,501	5,124	-	-	-	-	50,276
Habib Sugar Mills Limited										
Purchase of units of the plan (5,123,988 units)	-	-	-	-	496,183	-	-	-	-	517,983
Redemption of units of the plan (7,850,367 units)	-	-	-	-	508,371	-	-	-	-	797,359

June 30, 2024											
	AH-FRF PLAN 3	AH-FRF PLAN 4	AH-FRF PLAN 5	AH-FRF PLAN 6	AH-FRF PLAN 7	AH-FRF PLAN 8	AH-FRF PLAN 9	AH-FRF PLAN 10	AH-FRF PLAN 11	AH-FRF PLAN 13	TOTAL
Rupees in '000											
Transactions during the period											
AL Habib Asset Management Limited - Management Company											
Remuneration of the Management Company	50	1,390	4,360	11,180	1,489	2,745	5,320	1,261	5,173	1,523	34,491
Sindh Sales Tax on remuneration of the Management Company	6	181	567	1,453	194	357	692	164	673	198	4,485
Allocation of expenses related to registrar services, accounting, operation and valuation services	38	50	431	1,173	218	339	373	417	185	249	3,473
Central Depository Company of Pakistan Limited - Trustee											
Remuneration of the Trustee	53	89	218	726	92	124	420	142	590	135	2,589
Sindh Sales Tax on remuneration of the Trustee	7	12	28	94	12	16	52	19	77	13	330
Bank Al Habib Limited - Sponsor											
Mark-up on bank deposits	508	1,430	10,043	3,537	767	1,625	1,221	582	3,132	630	23,475
Directors and Key Executives											
Purchase of units of the plan (1,033,740 units)	-	1,033,740	-	-	-	-	-	-	-	-	1,033,740
Redemption of units of the plan (1,116,385 units)	-	1,116,385	-	-	-	-	-	-	-	-	1,116,385

June 30, 2025										
	AH-FRF PLAN 3	AH-FRF PLAN 4	AH-FRF PLAN 5	AH-FRF PLAN 6	AH-FRF PLAN 7	AH-FRF PLAN 8	AH-FRF PLAN 9	AH-FRF PLAN 10	AH-FRF PLAN 11	AH-FRF PLAN 12
Rupees in '000										
Balances outstanding as at period end										
AL Habib Asset Management Limited - Management Company										
Remuneration of the Management Company	-	-	-	6,576	-	692	7,801	354	6,033	15,383
Sindh Sales Tax on remuneration of the Management Company	-	-	-	957	-	90	1,107	290	703	2,307
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	-	-	-	-	229	-	-
Central Depository Company of Pakistan Limited - Trustee										
Remuneration of the Trustee	-	-	-	45	-	-	102	52	125	249
Sindh Sales Tax on remuneration of the Trustee	-	-	-	30	-	-	12	10	12	37
Bank Al Habib Limited - Sponsor										
Bank Balances	-	-	-	7,206	-	848	29,855	8,746	37,223	113,267
AL Habib Asset Management Limited - Management Co.										
Units held as at June 30, 2025 (205,003 units)	-	-	-	-	-	-	-	-	-	-

AL HABIB FIXED RETURN FUND

June 30, 2025										
	AH-FRF PLAN 13	AH-FRF PLAN 14	AH-FRF PLAN 15	AH-FRF PLAN 16	AH-FRF PLAN 18	AH-FRF PLAN 19	AH-FRF PLAN 20	AH-FRF PLAN 21	AH-FRF PLAN 22	TOTAL
Rupees in '000										
AL Habib Asset Management Limited - Management Company										
Remuneration of the Management Company	-	6,784	522	20,078	7584	18	277	100	707	72,909
Sindh Sales Tax on remuneration of the Management Company	-	1,018	78	3,012	1146	3	41	15	106	10,873
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	-	-	14	-	-	-	243
Central Depository Company of Pakistan Limited - Trustee										
Remuneration of the Trustee	-	772	18	150	137	3	85	16	100	1,854
Sindh Sales Tax on remuneration of the Trustee	-	116	3	22	21	1	13	3	13	293
Bank Al Habib Limited - Sponsor										
Bank Balances	8	56,817	7,977	240,162	47938	1991	1299	2686	64872	620,895
AL Habib Asset Management Limited - Management Co.										
Units held as at June 30, 2025 (205,003 units)	-	-	-	-	0	5192	5141	5138	5110	20,581

	June 30, 2024										
	AH-FRF PLAN 3	AH-FRF PLAN 4	AH-FRF PLAN 5	AH-FRF PLAN 6	AH-FRF PLAN 7	AH-FRF PLAN 8	AH-FRF PLAN 9	AH-FRF PLAN 10	AH-FRF PLAN 11	AH-FRF PLAN 13	TOTAL
Balances outstanding as at period end	Rupees in '000										
AL Habib Asset Management Limited - Management Company											
Remuneration of the Management Company	2,183	1,608	362	6,176	197	1,291	2,129	725	2,866	632	18,169
Sindh Sales Tax on remuneration of the Management Company	284	181	280	849	18	150	459	40	349	50	2,660
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	-	-	-	-	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee											
Remuneration of the Trustee	146	80	2	219	5	83	103	23	167	46	874
Sindh Sales Tax on remuneration of the Trustee	19	10	-	45	1	11	11	3	22	1	123
Bank Al Habib Limited - Sponsor											
Bank Balances	1,713	4,100	798	1,029,903	268	9,073	-	353	4,085	50	1,050,343
Other Connected Persons											
Units held as at June 30, 2024 (10,287,463Units)	-	-	-	10,287,463	-	-	-	-	-	-	10,287,463
Units held as at June 30, 2023 (383,604 Units)	-	-	-	-	-	383,604	-	-	-	-	383,604
Units held as at June 30, 2023 (14,728,166 Units)	-	-	-	-	-	-	14,728,166	-	-	-	14,728,166
Units held as at June 30, 2023 (5,272,123 Units)	-	-	-	-	-	-	-	5,272,123	-	-	5,272,123
Units held as at June 30, 2023 (30,052,657 Units)	-	-	-	-	-	-	-	-	30,052,657	-	30,052,657
Units held as at June 30, 2023 (10,839,272 Units)	-	-	-	-	-	-	-	-	-	10,839,272	10,839,272
Directors and Key Executives											
Units held as at June June 30,2024 (131,094 units)	-	-	-	131,094	-	131,094	131,094	-	-	-	393,282
Units held as at June June 30,2024 (348,077 units)	-	-	-	-	-	-	-	348,077	-	-	348,077
Units held as at June June 30,2024 (2,440,125 units)	-	-	-	-	-	-	-	-	2,440,125	-	2,440,125
Units held as at June June 30,2024 (234,884 units)	-	-	-	-	-	-	-	-	-	234,884	234,884

23. 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's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

23.1 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.

23.1.1 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.

23.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

As at the reporting date, the fund holds variable profit based investment and bank balances exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rates at period end with all other variables held constant, the net income for the period and the net assets would have been higher / lower by Rs 54.44 million (2024: Rs. 62.78 million).

b) Sensitivity analysis for fixed rate instruments

The Fund is exposed to fair value interest rate risk for investment in government securities.

In case of 100 basis points increase in interest rates on June 30, 2025, with all other variables held constant, the net income for the period and the net assets would have been lower / higher by Rs 45.23 million (2024: Rs. 52.22 million).

c) Fair value interest rate risk

Yield / Interest rate sensitivity position for financial instrument is as follows:

AH-FRF Plan 6 June 30, 2025						
Particulars	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	7.75% - 11.00%	7,206	-	-	-	7,206
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	411	411
Sub total		7,206	-	-	411	7,617
Financial liabilities						
Payable to the Management Company		-	-	-	7,533	7,533
Payable to the Trustee		-	-	-	75	75
Payable to Securities and Exchange Commission of Pakistan		-	-	-	3	3
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	6	6
Sub total		-	-	-	7,617	7,617
On-balance sheet gap (a)		7,206	-	-	(7,206)	-
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		7,206	-	-	(7,206)	-
Cumulative interest rate sensitivity gap		7,206	-	-	-	-

AL HABIB FIXED RETURN FUND
AH-FRF Plan 8
June 30, 2025

Particulars	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	7.75% - 11.00%	848	-	-	-	848
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	5	5
Sub total		848	-	-	5	853
Financial liabilities						
Payable to the Management Company		-	-	-	782	782
Payable to the Trustee		-	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan		-	-	-	-	-
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	71	71
Sub total		-	-	-	853	853
On-balance sheet gap (a)		848	-	-	(848)	-
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		848	-	-	(848)	-
Cumulative interest rate sensitivity gap		848	-	-		

AH-FRF Plan 9
June 30, 2025

Particulars	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	7.75% - 11.00%	29,855	-	-	-	29,855
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	497	497
Sub total		29,855	-	-	497	30,352
Financial liabilities						
Payable to the Management Company		-	-	-	-	-
Payable to the Trustee		-	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan		-	-	-	-	-
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	-	-
Sub total		-	-	-	-	-
On-balance sheet gap (a)		29,855	-	-	497	30,352
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		29,855	-	-	497	30,352
Cumulative interest rate sensitivity gap		29,855	-	-		

AL HABIB FIXED RETURN FUND

AH-FRF Plan 10

June 30, 2025

Particulars	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	7.75% - 11.00%	8,746	-	-	-	8,746
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	156	156
Sub total		8,746	-	-	156	8,902
Financial liabilities						
Payable to the Management Company		-	-	-	-	-
Payable to the Trustee		-	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan		-	-	-	-	-
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	-	-
Sub total		-	-	-	-	-
On-balance sheet gap (a)		8,746	-	-	156	8,902
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		8,746	-	-	156	8,902
Cumulative interest rate sensitivity gap		8,746	-	-		

AH-FRF Plan 11

June 30, 2025

Particulars	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	7.75% to 11%	37,223	-	-	-	37,223
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	1,310	1,310
Sub total		37,223	-	-	1,310	38,533
Financial liabilities						
Payable to the Management Company		-	-	-	6,736	6,736
Payable to the Trustee		-	-	-	137	137
Payable to Securities and Exchange Commission of Pakistan		-	-	-	111	111
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	31,549	31,549
Sub total		-	-	-	38,533	38,533
On-balance sheet gap (a)		37,223	-	-	(37,223)	-
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		37,223	-	-	(37,223)	-
Cumulative interest rate sensitivity gap		37,223	-	-		

AL HABIB FIXED RETURN FUND
AH-FRF Plan 12
June 30, 2025

Particulars	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	7.75% - 11.00%	113,267	-	-	-	113,267
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	-	-
Sub total		113,267	-	-	-	113,267
Financial liabilities						
Payable to the Management Company		-	-	-	17,690	17,690
Payable to the Trustee		-	-	-	286	286
Payable to Securities and Exchange Commission of Pakistan		-	-	-	339	339
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	94,952	94,952
Sub total		-	-	-	113,267	113,267
On-balance sheet gap (a)		113,267	-	-	(113,267)	-
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		113,267	-	-	(113,267)	-
Cumulative interest rate sensitivity gap		113,267	-	-		

AH-FRF Plan 13
June 30, 2025

Particulars	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	7.75% - 11.00%	8	-	-	-	8
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	-	-
Sub total		8	-	-	-	8
Financial liabilities						
Payable to the Management Company		-	-	-	-	-
Payable to the Trustee		-	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan		-	-	-	-	-
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	8	8
Sub total		-	-	-	8	8
On-balance sheet gap (a)		8	-	-	(8)	-
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		8	-	-	(8)	-
Cumulative interest rate sensitivity gap		8	-	-	-	-

AL HABIB FIXED RETURN FUND

AH-FRF Plan 14

June 30, 2025

Particulars	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	7.75% - 11.00%	56,817	-	-	-	56,817
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	2,300	2,300
Sub total		56,817	-	-	2,300	59,117
Financial liabilities						
Payable to the Management Company		-	-	-	7,802	7,802
Payable to the Trustee		-	-	-	888	888
Payable to Securities and Exchange Commission of Pakistan		-	-	-	423	423
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	50,004	50,004
Sub total		-	-	-	59,117	59,117
On-balance sheet gap (a)		56,817	-	-	(56,817)	-
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		56,817	-	-	(56,817)	-
Cumulative interest rate sensitivity gap		56,817	-	-		

AH-FRF Plan 15

June 30, 2025

Particulars	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	7.75% - 11.00%	7,977	-	-	-	7,977
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	229	229
Sub total		7,977	-	-	229	7,977
Financial liabilities						
Payable to the Management Company		-	-	-	600	600
Payable to the Trustee		-	-	-	21	21
Payable to Securities and Exchange Commission of Pakistan		-	-	-	14	14
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	7,571	7,571
Sub total		-	-	-	8,206	8,206
On-balance sheet gap (a)		7,977	-	-	(7,977)	(229)
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		7,977	-	-	(7,977)	-
Cumulative interest rate sensitivity gap		7,977	-	-		

AL HABIB FIXED RETURN FUND

AH-FRF Plan 16

June 30, 2025

Particulars	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	7.75% - 11.00%	240,162	-	-	-	240,162
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	2,129	2,129
Sub total		240,162	-	-	2,129	242,291
Financial liabilities						
Payable to the Management Company		-	-	-	23,090	23,090
Payable to the Trustee		-	-	-	172	172
Payable to Securities and Exchange Commission of Pakistan		-	-	-	76	76
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	218,953	218,953
Sub total		-	-	-	242,291	242,291
On-balance sheet gap (a)		240,162	-	-	(240,162)	-
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		240,162	-	-	(240,162)	-
Cumulative interest rate sensitivity gap		240,162	-	-		

AH-FRF Plan 18

June 30, 2025

Particulars	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	7.75% - 11.00%	47,938	-	-	-	47,938
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	4,123	4,123
Sub total		47,938	-	-	4,123	52,061
Financial liabilities						
Payable to the Management Company		-	-	-	8,730	8,730
Payable to the Trustee		-	-	-	158	158
Payable to Securities and Exchange Commission of Pakistan		-	-	-	187	187
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	42,986	42,986
Sub total		-	-	-	52,061	52,061
On-balance sheet gap (a)		47,938	-	-	(47,938)	-
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		47,938	-	-	(47,938)	-
Cumulative interest rate sensitivity gap		47,938	-	-		

AL HABIB FIXED RETURN FUND

AH-FRF Plan 19

June 30, 2025

Particulars	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	7.75% - 11.00%	1,991	-	-	-	1,991
Investments - net		-	-	75,964	-	75,964
Profit receivable		-	-	-	4,140	4,140
Sub total		1,991	-	75,964	4,140	82,095
Financial liabilities						
Payable to the Management Company		-	-	-	35	35
Payable to the Trustee		-	-	-	4	4
Payable to Securities and Exchange Commission of Pakistan		-	-	-	4	4
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	946	946
Sub total		-	-	-	989	989
On-balance sheet gap (a)		1,991	-	75,964	3,151	81,106
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		1,991	-	75,964	3,151	81,106
Cumulative interest rate sensitivity gap		1,991	-	75,964		

AH-FRF Plan 20

June 30, 2025

Particulars	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	7.75% - 11.00%	1,299	-	-	-	1,299
Investments - net		-	-	1,867,349	-	1,867,349
Profit receivable		-	-	-	1,219	1,219
Sub total		1,299	-	1,867,349	1,219	1,869,867
Financial liabilities						
Payable to the Management Company		-	-	-	-	-
Payable to the Trustee		-	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan		-	-	-	-	-
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	-	-
Sub total		-	-	-	-	-
On-balance sheet gap (a)		1,299	-	1,867,349	1,219	1,869,867
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		1,299	-	1,867,349	1,219	1,869,867
Cumulative interest rate sensitivity gap		1,299	-	1,867,349		

AL HABIB FIXED RETURN FUND

AH-FRF Plan 21

June 30, 2025

Particulars	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	7.75% - 11.00%	2,686	-	-	-	2,686
Investments - net		-	-	503,872	-	503,872
Profit receivable		-	-	-	924	924
Sub total		2,686	-	503,872	924	507,482
Financial liabilities						
Payable to the Management Company		-	-	-	115	115
Payable to the Trustee		-	-	-	19	19
Payable to Securities and Exchange Commission of Pakistan		-	-	-	47	47
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	5,689	5,689
Sub total		-	-	-	5,870	5,870
On-balance sheet gap (a)		2,686	-	503,872	(4,946)	501,612
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		2,686	-	503,872	(4,946)	501,612
Cumulative interest rate sensitivity gap		2,686	-	503,872		

AH-FRF Plan 20

June 30, 2025

Particulars	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	7.75% - 11.00%	64,872	-	-	-	64,872
Investments - net		-	-	2,075,922	-	2,075,922
Profit receivable		-	-	-	274	274
Sub total		64,872	-	2,075,922	274	2,141,068
Financial liabilities						
Payable to the Management Company		-	-	-	813	813
Payable to the Trustee		-	-	-	113	113
Payable to Securities and Exchange Commission of Pakistan		-	-	-	138	138
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	5,324	5,324
Sub total		-	-	-	6,388	6,388
On-balance sheet gap (a)		64,872	-	2,075,922	(6,114)	2,134,680
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		64,872	-	2,075,922	(6,114)	2,134,680
Cumulative interest rate sensitivity gap		64,872	-	2,075,922		

23.2 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 (financial institutions) and receivables from banks.

Management of credit risk

The Fund keeps deposits with reputed financial institutions. All transactions in units are settled / paid for upon delivery using the system of Trustee. 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.

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

Bank	AH-FRF PLAN 6	AH-FRF PLAN 8	AH-FRF PLAN 9	AH-FRF PLAN 10	AH-FRF PLAN 11	AH-FRF PLAN 12	AH-FRF PLAN 13	AH-FRF PLAN 14	Latest available published rating as at June 30, 2025	Rating agency
Rupees in '000										
Bank Al Habib Limited	7,206	848	29,855	8,746	37,223	113,267	8	56,817	AM1	PACRA
	7,206	848	29,855	8,746	37,223	113,267	8	56,817		

Bank	AH-FRF PLAN 15	AH-FRF PLAN 16	AH-FRF PLAN 18	AH-FRF PLAN 19	AH-FRF PLAN 20	AH-FRF PLAN 21	AH-FRF PLAN 22	Latest available published rating as at June 30, 2025	Rating agency
Bank Al Habib Limited	7,977	240,162	47,938	1,991	1,299	2,686	64,872	AM1	PACRA
	7,977	240,162	47,938	1,991	1,299	2,686	64,872		

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

Rating by rating category

AM1

There is no exposure other than bank balance as disclosed above as at June 30, 2025.

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Fund's major asset balances are held with a single bank. The management believes that these banks are reputed institution.

23.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

23.4 Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed off.

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.

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 summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

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

June 30, 2025

Particular	AH-FRF Plan 3		AH-FRF Plan 4		AH-FRF Plan 5		AH-FRF Plan 6		AH-FRF Plan 7		AH-FRF Plan 8		AH-FRF Plan 9		AH-FRF Plan 10		AH-FRF Plan 11		AH-FRF Plan 12	
	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year
Financial liabilities																				
Payable to the Management Company	-	-	-	-	-	-	7,533	-	-	-	-	782	-	-	8,908	-	-	6,736	-	17,690
Payable to the Trustee	-	-	-	-	-	-	75	-	-	-	-	-	-	-	114	-	-	137	-	285
Payable to Securities and Exchange Commission of Pakistan	-	-	-	-	-	-	3	-	-	-	-	-	-	-	87	-	-	111	-	339
Payable against redemptions of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	-	-	-	6	-	-	-	-	71	-	-	21,343	-	-	31,549	-	94,952
	-	-	-	-	-	-	7,617	-	-	-	-	853	-	-	30,352	-	-	38,533	-	112,267

Ruppes in '000

June 30, 2025

Particular	AH-FRF Plan 13		AH-FRF Plan 14		AH-FRF Plan 15		AH-FRF Plan 16		AH-FRF Plan 18		AH-FRF Plan 19		AH-FRF Plan 20		AH-FRF Plan 21		AH-FRF Plan 22	
	Up to three months and up to one year	Over one year	Up to three months and up to one year	Over one year	Up to three months and up to one year	Over one year	Up to three months and up to one year	Over one year	Up to three months and up to one year	Over one year	Up to three months and up to one year	Over one year	Up to three months and up to one year	Over one year	Up to three months and up to one year	Over one year	Up to three months and up to one year	
----- Rupees in 100 -----																		
Financial liabilities																		
Payable to the Management Company	-	-	7,802	-	-	600	-	23,090	-	8,720	-	35	-	318	-	115	-	813
Payable to the Trustee	-	-	888	-	-	21	-	172	-	158	-	4	-	98	-	19	-	113
Payable to Securities and Exchange Commission of Pakistan	-	-	423	-	-	14	-	76	-	187	-	4	-	233	-	47	-	1,699
Payable against redemption of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable against redemption of units	-	-	50,004	-	-	7,571	-	218,933	-	42,966	-	946	-	14,627	-	5,609	-	501,859
Accrued expenses and other liabilities	8	-	59,117	-	-	8,206	-	242,291	-	52,061	-	899	-	15,276	-	5,870	-	589,720

Ruppes in '000

June 30, 2024

Particular	AH-FRF Plan 3		AH-FRF Plan 4		AH-FRF Plan 5		AH-FRF Plan 6		AH-FRF Plan 7		AH-FRF Plan 8		AH-FRF Plan 9		AH-FRF Plan 10		AH-FRF Plan 11		AH-FRF Plan 13	
	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year	Up to three months	Over one year
Financial liabilities																				
Payable to the Management Company	2,467	-	1,789	-	642	-	7,025	-	215	-	1,441	-	2,583	-	765	-	3,215	-	682	-
Payable to the Trustee	165	-	90	-	2	-	284	-	6	-	94	-	114	-	26	-	189	-	47	-
Payable to Securities and Exchange Commission of Pakistan	58	-	9	-	-	-	162	-	1	-	118	-	89	-	32	-	227	-	63	-
Payable against redemptions of units	-	-	-	-	-	-	-	-	46	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	-	3,231	-	184	-	33,067	-	9,672	-	21,055	-	6,857	-	29,834	-	2	-	102,247	-
	2,995	-	5,219	-	838	-	48,518	-	288	-	9,238	-	33,844	-	7,680	-	33,565	-	794	-

Ruppes in '000

24 UNITHOLDERS' FUND RISK MANAGEMENT

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unitholders' fund. Unitholders fund risk management is carried out by the 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 unitholders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the 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.

25 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

		June 30, 2025						
		AH-FRF Plan 6						
		Carrying amount			Fair value			
Particulars		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	25.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	25.2							
Bank balances		-	7,206	7,206				
		-	7,206	7,206				
Financial liabilities measured at amortised cost	25.2							
Payable to the Management Company		-	6,576	6,576				
Payable to the Trustee		-	45	45				
Payable to Securities and Exchange Commission of Pakistan		-	3	3				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	-	-				
		-	6,624	6,624				

		June 30, 2025						
		AH-FRF Plan 8						
		Carrying amount			Fair value			
Particulars		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	25.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	25.2							
Bank balances		-	848	848				
		-	848	848				
Financial liabilities measured at amortised cost	25.2							
Payable to the Management Company		-	692	692				
Payable to the Trustee		-	-	-				
Payable to Securities and Exchange Commission of Pakistan		-	-	-				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	19	19				
		-	711	711				

AL HABIB FIXED RETURN FUND

		June 30, 2025						
		AH-FRF Plan 9						
		Carrying amount			Fair value			
Particulars		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	25.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	25.2							
Bank balances		-	29,855	29,855				
		-	29,855	29,855				
Financial liabilities measured at amortised cost	25.2							
Payable to the Management Company		-	7,801	7,801				
Payable to the Trustee		-	102	102				
Payable to Securities and Exchange Commission of Pakistan		-	87	87				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	88	88				
		-	8,078	8,078				
		June 30, 2025						
		AH-FRF Plan 10						
		Carrying amount			Fair value			
Particulars		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	25.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	25.2							
Bank balances		-	8,746	8,746				
		-	8,746	8,746				
Financial liabilities measured at amortised cost	25.2							
Payable to the Management Company		-	583	583				
Payable to the Trustee		-	52	52				
Payable to Securities and Exchange Commission of Pakistan		-	37	37				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	10	10				
		-	682	682				
		June 30, 2025						
		AH-FRF Plan 11						
		Carrying amount			Fair value			
Particulars		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	25.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	25.2							
Bank balances		-	37,223	37,223				
		-	37,223	37,223				
Financial liabilities measured at amortised cost	25.2							
Payable to the Management Company		-	6,033	6,033				
Payable to the Trustee		-	125	125				
Payable to Securities and Exchange Commission of Pakistan		-	111	111				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	55	55				
		-	6,324	6,324				

AL HABIB FIXED RETURN FUND

		June 30, 2025						
		AH-FRF Plan 12						
		Carrying amount			Fair value			
Particulars		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	25.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	25.2							
Bank balances		-	113,267	113,267				
		-	113,267	113,267				
Financial liabilities measured at amortised cost	25.2							
Payable to the Management Company		-	15,383	15,383				
Payable to the Trustee		-	249	249				
Payable to Securities and Exchange Commission of Pakistan		-	339	339				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	868	868				
		-	16,839	16,839				

		June 30, 2025						
		AH-FRF Plan 13						
		Carrying amount			Fair value			
Particulars		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	25.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	25.2							
Bank balances		-	8	8				
		-	8	8				
Financial liabilities measured at amortised cost	25.2							
Payable to the Management Company		-	-	-				
Payable to the Trustee		-	-	-				
Payable to Securities and Exchange Commission of Pakistan		-	-	-				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	-	-				
		-	-	-				

		June 30, 2025						
		AH-FRF Plan 14						
		Carrying amount			Fair value			
Particulars		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	25.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	25.2							
Bank balances		-	56,817	56,817				
		-	56,817	56,817				
Financial liabilities measured at amortised cost	25.2							
Payable to the Management Company		-	6,784	6,784				
Payable to the Trustee		-	772	772				
Payable to Securities and Exchange Commission of Pakistan		-	423	423				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	34	34				
		-	8,013	8,013				

AL HABIB FIXED RETURN FUND

		June 30, 2025						
		AH-FRF Plan 15						
		Carrying amount			Fair value			
Particulars		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	25.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	25.2							
Bank balances		-	7,977	7,977				
		-	7,977	7,977				
Financial liabilities measured at amortised cost	25.2							
Payable to the Management Company		-	522	522				
Payable to the Trustee		-	18	18				
Payable to Securities and Exchange Commission of Pakistan		-	14	14				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	55	55				
		-	609	609				

		June 30, 2025						
		AH-FRF Plan 16						
		Carrying amount			Fair value			
Particulars		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	25.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	25.2							
Bank balances		-	240,162	240,162				
		-	240,162	240,162				
Financial liabilities measured at amortised cost	25.2							
Payable to the Management Company		-	20,078	20,078				
Payable to the Trustee		-	150	150				
Payable to Securities and Exchange Commission of Pakistan		-	76	76				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	142	142				
		-	20,446	20,446				

		June 30, 2025						
		AH-FRF Plan 18						
		Carrying amount			Fair value			
Particulars		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	25.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	25.2							
Bank balances		-	47,938	47,938				
		-	47,938	47,938				
Financial liabilities measured at amortised cost	25.2							
Payable to the Management Company		-	7,584	7,584				
Payable to the Trustee		-	137	137				
Payable to Securities and Exchange Commission of Pakistan		-	187	187				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	24	24				
		-	7,932	7,932				

AL HABIB FIXED RETURN FUND

June 30, 2025							
AH-FRF Plan 19							
Particulars	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	25.1						
Investments	75,964	-	75,964	-	75,964	-	75,964
	75,964	-	75,964	-	75,964	-	75,964
Financial assets measured at amortised cost	25.2						
Bank balances	-	1,991	1,991				
	-	1,991	1,991				
Financial liabilities measured at amortised cost	25.2						
Payable to the Management Company	-	32	32				
Payable to the Trustee	-	4	4				
Payable to Securities and Exchange Commission of Pakistan	-	4	4				
Payable against redemption of units	-	-	-				
Accrued expenses and other liabilities	-	18	18				
	-	58	58				
June 30, 2025							
AH-FRF Plan 20							
Particulars	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	25.1						
Investments	1,867,349	-	1,867,349	-	1,867,349	-	1,867,349
	1,867,349	-	1,867,349	-	1,867,349	-	1,867,349
Financial assets measured at amortised cost	25.2						
Bank balances	-	1,299	1,299				
	-	1,299	1,299				
Financial liabilities measured at amortised cost	25.2						
Payable to the Management Company	-	276	276				
Payable to the Trustee	-	85	85				
Payable to Securities and Exchange Commission of Pakistan	-	233	233				
Payable against redemption of units	-	-	-				
Accrued expenses and other liabilities	-	38	38				
	-	632	632				
June 30, 2025							
AH-FRF Plan 21							
Particulars	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	25.1						
Investments	503,872	-	503,872	-	503,872	-	503,872
	503,872	-	503,872	-	503,872	-	503,872
Financial assets measured at amortised cost	25.2						
Bank balances	-	2,686	2,686				
	-	2,686	2,686				
Financial liabilities measured at amortised cost	25.2						
Payable to the Management Company	-	100	100				
Payable to the Trustee	-	16	16				
Payable to Securities and Exchange Commission of Pakistan	-	47	47				
Payable against redemption of units	-	-	-				
Accrued expenses and other liabilities	-	25	25				
	-	188	188				

AL HABIB FIXED RETURN FUND

		June 30, 2025						
		AH-FRF Plan 22						
		Carrying amount			Fair value			
Particulars		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	25.1							
Investments		2,075,922	-	2,075,922	-	2,075,922	-	2,075,922
		2,075,922	-	2,075,922	-	2,075,922	-	2,075,922
Financial assets measured at amortised cost	25.2							
Bank balances		-	64,872	64,872				
		-	64,872	64,872				
Financial liabilities measured at amortised cost	25.2							
Payable to the Management Company		-	707	707				
Payable to the Trustee		-	100	100				
Payable to Securities and Exchange Commission of Pakistan		-	138	138				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	135	135				
		-	1,080	1,080				

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).

25.1 Valuation techniques

For level 2 investments at fair value through profit or loss in units of mutual funds, Fund uses PKRV and PKFRV rates which are taken from MUFAP, for the purpose of computation of Market value at the reporting date.

- 25.2** The Fund has not disclosed the fair values of 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.

25.3 Transfers during the year

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

26 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 of Director	Designation	Qualification	Experience in years
1	Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24
2	Mr. Zahid Hussain Vaswani	Chief Operating Officer & Company Secretary	CA- Affiliate	25
3	Mr. Fawad Javaid	Head of Fixed Income	ICMAP	14
4	Mr. Ahmed Abbas	Fund Manager	MBA	17
5	Mr. Faran Ul Haq	Head of Equity	CFA	12
6	Mr. Hamza Abdul Rehman Siddiqui	Fund Manager - Equity	Msc (Hons)	7
7	Mr. Umar Bin Hassan	Senior Reserch Analyst	MS ECO, FMVA	7

27 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 01, 2024 and October 17, 2024 , January 23, 2025, April 25, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S. No.	Name of Director	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Abbas D.Habib	4	4	-	-
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	103rd, 104th and 105th Meeting
5	Mr. Imran Azim	4	2	2	103rd and 106th Meeting
6	Mr. Kashif Rafi	4	4	-	-

28 TOTAL EXPENSE RATIO

TER of the Fund for the year ended 30th June 2025 of (Al Habib Fixed Return Plan 15, Plan 16, Plan 18, Plan 19, Plan 20, Plan 21, and Plan 22) is 0.33%, 0.48%, 0.49%, 0.33%, 0.20%, 0.19%, and 0.66% which include 0.11%, 0.13%, 0.13%, 0.09%, 0.09%, 0.09%, and 0.14% representing government levies and SECP fee. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

29 CORRESPONDING FIGURES

Corresponding figures have been arranged and reclassified, wherever necessary for the purpose of comparison and for better presentation.

30 GENERAL

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

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 25, 2025** by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**ANNUAL FUND MANAGER REPORT
FINANCIAL YEAR 2025****Fund Objective**

The AL Habib Fixed Return Fund - Plan 19 (AHFRF Plan 19) is Investment Plan under "AL Habib Fixed Return Fund (AHFRF)" with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in instruments for a specific duration.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHFRFP19 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with short tenor T-bills.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 417 bps as it posted YTD return of 15.96% as against the benchmark of 11.79%.

Fund Description

Fund Type & Category	Open Ended - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	March 06, 2025	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	PKRV/ PIB rates on the last date of IOP of the CIS with maturity period corresponding to the maturity of CIS.	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	15.96%	Minimum Investment	Initial investment of Rs. 5,000,000/-
Benchmark	11.79%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 81.106 Million (June 30, 2024)	AMC Rating	"AM1" by PACRA
NAV per unit	Rs. 100.1504 per unit (June 30, 2025)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	January 18, 2028
Risk Profile	Medium (Principal at medium risk)		

Economic Review:

The main highlights of the outgoing fiscal year were lower than expected inflation, surplus current account balance, IMF's extended financing facility worth USD 7 Billion, narrowing fiscal deficit and record remittances.

CPI witnessed an extensive improvement, increasing only by 4.7%YoY against the forecast of 7%-8%, compared to 26%YoY in FY24. The main contributors were high base effect, lower food prices and decrease in energy charges. Also, the government's keeping the USD/PKR parity in the check played a vital role.

The current account balance stood at USD2.1 billion on the back of shrinking trade gap and higher remittances which reached a record high of USD 38 Billion. Such phenomenon also resulted in higher foreign exchange reserve held by the Central bank at USD14.51 Billion compared to USD9.39 billion in FY'24.

The outgoing year was not without challenges whereby country's GDP recorded an increase of 2.68% against the target of 3.56%. Agricultural sector, the backbone of country's GDP, grew only by 0.56%YoY due to crop failures amid water shortages. Large Scale manufacturing, witnessed a growth of 4.8%YoY, merely covering up for the negative LSM growth in FY'24.

Low inflation, exchange rate stabilization and adequate foreign exchange flows provided room for the SBP to reduce its Policy rate by 1,100bps, from 22% to 11%. Such drastic cut in interest rates was welcomed by the cross section of the market participants. Market is hoping for further cuts in Policy rates amid high real interest rates and satisfactory foreign exchange flows.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	2.43%	-
PIBs	92.53%	-
Others	5.04%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
50001-100000	2
100001-500000	1
500001-1000000	1
Grand Total	4

AL HABIB FIXED RETURN FUND

Income Distribution

AHFRFP19 made a total distribution of Rs. 4.9143 during FY24 in the form of dividend, the detail of which is given below:

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun, 25	104.9143	100.00	4.9143

During the period under question:

There has been no significant change in the state of affairs of the Fund. AHFRF Plan 19 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 198,712 units valued of Rs. 0.020 billion were sold while no unit were redeemed resulting in to a net sale of 198,712 units of the value of Rs. 0.020 billion.

Fund Performance at a Glance

	2025
Net Assets as at June 30 (Rs. in Million)	81.106
NAV per unit as at June 30 (Rs.)	100.1504
Distribution during the year ended June 30 (Rs.)	4.9143
Annual Return	15.96%

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective

The AL Habib Fixed Return Fund - Plan 20 (AHFRF Plan 20) is Investment Plan under "AL Habib Fixed Return Fund (AHFRF)" with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in instruments for a specific duration.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHFRFP20 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with short tenor T-bills.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 12 bps as it posted YTD return of 11.72% as against the benchmark of 11.60%.

Fund Description

Fund Type & Category	Open Ended - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	March 06, 2025	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	PKRV/ PIB rates on the last date of IOP of the CIS with maturity period corresponding to the maturity of CIS.	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	11.72%	Minimum Investment	Initial investment of Rs. 5,000,000/-
Benchmark	11.60%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 1,854 Million (June 30, 2025)	AMC Rating	"AM1" by PACRA
NAV per unit	Rs. 100.0839 per unit (June 30, 2025)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	February 20, 2026
Risk Profile	Moderate (Principal at moderate risk)		

Economic Review:

The main highlights of the outgoing fiscal year were lower than expected inflation, surplus current account balance, IMF's extended financing facility worth USD 7 Billion, narrowing fiscal deficit and record remittances.

AL HABIB FIXED RETURN FUND

CPI witnessed an extensive improvement, increasing only by 4.7%YoY against the forecast of 7%-8%, compared to 26%YoY in FY24. The main contributors were high base effect, lower food prices and decrease in energy charges. Also, the government's keeping the USD/PKR parity in the check played a vital role.

The current account balance stood at USD2.1 billion on the back of shrinking trade gap and higher remittances which reached a record high of USD 38 Billion. Such phenomenon also resulted in higher foreign exchange reserve held by the Central bank at USD14.51 Billion compared to USD9.39 billion in FY'24.

The outgoing year was not without challenges whereby country's GDP recorded an increase of 2.68% against the target of 3.56%. Agricultural sector, the backbone of country's GDP, grew only by 0.56%YoY due to crop failures amid water shortages. Large Scale manufacturing, witnessed a growth of 4.8%YoY, merely covering up for the negative LSM growth in FY'24.

Low inflation, exchange rate stabilization and adequate foreign exchange flows provided room for the SBP to reduce its Policy rate by 1,100bps, from 22% to 11%. Such drastic cut in interest rates was welcomed by the cross section of the market participants. Market is hoping for further cuts in Policy rates amid high real interest rates and satisfactory foreign exchange flows.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	0.07%	-
PIBs	99.87%	-
Others	0.06%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
10001-50000	1
50001-100000	3
100001-500000	1
500001-1000000	2
1000001-5000000	1
5000001-10000000	1
10000001-100000000	1
Grand Total	10

Income Distribution

AHFRFP 20 made a total distribution of Rs. 3.6388 during FY25 in the form of dividend, the detail of which is given below:

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun, 25	103.6388	100.00	3.6388

During the period under question:

There has been no significant change in the state of affairs of the Fund. AHFRF Plan 20 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 12,457,062 units valued Rs. 1,247 million were sold, while 4,906 units valued Rs. 0.498 million were redeemed, resulting in to a net sale of 12,452,156 units valued Rs. 1,246 million.

Fund Performance at a Glance

	2025
Net Assets as at June 30 (Rs. in Million)	1,855
NAV per unit as at June 30 (Rs.)	100.0839
Distribution during the year ended June 30 (Rs.)	3.6388
Annual Return	11.72%

**ANNUAL FUND MANAGER REPORT
FINANCIAL YEAR 2025****Fund Objective**

The AL Habib Fixed Return Fund - Plan 21 (AHFRF Plan 21) is Investment Plan under "AL Habib Fixed Return Fund (AHFRF)" with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in instruments for a specific duration

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHFRFP21 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with short tenor T-bills.

Performance of the fund with benchmark

The Fund underperformed it's benchmark by 16 bps as it posted YTD return of 11.50% as against the benchmark of 11.66%.

Fund Description

Fund Type & Category	Open Ended - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	March 06, 2025	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	PKRV/ PIB rates on the last date of IOP of the CIS with maturity period corresponding to the maturity of CIS.	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	11.50%	Minimum Investment	Initial investment of Rs. 5,000,000/-
Benchmark	11.66%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 502 Million (June 30, 2025)	AMC Rating	"AM1" by PACRA
NAV per unit	Rs. 100.1101 per unit (June 30, 2025)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	August 22, 2025
Risk Profile	Low (Principal at Low Risk)		

Economic Review:

The main highlights of the outgoing fiscal year were lower than expected inflation, surplus current account balance, IMF's extended financing facility worth USD 7 Billion, narrowing fiscal deficit and record remittances.

CPI witnessed an extensive improvement, increasing only by 4.7%YoY against the forecast of 7%-8%, compared to 26%YoY in FY24. The main contributors were high base effect, lower food prices and decrease in energy charges. Also, the government's keeping the USD/PKR parity in the check played a vital role.

The current account balance stood at USD2.1 billion on the back of shrinking trade gap and higher remittances which reached a record high of USD 38 Billion. Such phenomenon also resulted in higher foreign exchange reserve held by the Central bank at USD14.51 Billion compared to USD9.39 billion in FY'24.

The outgoing year was not without challenges whereby country's GDP recorded an increase of 2.68% against the target of 3.56%. Agricultural sector, the backbone of country's GDP, grew only by 0.56%YoY due to crop failures amid water shortages. Large Scale manufacturing, witnessed a growth of 4.8%YoY, merely covering up for the negative LSM growth in FY'24.

Low inflation, exchange rate stabilization and adequate foreign exchange flows provided room for the SBP to reduce its Policy rate by 1,100bps, from 22% to 11%. Such drastic cut in interest rates was welcomed by the cross section of the market participants. Market is hoping for further cuts in Policy rates amid high real interest rates and satisfactory foreign exchange flows.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	0.53%	-
PIBs	99.29%	-
Others	0.18%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
50001-100000	4
100001-500000	2
500001-1000000	1
1000001-5000000	1
Grand Total	8

AL HABIB FIXED RETURN FUND

Income Distribution

AHFRF P21 made a total distribution of Rs. 3.5401 during FY25 in the form of dividend, the detail of which is given below:

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun, 25	103.5401	100.00	3.5401

During the period under question:

There has been no significant change in the state of affairs of the Fund. AHFRF Plan 21 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 6,324,991 units valued Rs. 633.500 million were sold, while 691,682 units valued Rs. 71.452 million were redeemed, resulting in to a net sale of 5,633,309 units valued Rs. 562.047 million.

Fund Performance at a Glance

	2025
Net Assets as at June 30 (Rs. in Million)	501.612
NAV per unit as at June 30 (Rs.)	100.1101
Distribution during the year ended June 30 (Rs.)	3.5401
Annual Return	11.50%

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective

The AL Habib Fixed Return Fund - Plan 22 (AHFRF Plan 22) is Investment Plan under "AL Habib Fixed Return Fund (AHFRF)" with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in instruments for a specific duration.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHFRFP22 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with short tenor T-bills.

Performance of the fund with benchmark

The Fund outperformed its benchmark by 14 bps as it posted YTD return of 11.39% as against the benchmark of 11.25%.

Fund Description

Fund Type & Category	Open Ended - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	May 21, 2025	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	PKRV/ PIB rates on the last date of IOP of the CIS with maturity period corresponding to the maturity of CIS.	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	11.39%	Minimum Investment	Initial investment of Rs. 5,000,000/-
Benchmark	11.25%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 2,135 Million (June 30, 2025)	AMC Rating	"AM1" by PACRA
NAV per unit	Rs. 100.00 per unit (June 30, 2025)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	May 15, 2026
Risk Profile	Medium (Principal at medium risk)		

Economic Review:

The main highlights of the outgoing fiscal year were lower than expected inflation, surplus current account balance, IMF's extended financing facility worth USD 7 Billion, narrowing fiscal deficit and record remittances.

AL HABIB FIXED RETURN FUND

CPI witnessed an extensive improvement, increasing only by 4.7%YoY against the forecast of 7%-8%, compared to 26%YoY in FY24. The main contributors were high base effect, lower food prices and decrease in energy charges. Also, the government's keeping the USD/PKR parity in the check played a vital role.

The current account balance stood at USD2.1 billion on the back of shrinking trade gap and higher remittances which reached a record high of USD 38 Billion. Such phenomenon also resulted in higher foreign exchange reserve held by the Central bank at USD14.51 Billion compared to USD9.39 billion in FY'24.

The outgoing year was not without challenges whereby country's GDP recorded an increase of 2.68% against the target of 3.56%. Agricultural sector, the backbone of country's GDP, grew only by 0.56%YoY due to crop failures amid water shortages. Large Scale manufacturing, witnessed a growth of 4.8%YoY, merely covering up for the negative LSM growth in FY'24.

Low inflation, exchange rate stabilization and adequate foreign exchange flows provided room for the SBP to reduce its Policy rate by 1,100bps, from 22% to 11%. Such drastic cut in interest rates was welcomed by the cross section of the market participants. Market is hoping for further cuts in Policy rates amid high real interest rates and satisfactory foreign exchange flows.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	0.53%	-
PIBs	99.29%	-
Others	0.18%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
50001-100000	4
100001-500000	9
500001-1000000	5
1000001-5000000	3
10000001-100000000	1
Grand Total	22

Income Distribution

AHFRFP22 made a total distribution of Rs. 1.2481 during FY25 in the form of dividend, the detail of which is given below:

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun, 25	101.2481	100.00	1.2481

During the period under question:

There has been no significant change in the state of affairs of the Fund. AHFRF Plan 22 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 13,466,639 units valued Rs. 1,348.300 million were sold, while no units were redeemed, resulting in to a net sale of 13,466,639 units valued Rs. 1,348.300 million.

Fund Performance at a Glance

	2025
Net Assets as at June 30 (Rs. in Million)	2,135
NAV per unit as at June 30 (Rs.)	100.00
Distribution during the year ended June 30 (Rs.)	1.2481
Annual Return	11.39%

AL HABIB ISLAMIC MUNAFA FUND
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.

Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200**Legal Advisor**

Mohsin Tayebaly & Co.

Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.**Trustee**Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.**Rating**AM1 Management Company Quality
Rating Assigned by PACRA.**Bankers to the Fund**Bank AL Habib Limited
Faysal Bank Limited
UBL Ameen Limited
Meezan Bank Limited**Registered Office:** 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
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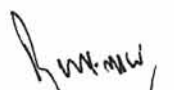
TRUSTEE REPORT TO THE UNIT HOLDERS

AL HABIB ISLAMIC 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 AL Habib Islamic Munafa Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 29, 2025



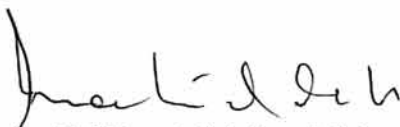
REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Advisor of the **AL Habib Islamic Munafa Fund**, I am issuing this report. The scope of the report is to express an opinion on the Shariah compliance of the fund's activities.

It is the responsibility of the management of aforesaid fund to establish and maintain a system of internal control to ensure compliance with Shariah guidelines. My responsibility is to express an opinion, based on my review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, I hereby certify that:

- The modes of investments, transactions, relevant documentations, operations and the procedures adopted have been in accordance with the Shariah principles and rules.
- The provisions of the scheme, investments and affairs have been carried out in accordance with Shariah principles, rules and relevant Shariah opinions issued from time to time.
- The earnings that have been realized from sources and means prohibited by Shariah have been credited to the charity account.



Dr. Mufti Ismatullah Hamdullah

Shariah Advisor

Date: June 30, 2025



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Lakson Square, Building No.1
Sarwar Shaheed Road
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Pakistan

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

TO THE BOARD OF DIRECTORS OF AL HABIB ASSET MANAGEMENT LIMITED

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of Al Habib Islamic Munafa Fund (the Fund) managed by Al Habib Asset Management Limited (the Management Company) for assessing compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June 30, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2025) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under;

- 1) Essentials, Regulations, Instructions and Guidelines issued by the SECP;
- 2) The rulings of Central Shariah Board as notified by the SECP;
- 3) Requirements of the applicable Islamic Financial Accounting Standards as notified by the SECP;
- 4) Approvals and rulings given by the Shariah Board (SB) directives, regulations, instructions and guidelines issued in accordance with the rulings of SECP's Shariah Board.

The above criteria were evaluated, for their implications on the financial statements of the Fund for the year ended June 30, 2025.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Fund with its unitholders, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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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.



4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM) 1 "Quality Management for firms that perform Audit or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended June 30, 2025 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depend on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund internal control. We have designed and performed necessary verification procedures on various financial arrangements, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

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BDO Ebrahim & Co. Chartered Accountants

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6. Conclusion

Based on our reasonable assurance engagement we report that in our opinion, the Fund overall financial arrangements, contracts, transactions for the year ended June 30, 2025, are in compliance with the Shariah rules and principles, in all material respects.

Engagement Partner
Tariq Feroz Khan


BDO EBRAHIM & CO.
CHARTERED Accountants

Date: 29 SEP 2025
Place: Karachi



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**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF FINANCIAL STATEMENTS TO THE UNITHOLDERS
OF AL HABIB ISLAMIC MUNAFA FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Islamic Munafa Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, 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 gives a true and fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

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

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 the Management and its Board of Directors for the Financial Statements

Management Company of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and for such internal control as the management determines 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.



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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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



Report on other legal and regulatory requirements

Based on our audit, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking 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: 29 SEP 2025

UDIN: AR202510166aV4bd6FqP


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

		2025			2024			
		AL HABIB ISLAMIC MUNAFI PLAN III	AL HABIB ISLAMIC MUNAFI PLAN IV	TOTAL	AL HABIB ISLAMIC MUNAFI PLAN II	AL HABIB ISLAMIC MUNAFI PLAN III	AL HABIB ISLAMIC MUNAFI PLAN IV	TOTAL
Note		-----Rupees in '000-----			-----Rupees in '000-----			
ASSETS								
Balances with bank	5	637	5,147	5,784	3,784	410,210	1,446	415,440
Investments	6	-	-	-	-	7,506,750	417,414	7,924,164
Profit receivable	7	3,557	520	4,077	445	772,710	6,904	780,059
TOTAL ASSETS		4,194	5,667	9,861	4,229	8,689,670	425,764	9,119,663
LIABILITIES								
Payable to the AL Habib Asset Management Limited - Management Company	8	-	509	509	3,087	270	194	3,551
Payable to Central Depository Company of Pakistan Limited - Trustee	9	-	24	24	46	415	18	479
Payable to Securities and Exchange Commission of Pakistan	10	-	30	30	34	531	23	588
Accrued expenses and other liabilities	11	4,194	5,104	9,298	1,062	58,029	957	60,048
TOTAL LIABILITIES		4,194	5,667	9,861	4,229	59,245	1,192	64,666
NET ASSETS		-	-	-	-	8,630,425	424,572	9,054,997
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)								
		-	-	-	-	8,630,425	424,572	9,054,997
CONTINGENCIES AND COMMITMENTS								
	12	-----Number of units-----			-----Number of units-----			
Number of units in issue	13	-	-	-	-	86,211,052	4,241,237	90,452,289
		-----Rupees-----			-----Rupees-----			
Net assets value per unit		-	-	-	-	100.11	100.11	200.21

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2025

Note	For the period from July 01, 2024 to July 03, 2024			For the period from July 01, 2024 to December 05, 2024			For the period from July 01, 2023 to May 08, 2024			For the period from March 29, 2024 to June 30, 2024			For the period from June 05, 2024 to June 30, 2024		
	2024			2024			2024			2024			2024		
	AL HABIB ISLAMIC MUNAFI PLAN	AL HABIB ISLAMIC MUNAFI PLAN	Total	AL HABIB ISLAMIC MUNAFI PLAN	AL HABIB ISLAMIC MUNAFI PLAN	Total	AL HABIB ISLAMIC MUNAFI PLAN	AL HABIB ISLAMIC MUNAFI PLAN	Total	AL HABIB ISLAMIC MUNAFI PLAN	AL HABIB ISLAMIC MUNAFI PLAN	Total	AL HABIB ISLAMIC MUNAFI PLAN	AL HABIB ISLAMIC MUNAFI PLAN	Total
	III	IV		III	IV		II	III	IV	II	III	IV	II	III	IV
-----Rupees in '000-----															
Income															
Profit on bank deposits		468	192	660			3,786	7,705	806	12,297					
Income on GoP Ijarah Sukuks (GIS)		8,154	34,621	42,775			68,685	395,725	4,941	469,351					
		8,622	34,813	43,435			72,471	403,430	5,747	481,648					
Gain / (loss) on sale of investments		102	(1,336)	(1,234)			1,143	17	8	1,168					
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	6.1	-	-	-			-	6,652	1,319	7,971					
Other income		-	64	64			-	-	-	-					
		8,724	33,541	42,265			73,614	410,099	7,074	490,787					
Expenses															
Remuneration of AL Habib Asset Management Limited - Management Company	8.1	-	271	271			4,825	8,334	172	13,331					
Sindh Sales Tax on remuneration of Management Company	8.2	-	35	35			627	1,083	22	1,732					
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	34	103	136			203	1,087	16	1,306					
Sindh Sales Tax on remuneration to the Trustee	9.2	21	15	36			26	125	2	153					
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	35	140	175			276	1,492	23	1,791					
Allocation of expenses related to registrar services, accounting, operation and valuation services		-	-	-			337	200	-	537					
Auditors' remuneration	14	-	114	114			178	-	-	178					
Brokerage Expenses		-	-	-			1	3	-	4					
Printing Charges		-	10	10			18	7	-	25					
Other Expenses		-	80	80			-	-	-	-					
Bank charges		-	9	9			6	3	-	9					
		90	777	867			6,497	12,334	235	19,066					
Net income for the year before taxation		8,634	32,764	41,398			67,117	397,765	6,839	471,721					
Taxation	15	-	-	-			-	-	-	-					
Net income for the year after taxation		8,634	32,764	41,398			67,117	397,765	6,839	471,721					
Allocation of net income for the year															
Net income for the year after taxation		8,634	32,764	41,398			67,117	397,765	6,839	471,721					
Income already paid on redemption of units		(8,634)	(17,486)	(26,120)			(58,220)	(1,071)	(24)	(59,315)					
		-	15,278	15,278			8,897	396,694	6,815	412,406					
Accounting income available for distribution															
Relating to capital gains		-	-	-			1,143	6,669	1,327	9,139					
Excluding capital gains		-	15,278	15,278			7,754	390,025	5,488	403,267					
		-	15,278	15,278			8,897	396,694	6,815	412,406					
Earnings per unit	16														

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	For the period from July 01, 2024 to July 03, 2024	For the period from July 01, 2024 to December 05, 2024		For the period from July 01, 2023 to May 08, 2024	For the period from March 29, 2024 to June 30, 2024	For the period from June 05, 2024 to June 30, 2024	
	AL HABIB ISLAMIC MUNAFI PLAN III	AL HABIB ISLAMIC MUNAFI PLAN IV	Total	AL HABIB ISLAMIC MUNAFI PLAN II	AL HABIB ISLAMIC MUNAFI PLAN III	AL HABIB ISLAMIC MUNAFI PLAN IV	Total
	-----Rupees 000-----			-----Rupees 000-----			
Net income for the year after taxation	8,634	32,764	41,398	67,117	397,765	6,839	471,721
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	8,634	32,764	41,398	67,117	397,765	6,839	471,721

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

June 30, 2025							
AL HABIB ISLAMIC MUNAFA PLAN III			AL HABIB ISLAMIC MUNAFA PLAN IV			Total	
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total		
Net assets at beginning of the year	8,621,105	9,320	8,630,425	424,124	448	424,572	9,054,997
Issuance of 114,589 units (2024 : 90,870,126 units)							
Capital Value	-	-	-	11,472	-	11,472	11,472
Element of income	-	-	-	(13)	-	(13)	(13)
Total proceeds on issuance of units	-	-	-	11,459	-	11,459	11,459
Redemption of 90,566,878 units (2024 : 4,361,158 units)							
Capital Value	(8,627,891)	-	(8,627,891)	(436,062)	-	(436,062)	(9,063,953)
Element of loss	(1,374)	(8,634)	(10,008)	32	(17,486)	(17,454)	(27,462)
Total payments on redemption of units	(8,629,265)	(8,634)	(8,637,899)	(436,030)	(17,486)	(453,516)	(9,091,415)
Total comprehensive income for the period	-	8,634	8,634	-	32,764	32,764	41,398
Cash distribution	8,160	(9,320)	(1,160)	-	(15,279)	(15,279)	(16,439)
	8,160	(686)	7,474	-	17,485	17,485	24,959
Net assets at end of the year	-	-	-	(447)	447	-	-
Undistributed income brought forward							
Accounting income available for distribution							
Relating to capital gains	2,668			(871)			
Excluding capital gains	6,652			1,318			
	9,320			447			
Cash distribution	9,320			-			
Undistributed income carried forward	-			-			
Undistributed income carried forward							
Realised loss	-			-			
Unrealised income	-			-			
	-			-			
Net assets value per unit at end of the year	-			-			

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

June 30, 2024										
AL HABIB ISLAMIC MUNAFA PLAN II			AL HABIB ISLAMIC MUNAFA PLAN III			AL HABIB ISLAMIC MUNAFA PLAN IV			Total	
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total		
-----Rupees in '000-----										
Net assets at beginning of the year	394,446	296	394,742	-	-	-	-	-	-	-
Issuance of 114,589 units (2024 : 90,870,126 units)										
Capital Value	8,418	-	8,418	8,650,443	-	8,650,443	428,152	-	428,152	9,078,595
Element of income	-	-	-	23,132	-	23,132	193	-	193	23,325
Total proceeds on issuance of units	8,418	-	8,418	8,673,575	-	8,673,575	428,345	-	428,345	9,101,920
Redemption of 90,566,878 units (2024 : 4,361,158 units)										
Capital Value	(402,750)		(402,750)	(29,338)	-	(29,338)	(4,028)	-	(4,028)	(33,366)
Element of loss	(410)	(58,220)	(58,630)	(291)	(1,071)	(1,362)	(2)	(24)	(26)	(1,388)
Total payments on redemption of units	(403,160)	(58,220)	(461,380)	(29,629)	(1,071)	(30,700)	(4,030)	(24)	(4,054)	(34,754)
Total comprehensive income for the period	-	67,117	67,117	-	397,765	397,765	-	6,839	6,839	404,604
Cash distribution	(412)	(8,485)	(8,897)	(22,841)	(387,374)	(410,215)	(191)	(6,367)	(6,558)	(416,773)
	(412)	58,632	58,220	(22,841)	10,391	(12,450)	(191)	472	281	(12,169)
Net assets at end of the year	(708)	708	-	8,621,105	9,320	8,630,425	424,124	448	424,572	9,054,997
Undistributed income brought forward										
		296								
Accounting income available for distribution										
Relating to capital gains		1,143			6,669			1,327		
Excluding capital gains		7,754			390,025			5,488		
		8,897			396,694			6,815		
Cash distribution		(8,485)			(387,374)			(6,367)		
Undistributed income carried forward		708			9,320			448		
Undistributed income carried forward										
Realised loss		708			2,668			(871)		
Unrealised income		-			6,652			1,319		
		708			9,320			448		
Net assets value per unit at end of the year										
		-			100.11			100.11		

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2025

Note	Period from July 01, 2024 to July 03, 2024		Period from July 01, 2024 to December 05, 2024		2024		
	AL HABIB ISLAMIC MUNAFA PLAN	AL HABIB ISLAMIC MUNAFA PLAN	Total	AL HABIB ISLAMIC MUNAFA PLAN	AL HABIB ISLAMIC MUNAFA PLAN	AL HABIB ISLAMIC MUNAFA PLAN	Total
	III	IV		II	III	IV	
	Rupees in '000						
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the year before taxation	8,634	32,764	41,398	67,117	397,765	6,839	471,721
Adjustments for:							
(Gain) / loss on sale of investments - net	(102)	1,336	1,234	-	-	-	-
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	-	-	-	-	(6,652)	(1,319)	(7,971)
	8,532	34,100	42,632	67,117	391,113	5,520	463,750
Decrease / (increase) in assets							
Investments	7,506,852	416,078	7,922,930	383,590	(7,500,098)	(416,095)	(7,532,603)
Profit receivable	769,153	6,384	775,537	10,689	(772,710)	(6,904)	(768,925)
	8,276,005	422,462	8,698,467	394,279	(8,272,808)	(422,999)	(8,301,528)
(Decrease) / increase in liabilities							
Payable to the AL Habib Asset Management Limited - Management Company	(270)	315	45	2,768	270	194	3,232
Payable to Central Depository Company of Pakistan Limited - Trustee	(415)	6	(409)	36	415	18	469
Payable to Securities and Exchange Commission of Pakistan	(531)	7	(524)	31	531	23	585
Accrued expenses and other liabilities	(53,835)	4,147	(49,688)	980	58,029	957	59,966
	(55,051)	4,475	(50,576)	3,815	59,245	1,192	64,252
Net cash generated from / (used in) operating activities	8,229,486	461,037	8,690,523	465,211	(7,822,450)	(416,287)	(7,773,526)
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts from issue of units	-	11,459	11,459	8,418	8,673,575	428,345	9,110,338
Payment against redemption of units	(8,637,899)	(453,516)	(9,091,415)	(461,380)	(30,700)	(4,054)	(496,134)
Cash distribution	(1,160)	(15,279)	(16,439)	(8,897)	(410,215)	(6,558)	(425,670)
Net cash (used in) / generated from financing activities	(8,639,059)	(457,336)	(9,096,395)	(461,859)	8,232,660	417,733	8,188,534
Net increase in cash and cash equivalents	(409,573)	3,701	(405,872)	3,352	410,210	1,446	415,008
Cash and cash equivalents at the beginning of the year	410,210	1,446	411,656,432	-	-	-	432
Cash and cash equivalents at the end of the year	637	5,147	5,784	3,784	410,210	1,446	415,440

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Al Habib Islamic Munafa Fund (the Fund) was established under a Trust Deed executed between Al Habib 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/AMIMF/2022/95 dated October 11, 2022 and the Trust Deed was executed on November 17, 2022.
- 1.2** The Management Company of the Fund has been registered with the SECP as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 3rd floor, Mackinnons Building, I, I Chundrigar Road Karachi, Pakistan.
- 1.3** The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.4** The Fund is an Open-End Shariah compliant Collective Investment Scheme as per SECP's Circular No.3 of 2022 dated February 10, 2022 with Allocation Plans. The Allocation Plans under the Fund may have different Shariah compliant investment avenues and different maturity dates. The Allocation Plans under the Fund may have a set timeframe or perpetual.
- 1.5** The Fund has been categorized as a Shariah Compliant Fixed Return Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan (SECP).
- 1.6** The core objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity.
- 1.7** The Fund has launched four different plans; namely, Al Habib Islamic Munafa Fund Plan 1 (AHIMF Plan 1), Al Habib Islamic Munafa Fund Plan II (AHIMF Plan II) Al Habib Islamic Munafa Fund Plan III (AHIMFP-3) and Al Habib Islamic Munafa Fund Plan IV (AHIMFP-4). The units of these plans were initially offered to public from March 29, 2023 till April 04, 2023, May 24, 2023 till June 08, 2023, March 29, 2024 and May 30, 2024 respectively.

AHIMF Plan II, III and IV has been matured as on May 08, 2024, July 03, 2024 and December 05, 2024 respectively.

- 1.8** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund. The Fund is not listed on Pakistan Stock Exchange.
- 1.9** The management company has been assigned a rating of 'AM1' by Pakistan Credit Rating Agency (PACRA) dated December 12, 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, 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 the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 year, or in the year of the revision and future years if the revision affects both current and future years.

Estimates and judgments that have significant effect on the financial statements relate to classification, valuation and impairment of financial assets are as follows:

Classification and valuation of investments

For details please refer notes 4.2.2.1 and 6 to these financial statements.

Impairment of financial assets

For details please refer notes 4.2.3 to these financial statements.

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
AAmendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026

	Effective date (annual periods beginning on or after)
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 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 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

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

4.2 Financial instruments

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

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss. The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.2 Initial recognition and measurement

Financial assets are recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized at fair value plus transaction cost except for financial assets carried at fair value through profit or loss.

4.2.2.1 Classification

4.2.2.1.1 Debt Instruments

Amortized cost

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

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

Fair value through profit or loss

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. These are initially measured at fair value and transaction costs that are directly attributable to its acquisition are charged to income statement.

4.2.2.2 Subsequent measurement:

Debt investments at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.
Debt investments at FVTPL	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, and impairment are recognised in income statement.

4.2.2.3 Regular way purchase and sale of financial asset

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

4.2.2.4 Derecognition

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

4.2.3 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly balances with bank, investments and other receivables.

4.2.4 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition of financial liability is taken to the income statement.

4.2.5 Offsetting of financial assets and liabilities

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

4.3 Provisions

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

4.4 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent (90%) of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders.

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

4.5 Proposed distributions

Distributions declared subsequent to the year end reporting date are subject to the approval of the Board of Directors of the management company and are considered as non-adjusting events and are recognised in the financial statements in the year in which such distributions are declared.

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the management company for the applications received by the distributors during business hours 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 sale load is payable to Management Company / Distributors as processing fee.

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 represents the net assets value per unit as of the close of the business day less any duties, taxes, charges on redemption and any provision for transaction costs, 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. 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

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / Government securities, return on investment in debt securities are recognized using the effective interest method.
- 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 period in which they arise.

4.10 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustees and annual fee of SECP are recognized in income statement on accrual basis.

4.11 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

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

		June 30, 2025			June 30, 2024			
		IMF Plan III	IMF Plan IV	Total	IMF Plan II	IMF Plan III	IMF Plan IV	Total
Note		Rupees in '000			Rupees in '000			
5. BALANCES WITH BANK								
Saving accounts	5.1	637	5,147	5,784	3,784	410,210	1,446	415,440
		637	5,147	5,784	3,784	410,210	1,446	415,440

5.1 These carries mark-up at the rates ranging between 9.75% to 10.50% (2024: 19.50% to 20.50%) per annum for all plans. These are held with Bank AL Habib Limited, a related party.

6. INVESTMENTS

Financial assets classified at fair value through profit or loss

GoP Ijarah Sukuks (GIS)	6.1	-	-	-	-	7,506,750	417,414	7,924,164
		-	-	-	-	7,506,750	417,414	7,924,164

6.1 Government Ijara Sukuk**6.1.1 AL Habib Islamic Munafa Plan II**

Name of Instrument	As at July 01, 2024	Purchases during the period	Sales / matured during the period	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation on re-measurement of investment	Market value as a percentage of net assets	Market value as a percentage of total value of Investment
GoP Ijara Sukuk 1 Year FRR (22-05-2023)	-	-	-	-	-	-	-	-	-
GoP Ijara Sukuk 1 Year VRR (22-05-2023)	-	-	-	-	-	-	-	-	-
Total as at June 30, 2025	-	-	-	-	-	-	-	-	-
Total as at June 30, 2024	3,835	1,210	5,045	-	-	-	-	-	-

6.1.2 AL Habib Islamic Munafa Plan III

Name of Instrument	As at July 01, 2024	Purchases during the period	Sales / matured during the period	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation on re-measurement of investment	Market value as a percentage of net assets	Market value as a percentage of total value of Investment
GoP Ijara Sukuk 1 Year VRR (26-06-2023)	-	-	-	-	-	-	-	0%	0%
GoP Ijara Sukuk 1 Year VRR (12-07-2023)	75,000	- 75,000	-	-	-	-	-	0%	0%
Total as at June 30, 2025	75,000	- 75,000	-	-	-	-	-	-	-
Total as at June 30, 2024	-	75,000	-	75,000	7,500,098	7,506,750	6,652	-	-

AL HABIB ISLAMIC MUNAFA FUND

6.1.3 AL Habib Islamic Munafa Plan IV

Name of Instrument	As at July 01, 2024	Purchases during the period	Sales / matured during the period	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation on re-measurement of investment	Market value as a percentage of net assets	Market value as a percentage of total value of Investment
GoP Ijara Sukuk 1 Year VRR (04-12-2023)	4,160	-	4,160	-	-	-	-	0%	0%
Total as at June 30, 2025	4,160	-	4,160	-	-	-	-		
Total as at June 30, 2024	-	4,200	40	4,160	416,095	417,414	1,319		

	Note	June 30, 2025			June 30, 2024			
		IMF Plan III	IMF Plan IV	Total	IMF Plan II	IMF Plan III	IMF Plan IV	Total
7. PROFIT RECEIVABLE		Rupees in '000			Rupees in '000			
GoP Ijarah Sukuks (GIS)		-	-	-	-	770,011	6,098	776,109
Savings deposits		3,557	520	4,077	445	2,699	806	3,950
		3,557	520	4,077	445	772,710	6,904	780,059
8. PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY								
Remuneration payable to Management Company	8.1	-	452	452	2,502	63	172	2,737
Sindh Sales Tax payable on remuneration of Management Company	8.2	-	57	57	333	7	22	362
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	-	-	-	252	200	-	452
		-	509	509	3,087	270	194	3,551

8.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company has set and disclosed in the offering document the maximum rate of fee chargeable to Collective Investment Scheme (CIS) within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the scheme. The Management has charged its remuneration at rate ranging from 1% to 10% of the gross earning of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.

8.2 The Sindh Sales Tax at the rate of 15% (2024: 13%) on the remuneration as per Sindh Sales Tax on Services Act, 2011.

8.3 As per Regulation 60(3) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to CIS are chargeable to the CIS. During the period, the fee has been charged at the rate ranging from 0.1% to 2% incase of AHIMF Plan II, AHIMF Plan III and AHIMF Plan IV.

	Note	June 30, 2025			June 30, 2024			
		IMF Plan III	IMF Plan IV	Total	IMF Plan II	IMF Plan III	IMF Plan IV	Total
9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		Rupees in '000			Rupees in '000			
Remuneration payable to the Trustee	9.1	-	21	21	41	382	16	439
Sindh Sales Tax payable on remuneration of the Trustee	9.2	-	3	3	5	33	2	40
		-	24	24	46	415	18	479

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

As per the Trust Deed and Offering Document, the trustee fee shall be charged in accordance to the tariff flat rate of 0.055% pa of net assets.

9.2 The Sindh Sales Tax at the rate of 15% (2024: 13%) on the remuneration as per Sindh Sales Tax on Services Act, 2011.

		June 30, 2025			June 30, 2024				
		IMF Plan III	IMF Plan IV	Total	IMF Plan II	IMF Plan III	IMF Plan IV	Total	
10.	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	Rupees in '000			Rupees in '000			
	Annual fee payable	10.1	-	30	30	34	531	23	-

10.1 As per Regulation 62 of NBFC Regulations, an Asset Management Company managing a Collective Investment Scheme shall pay SECP an annual fee of 0.02% of the average annual nets assets. The fee is payable annually in arrears.

11. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	-	-	-	54	-	-	54
Withholding tax payable	11	3,828	3,839	481	57,921	955	59,357
Capital gains tax payable	4,167	1,272	5,439	486	105	2	593
Other payables	16	4	20	41	3	-	44
	4,194	5,104	9,298	1,062	58,029	957	60,048

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the reporting date. (June 2024: Nil)

		June 30, 2025			June 30, 2024			
		IMF Plan III	IMF Plan IV	Total	IMF Plan II	IMF Plan III	IMF Plan IV	Total
13.	NUMBER OF UNITS IN ISSUE	Rupees in '000			Rupees in '000			
	Total units in issue at the beginning of the year	86,211,052	4,241,237	90,452,289	3,943,320	-	-	3,943,320
	Add: Units issued during the year	-	114,589	114,589	84,175	86,504,432	4,281,520	90,870,127
	Less: units redeemed during the year	(86,211,052)	(4,355,826)	(90,566,878)	(4,027,495)	(293,380)	(40,283)	(4,361,158)
	Total units in issue at the end of the year	-	-	-	-	86,211,052	4,241,237	90,452,289

14. AUDITORS' REMUNERATION

	Period from July 01, 2024 to July 03, 2024			Period from July 01, 2024 to December 05, 2024			
	IMF Plan III	IMF Plan IV	Total	IMF Plan II	IMF Plan III	IMF Plan IV	Total
				Rupees in '000			
	Annual audit fee	-	-	81	-	-	81
	Half yearly review fee	-	-	97	-	-	97
	Out of pocket expenses	-	-	-	-	-	-
	Shariah compliance fee	-	114	-	-	-	-
		-	114	178	-	-	178

15. 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 NBFC Regulations, 2008, the Fund is required to distribute atleast 90% of its net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current year as the management intends to distribute in cash atleast 90% of the Fund's accounting income for the year ending June 30, 2025 as reduced by capital gains (whether realised or unrealised) to its 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 of the Income Tax Ordinance, 2001.

16. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial statements as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.

17. FINANCIAL INSTRUMENTS BY CATEGORY

Particular	June 30, 2025						
	IMF Plan III			IMF Plan IV			
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	Total
-----Rupees in '000-----							
Financial assets							
Bank balances	-	637	637	-	5,147	5,147	5,784
Investments	-	-	-	-	-	-	-
Profit receivable	-	3,557	3,557	-	520	520	4,077
	-	4,194	4,194	-	5,667	5,667	9,861
Financial liabilities							
Payable to AL Habib Asset Management Limited - Management Company	-	-	-	-	452	452	452
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	21	21	21
Payable to Securities and Exchange Commission of Pakistan	-	-	-	-	30	30	30
Accrued expenses and other liabilities	-	16	16	-	4	4	20
	-	16	16	-	508	508	523

June 30, 2024									
IMF Plan II			IMF Plan III			IMF Plan IV			Total
At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	
-----Rupees in '000-----									

Financial assets									
Bank balances	-	3,784	3,784	-	410,210	410,210	-	1,446	1,446
Investments	-	-	-	7,506,750	-	7,506,750	417,414	-	417,414
Profit receivable	-	445	445	-	-	-	-	-	445
	-	4,229	4,229	7,506,750	410,210	7,916,960	417,414	1,446	418,860
Financial liabilities									
Payable to AL Habib Asset Management Limited - Management Company	-	3,087	3,087	-	270	270	-	194	194
Payable to Central Depository Company of Pakistan Limited - Trustee	-	46	46	-	415	415	-	18	18
Payable to Securities and Exchange Commission of Pakistan	-	34	34	-	531	531	-	23	23
Accrued expenses and other liabilities	-	95	95	-	3	3	-	-	98
	-	3,262	3,262	-	1,219	1,219	-	235	235

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES/ CONNECTED PERSONS

Related parties/ Connected persons include Al Habib Asset Management Limited being the Management Company, Bank Al Habib Limited being the Sponsor, Central Depository Company of Pakistan Limited being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

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

Related parties/connected persons include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of Al Habib Management Company.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Currency Exchange Ltd	Subsidiary of Bank AL Habib Limited
5	AL Habib Cash Fund Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
19	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
20	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Limited
21	Central Depository Company	Trustee

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

	Period from July 01, 2024 to July 03, 2024	Period from July 01, 2024 to December 05, 2024	Total	For the period from July 01, 2024 to May 08, 2024	For the period from March 29, 2024 to June 30, 2024	For the period from June 05, 2024 to June 30, 2024	Total
	IMF Plan III	IMF Plan IV		IMF Plan II	IMF Plan III	IMF Plan IV	
	----- Rupees in '000 -----			----- Rupees in '000 -----			
18.1 Transactions during the period							
AL Habib Asset Management Limited - Management Company							
Remuneration of the Management Company	-	271	271	4,825	8,334	172	13,331
Sindh Sales Tax on remuneration of the Management Company	-	35	35	627	1,083	22	1,732
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	337	200	-	537
Purchase of units of the Plan II 024 (10,000 units)	-	-	-	-	1,000	-	1,000
Reinvestment Units 422 units	-	-	-	-	50	-	50
Central Depository Company of Pakistan Limited - Trustee							
Remuneration of the Trustee	34	103	136	203	1,087	16	1,306
Sindh Sales Tax on remuneration of the Trustee	21	15	36	26	125	2	153
Bank Al Habib Limited - Sponsor							
Bank charges	-	9	9	6	3	-	9
Profit on bank deposits	468	192	659	3,786	7,703	806	12,295
Other Connected Persons							
Purchase of units of the Plan II024: Nil (2023 :3,337,530 units)	-	-	-	-	-	-	-
Purchase of units of the Plan II024: Nil (2023: 3926,355 units)	-	-	-	-	-	-	-
Directors and Key Executives							
Purchase of units of the Plan II024: Nil (2023: 17,410 units)	-	-	-	-	-	-	-
Connected Parties holding 10% or more of the units in issue							
- AHIMP-3 (Issuance : 85,114,294 units)	-	-	-	-	8,520,639	-	8,520,639
- AHIMP-4 (Issuance : 3,492,018 units)	-	-	-	-	-	349,572	349,572

		June 30, 2025			June 30, 2024			
		IMF Plan III	IMF Plan IV	Total	IMF Plan II	IMF Plan III	IMF Plan IV	Total
		----- Rupees in '000 -----			----- Rupees in '000 -----			
18.2	Balances outstanding as at year end							
	Al Habib Asset Management Limited - Management Company							
	Remuneration of the Management Company	-	452	452	2,502	63	172	2,737
	Sindh Sales Tax on remuneration of the Management Company	-	57	57	333	7	22	362
	Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	252	200	-	452
	Units held as at June 30, 2024 (10,422 units)	-	-	-	-	1,050	-	1,050
	Bank Al Habib Limited - Sponsor							
	Bank Balances	637	5,147	5,783	3,784	410,210	1,446	415,440
	Profit Receivable	3,557	520	4,077	441	2,699	806	3,946
	Connected Parties holding 10% or more of the units in issue							
	- AHIMP-3 (Issuance : 85,114,294 units)	-	-	-	-	8,520,639	-	8,520,639
	- AHIMP-4 (Issuance : 3,492,018 units)	-	-	-	-	-	349,572	349,572
	Other Connected Persons							
	Nil:Units held as at June 30, 2024 (June 30, 2023: 3,943,321 Units)	-	-	-	-	-	-	-
	Directors and Key Executives							
	Nil : Units held as at June 30, 2024 (June 30, 2023: 17,410 units)	-	-	-	-	-	-	-

19. FINANCIAL RISK MANAGEMENT

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

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

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

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 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.

19.1.1 Currency risk

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

19.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

As at the reporting date, the fund holds variable profit based investment and bank balances exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rate at period end with all other variables held constant, the net income for the period and the net assets would be higher / lower by Rs. 0.058 million (June 30,2024 : 83.31 million).

b) Sensitivity analysis for fixed rate instruments

The Fund is exposed to fair value interest rate risk for investment in government securities.

In case of 100 basis points increase in interest rates on June 30, 2025, with all other variables held constant, the net income for the period and the net assets would have been lower / higher by Rs. Nil (June 30, 2024 : Rs. Nil million).

c) Fair value interest rate risk

Particulars	Effective yield / interest rate	30 June 2025									
		AL HABIB ISLAMIC MUNAFA Plan III					AL HABIB ISLAMIC MUNAFA Plan IV				
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total	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										

On-balance sheet financial instruments
Financial assets

Bank balances	9.75% to 10.50%	637	-	-	-	637	5,147	-	-	-	5,147
Investments - net		-	-	-	-	-	-	-	-	-	-
Profit receivable		3,557	-	-	-	3,557	520	-	-	-	520
		4,194	-	-	-	4,194	5,667	-	-	-	5,667

Financial liabilities

Payable to the Management Company		-	-	-	-	-	-	-	-	452	452
Payable to the Trustee		-	-	-	-	-	-	-	-	21	21
Payable to Securities and Exchange Commission of Pakistan		-	-	-	-	-	-	-	-	30	30
Accrued expenses and other liabilities		-	-	-	16	16	-	-	-	4	4
		-	-	-	16	16	-	-	-	508	508

On-balance sheet gap (a)

		4,194	-	-	(16)	4,178	5,667	-	-	(508)	5,159

Off-balance sheet financial instruments		-	-	-	-	-	-	-	-	-	-

Off-balance sheet gap (b)		-	-	-	-	-	-	-	-	-	-

Particulars	Effective yield / interest rate	June 30, 2024														
		AL HABIB ISLAMIC MUNAFA Plan II					AL HABIB ISLAMIC MUNAFA Plan III					AL HABIB ISLAMIC MUNAFA Plan IV				
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total	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			Upto three months	More than three months and upto one year			More than one year
%	Rupees in '000															

On-balance sheet financial instruments
Financial assets

Bank balances	9.75% to 10.50%	3,784	-	-	-	3,784	410,210	-	-	-	410,210	1,446	-	-	1,446
Investments - net		-	-	-	-	-	-	7,506,750	-	-	7,506,750	-	417,414	-	417,414
Profit receivable		445	-	-	-	445	772,710	-	-	-	772,710	6,904	-	-	6,904
		4,229	-	-	-	4,229	1,182,920	7,506,750	-	-	8,689,670	8,350	417,414	-	425,764

Financial liabilities

Payable to the Management Company		-	-	-	3,087	3,087	-	-	-	270	270	-	-	-	194	194
Payable to the Trustee		-	-	-	46	46	-	-	-	415	415	-	-	-	18	18
Payable to Securities and Exchange Commission of Pakistan		-	-	-	34	34	-	-	-	531	531	-	-	-	23	23
Accrued expenses and other liabilities		-	-	-	95	95	-	-	-	3	3	-	-	-	-	-
		-	-	-	3,262	3,262	-	-	-	1,219	1,219	-	-	-	235	235

On-balance sheet gap (a)

		4,229	-	-	(3,262)	967	1,182,920	7,506,750	-	(1,219)	8,688,451	8,350	417,414	-	(235)	425,529

Off-balance sheet financial instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Off-balance sheet gap (b)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

19.1.3 Other 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 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. As at June 30, 2025, the Fund do not hold any financial instrument which exposes the Fund to other price risks.

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 balances with bank (financial institutions) and receivables from banks.

Management of credit risk

The Fund keeps deposits with reputed financial institutions.

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

Bank	IMF Plan II	IMF Plan III	IMF Plan IV	Latest available published rating as at June 30, 2025	Rating agency
----- Rupees in 000 -----					
Bank Al Habib Limited	-	637	5,147	A1+	PACRA

The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2024

Bank	IMF Plan II	IMF Plan III	IMF Plan IV	Latest available published rating as at June 30, 2024	Rating agency
----- Rupees in 000 -----					
Bank Al Habib Limited	3,784	410,210	1,446	A1+	PACRA

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

Rating by rating category

	June 30, 2025		June 30, 2024	
	IMF Plan III	IMF Plan IV	IMF Plan II	IMF Plan III
Ratings	----- (%) -----		----- (%) -----	
A1+	100%	100%	100%	100%
	100%	100%	100%	100%

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Fund's major asset balances are held with a single bank, and management believes that there is no concentration of credit risk as this bank is reputed institution.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed off.

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.

In order to manage the Fund's overall liquidity, the Fund also has the ability to 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 summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

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

Particulars	June 30, 2025					
	AL HABIB ISLAMIC MUNAFA PLAN III			AL HABIB ISLAMIC MUNAFA PLAN IV		
	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year
----- Rupees in '000 -----						
Financial liabilities						
Payable to the Management Company	-	-	-	509	-	-
Payable to the Trustee	-	-	-	24	-	-
Payable to Securities and Exchange Commission of Pakistan	-	-	-	30	-	-
Accrued expenses and other liabilities	4,194	-	-	5,104	-	-
Total Liabilities	4,194	-	-	5,668	-	-

Particulars	June 30, 2024								
	AL HABIB ISLAMIC MUNAFA PLAN II			AL HABIB ISLAMIC MUNAFA PLAN III			AL HABIB ISLAMIC MUNAFA PLAN IV		
	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year
----- Rupees in '000 -----									
Financial liabilities									
Payable to the Management Company	3,087	-	-	270	-	-	194	-	-
Payable to the Trustee	46	-	-	415	-	-	18	-	-
Payable to Securities and Exchange Commission of Pakistan	34	-	-	531	-	-	23	-	-
Accrued expenses and other liabilities	1,062	-	-	58,029	-	-	1,192	-	-
Total Liabilities	4,229	-	-	59,245	-	-	1,427	-	-

20. UNITHOLDERS' FUND RISK MANAGEMENT

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

AL HABIB ISLAMIC MUNAFA FUND

- 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.

June 30, 2025				
Fair value				
Investments at fair value through profit or loss	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Plan II				
GoP Ijarah Sukuk (GIS)	-	-	-	-
Plan III				
GoP Ijarah Sukuk (GIS)	-	-	-	-
Plan IV				
GoP Ijarah Sukuk (GIS)	-	-	-	-
	-	-	-	-

June 30, 2024				
Fair value				
Investments at fair value through profit or loss	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Plan II				
GoP Ijarah Sukuk (GIS)	-	-	-	-
Plan III				
GoP Ijarah Sukuk (GIS)	-	7,506,750	-	7,506,750
Plan IV				
GoP Ijarah Sukuk (GIS)	-	417,414	-	417,414
	-	7,924,164	-	7,924,164

21.1 Valuation techniques

21.1.1 For level 2 investments at fair value through profit or loss in units of mutual funds, Fund uses PKISRV rates which are taken from MUFAP, for the puprose of computation of Market value at the reporting date.

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

21.2 Transfers during the year

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

22. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

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

Name	Designation	Qualifications	Experience in years
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	25 years
Mr. Faran ul Haq	Head of Equity	CFA	14.5 years
Mr. Fawad Javaid	Head of Fixed Income	CMA	14.5 years
Mr. Ahmed Abbas	Fund Manager	MBA	17 years
Mr. Hamza Abdur Rehman Siddiqui	Fund Manager - Equity	Msc (Hons)	7 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS ECO, FMVA	7 years

23. PATTERN OF UNITHOLDING

June 30, 2025

Category	Number of unit holders	Number of units held	Investment amount	Percentage
----- Rupees in '000 -----				
Plan III				
Other Corporate	-	-	-	0.00%
Associated Companies and Directors	-	-	-	0.00%
Retirement Funds	-	-	-	0.00%
Others	-	-	-	0.00%
	-	-	-	0.00%
Plan IV				
Insurance Companies	-	-	-	0.00%
Other Corporate	-	-	-	0.00%
Others	-	-	-	0.00%
	-	-	-	0.00%

June 30, 2024

Category	Number of unit holders	Number of units held	Investment amount	Percentage
----- Rupees in '000 -----				
Plan II				
Individuals	-	-	-	0.00%
Associated Companies and Directors	-	-	-	0.00%
Retirement Funds	-	-	-	0.00%
Others	-	-	-	0.00%
	-	-	-	0.00%
Plan III				
Other Corporate	4	85,689	8,578,130	98.73%
Associated Companies and Directors	1	10	1,051	0.01%
Retirement Funds	1	354	35,398	0.41%
Others	15	737	73,819	0.85%
	21	86,790	8,688,397	100%
Plan IV				
Insurance Companies	2	1,117	111,782	26.27%
Other Corporate	1	1,929	193,079	45.37%
Others	6	1,205	120,668	28.36%
	9	4,251	425,529	100.00%

June 30, 2024

24. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023, January 25, 2024, April 18, 2024 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. Abbas D.Habib	4	4	-	-
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	103rd, 104th and 105th Meeting
5	Mr. Imran Azim	4	2	2	103rd and 106th Meeting
6	Mr. Kashif Rafi	4	4	-	-

25. TOTAL EXPENSE RATIO

Total expense ratio of the Fund for the year ended June 30, 2025 is 0.35% (2024: 1.72%) which includes 0.1% (2024: 0.52%) representing Government levies and SECP fee. This ratio is within the maximum limit of 2.0% prescribed under the NBFC Regulations 60(5) for a Collective Investment Scheme (CIS) categorised as a Money Market Scheme.

26. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, whenever necessary for the purpose of comparison and for better presentation.

27. GENERAL

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

28. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2025 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective

The "AL Habib Islamic Munafa Fund - Plan 2 (AHIMP Plan 2) is Allocation Plan under "AL Habib Islamic Munafa Fund (AHIMF)" with an objective to provide investors with a competitive rate of return, for fixed tenure by investing primarily in Shariah compliant Instruments for a specific duration.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHIMP2 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with GOP Ijarah Sukuks.

Performance of the fund with benchmark

The Fund outperformed its benchmark by 1061 bps as it posted YTD return of 20.70% as against the benchmark of 10.09%

Fund Description

Fund Type & Category	Open End - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	May 24, 2023	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	Average deposit rate of comparable period of the plan(s) of three (3) AA rated Shariah compliant scheduled Banks as selected by MUFAP at the time of Plan launch	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	20.70%	Minimum Investment	Initial investment of Rs. 1,000,000/-
Benchmark	10.09%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 463 million (April 30, 2024)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 117.4203 per unit (April 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	May 08, 2024
Risk Profile	Low (Principal at low risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another

AL HABIB ISLAMIC MUNAFA FUND

notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	0.32%	0.11%
GOP Ijarah Sukuk	8.86%	97.07%
Others	90.82%	2.82%

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Islamic Munafa Fund Plan 2 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 84,175 units valued of Rs. 0.008 billion were sold while 4,027,496 units valued Rs. 0.460 billion were redeemed resulting in to a net redemption of 3,943,320 units of the value of Rs. 0.451 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on April 30, 2024, please refer to note 23 of the Annual Accounts 2024.

Fund Performance at a Glance

	2024
Net Assets as at April 30 (Rs. in million)	463
NAV per unit as at April 30 (Rs.)	117.4203
Annual Return	20.70

Fund Objective

The "AL Habib Islamic Munafa Fund - Plan 3 (AHIMF Plan 3) is Allocation Plan under "AL Habib Islamic Munafa Fund (AHIMF)" with an objective to provide investors with a competitive rate of return, for fixed tenure by investing primarily in Shariah compliant Instruments for a specific duration.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHIMFP3 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with GOP Ijarah Sukuks.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 869 bps as it posted YTD return of 19.92% as against the benchmark of 11.23%.

Fund Description

Fund Type & Category	Open End - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	March 28, 2024	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	Average deposit rate of comparable period of the plan(s) of three (3) AA rated Shariah compliant scheduled Banks as selected by MUFAP at the time of Plan launch	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	19.92%	Minimum Investment	Initial investment of Rs. 1,000,000/-
Benchmark	11.23%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 8,688 Million (June 30, 2024)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 100.1082 per unit (June 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	July 03, 2024
Risk Profile	Low (Principal at low risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

AL HABIB ISLAMIC MUNAFA FUND

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	4.72%	-
GOP Ijarah Sukuk	86.39%	-
Others	8.89%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1001-5000	4
5001-10000	7
10001-50000	3
100001-500000	3
10000001-100000000	4
Grand Total	21

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Islamic Munafa Fund Plan 3 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 86,504,432 units valued of Rs. 8.731 billion were sold while 293,380 units valued Rs. 0.0305 billion were redeemed resulting in to a net sale of 86,211,052 units of the value of Rs. 8.7 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 23 of the Annual Accounts 2024.

Fund Performance at a Glance

	2024
Net Assets as at April 30 (Rs. in million)	8,688
NAV per unit as at April 30 (Rs.)	100.1082
Annual Return	19.92%

Fund Objective

The "AL Habib Islamic Munafa Fund - Plan 4 (AHIMF Plan 4) is Allocation Plan under "AL Habib Islamic Munafa Fund (AHIMF)" with an objective to provide investors with a competitive rate of return, for fixed tenure by investing primarily in Shariah compliant Instruments for a specific duration.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHIMFP4 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with GOP Ijarah Sukuks.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 1323 bps as it posted YTD return of 23.51% as against the benchmark of 10.28%

Fund Description

Fund Type & Category	Open End - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	May 30, 2024	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	Average deposit rate of comparable period of the plan(s) of three (3) AA rated Shariah compliant scheduled Banks as selected by MUFAP at the time of Plan launch	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	23.51%	Minimum Investment	Initial investment of Rs. 500,000/-
Benchmark	10.28%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 426 Million (June 30, 2024)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 100.1059 per unit (June 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	December 5, 2024
Risk Profile	Low (Principal at low risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

AL HABIB ISLAMIC MUNAFA FUND

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

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12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	0.34%	-
GOP Ijarah Sukuk	98.04%	-
Others	1.62%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
50001-100000	1
100001-500000	5
500001-1000000	2
1000001-5000000	1
Grand Total	9

Income Distribution

AHIMFP4 made a total distribution of Rs. 1.567 during FY24 in the form of dividend, the detail of which is given below:

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun-24	101.567	100	1.567

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Islamic Munafa Fund Plan 4 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 4,281,520 units valued of Rs. 0.429 billion were sold while 40,283 units valued Rs. 0.004 billion were redeemed resulting in to a net sale of 4,241,237 units of the value of Rs. 0.425 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 23 of the Annual Accounts 2024.

Fund Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in million)	426
NAV per unit as at June 30 (Rs.)	100.1059
Distribution during the year ended June 30 (Rs.)	1.567
Annual Return	23.51%

**AL HABIB GOVERNMENT
SECURITIES FUND**
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.

Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200
Karachi.

Trustee

Central Depository Company of Pakistan Limited
and CDC House, 99-B, Block 'B', S.M.C.H.S,
PACRA.
Main Shahra-e-Faisal, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.

Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton,

Rating

AM 1 to the Management Company
AAA (f) to the fund Assigned by

Bankers to the Fund

Bank AL Habib Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**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

AL HABIB GOVERNMENT SECURITIES FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Government Securities Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Abdul Samad
Chief Operating Officer
Central Depository Company of Pakistan Limited

Karachi, September 24, 2025





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2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE UNIT HOLDERS' OF AL HABIB GOVERNMENT SECURITIES FUND

Opinion

We have audited the financial statements of AL Habib Government Securities Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2025, 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 give a true and fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current 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.	Existence and valuation of investments As disclosed in note 6 to the accompanying financial statements, the investment held by the Fund comprised of debt instruments amounting to Rs. 7,810.18 million representing 67.44% of the net assets value (NAV) of the Fund. As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund.	Our audit procedures included the following: - We obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2025 and traced it with books and records of the Fund; - We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement and re-performance of valuations as per valuation methodology specified in accounting policies; and



S. No	Key Audit Matter	How the matter was addressed in our audit
	In view of the significance of the above-mentioned balances in relation to the Fund's total assets and NAV, we considered the existence and valuation of investments as a key audit matter.	We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

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 the Management and Board of Directors 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 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.

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.

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, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking 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: 29 SEP 2025

UDIN: AR2025101664Xj3I5SE9

BDO Ebrahim & Co.
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

		2025	2024
	Note	----- (Rupees in '000) -----	-----
Assets			
Balances with banks	5	3,994,113	2,332,270
Investments	6	7,810,180	14,474,196
Profit receivable	7	358,961	275,991
Advances	8	3	-
Receivable against issuance of units		18,286	2,993,469
Total assets		12,181,543	20,075,926
Liabilities			
Payable to AL Habib Asset Management Limited - Management Company	9	53,946	45,636
Payable to Central Depository Company of Pakistan Limited - Trustee	10	1,017	918
Payable to Securities and Exchange Commission of Pakistan	11	1,205	1,107
Payable against redemption of units		3,157	1,420
Accrued expenses and other liabilities	12	542,067	134,489
Total liabilities		601,392	183,570
Net assets		11,580,151	19,892,356
Unit holders' fund (as per statement attached)		11,580,151	19,892,356
Contingencies and Commitments	13		
		(Number of Units)	
Number of units in issue		115,255,142	198,022,162
		(Rupees)	
Net assets value per unit		100.47	100.46

The annexed notes 1 to 31 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	For the Period from July 13, 2023 to June 30, 2024
		----- (Rupees in '000) -----	
Income			
Profit on bank deposits	15	71,811	123,043
Profit from government securities		2,299,381	417,167
Profit from debt securities		1,733,753	2,139,270
Profit on term deposit receipts		-	5,121
Realised (loss) on sale of investments - net		315,355	(20,746)
Unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss' - net		16,450	(21,665)
		331,805	(42,411)
Total income		4,436,750	2,642,190
Expenses			
Remuneration of AL Habib Asset Management Limited - Management Company		373,506	146,865
Sindh Sales Tax on Management Company's remuneration		55,895	19,093
Expenses allocated by the Management Company		12,637	14,098
Remuneration of Central Depository Company of Pakistan Limited - Trustee		15,434	6,671
Sindh Sales tax on remuneration of Trustee		2,314	867
Fees to the Securities and Exchange Commission of Pakistan		21,046	9,098
Brokerage expense		2,198	4,086
Settlement and bank charges		63	74
Auditors' remuneration	16	327	285
Printing charges		57	64
Total expenses		483,477	201,201
Net income for the year before taxation		3,953,273	2,440,989
Taxation	17	-	-
Net income for the year after taxation		3,953,273	2,440,989
Allocation of net income for the year after taxation			
Net income for the year after taxation		3,953,273	2,440,989
Income already paid on units redeemed		(3,659,912)	(2,109,660)
		293,361	331,329
Accounting income available for distribution:			
-Relating to capital gains		293,361	(42,411)
-Excluding capital gains		-	373,740
		293,361	331,329

The annexed notes 1 to 31 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025	For the Period from July 13, 2023 to June 30, 2024
	----- (Rupees in '000) -----	
Net income for the period after taxation	3,953,273	2,440,989
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>3,953,273</u>	<u>2,440,989</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	2025			For the Period from July 13, 2023 to June 30, 2024		
	Capital value	Undistributed income	Net Assets	Capital value	Undistributed income	Net Assets
	(Rupees in '000)			(Rupees in '000)		
Net assets at beginning of the year	19,802,235	90,121	19,892,356	-	-	-
Issuance of 512,540,293 units (2024: 1,500,945,518 units)						
- Capital value	51,489,798	-	51,489,798	150,094,552	-	150,094,552
- Element of income	4,138,840	-	4,138,840	2,930,367	-	2,930,367
Amount received on issuance of units	55,628,638	-	55,628,638	153,024,919	-	153,024,919
Redemption of 595,307,313 units (2024: 1,302,923,356 units)						
- Capital value	(59,804,573)	-	(59,804,573)	(130,292,336)	-	(130,292,336)
- Element of loss	(3,499,505)	(3,659,912)	(7,159,417)	(391,072)	(2,109,660)	(2,500,732)
Amount paid / payable on redemption of units	(63,304,078)	(3,659,912)	(66,963,990)	(130,683,408)	(2,109,660)	(132,793,068)
Total comprehensive income for the period	-	3,953,273	3,953,273	-	2,440,989	2,440,989
Distribution during the year	(772,257)	(157,869)	(930,126)	(2,539,276)	(241,208)	(2,780,484)
Net income for the period less distribution	(772,257)	3,795,404	3,023,147	(2,539,276)	2,199,781	(339,495)
Net assets at the end of the period	11,354,538	225,613	11,580,151	19,802,235	90,121	19,892,356
Undistributed income brought forward						
- Realised gain		111,786			-	
- Unrealised loss		(21,665)			-	
		90,121			-	
Accounting income available for distribution						
- Relating to capital gains		293,361			(42,411)	
- Excluding capital gains		-			373,740	
		293,361			331,329	
Distribution during the year @ Rs. 15.6691 per unit declared on June 21, 2025 (2024: Rs. 9.0659 per unit)		(157,869)			(241,208)	
Undistributed income carried forward		225,613			90,121	
Undistributed income carried forward comprising of:						
- Realised income		209,163			111,786	
- Unrealised income/ (loss)		16,450			(21,665)	
		225,613			90,121	
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the year	100.46			-		
Net assets value per unit at end of the year	100.47			100.46		

The annexed notes 1 to 31 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	3,953,273	2,440,989
Adjustments for:		
Unrealised diminution/(appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(16,450)	42,411
	3,936,823	2,483,400
Decrease / (increase) in assets		
Investments	6,680,466	(14,516,607)
Profit receivable	(82,970)	(2,993,469)
Advances, deposits and other receivables	(3)	-
Receivable against sale of units	2,975,183	(275,991)
	9,572,676	(17,786,067)
Increase in liabilities		
Payable to AL Habib Asset Management Limited - Management Company	8,310	45,636
Payable to Central Depository Company of Pakistan Limited - Trustee	99	918
Payable to Securities and Exchange Commission of Pakistan	98	1,107
Payable against redemption of units	1,737	1,420
Accrued expenses and other liabilities	407,578	134,489
	417,822	183,570
Net cash generated from / (used in) operating activities	13,927,321	(15,119,097)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance of units	55,628,638	153,024,919
Payment made against redemption of units	(66,963,990)	(132,793,068)
Dividend paid	(930,126)	(2,780,484)
Net cash (used in) / generated from financing activities	(12,265,478)	17,451,367
Net increase in cash and cash equivalents during the year	1,661,843	2,332,270
Cash and cash equivalents at beginning of the year	2,332,270	-
Cash and cash equivalents at end of the year	5 3,994,113	2,332,270

The annexed notes 1 to 31 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025****1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** AL Habib Government Securities Fund ("the Fund") was established under a Trust Deed executed between AL Habib Asset Management Limited (AHAML) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 27 October, 2022 under Regulation 67 of the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund is registered under the 'Sindh Trust Act, 2020', as amended vide Sindh Trusts (Amendments) Act 2021 and was launched on July 13, 2023.
- 1.2** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the Management Company is situated at 3rd Floor, MacKinnon's Building, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3** The Fund is an open-end mutual fund. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.
- 1.4** The Fund has been formed to provide reasonable rate of return consistent with reasonable concern for safety of principal amount to the unit holders, along with facility to join or leave the Fund at their convenience. The management team would seek to enhance returns through active portfolio management using efficiency tools. The Fund has been categorized as Open- End Income Scheme as per criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Scheme (CIS).
- 1.5** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as a Trustee of the Fund.
- 1.6** The management company has been assigned a rating of "AM1" by Pakistan Credit Rating Agency (PACRA) dated December 12, 2024.

2 BASIS OF PREPARATION**2.1 Statement of compliance**

- 2.1.1** These financial statements are prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the functional and presentation currency.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except that investments are required to be stated at fair value.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, 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 the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 the revision and future year if the revision affects both current and future year.

Estimates and judgements that have significant effect on the financial statements relate to classification and valuation and impairment of financial assets are as follows:

Classification and valuation of investment

For details please refer notes 4.2.1.1 and 6.3 to these financial statements.

Impairment of investment

For details please refer note 4.2.1.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025**

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
AAmendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the 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' - Supplier finance arrangements	January 01, 2024
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 IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

4 MATERIAL ACCOUNTING 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.

4.1 Cash and cash equivalents

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

4.2 Financial instruments

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

4.2.1 Financial assets

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

4.2.2 Initial recognition and measurement

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

4.2.2.1 Classification

Debt Instruments

Amortized cost

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

- the asset is held within a business model whose objective is 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.

Fair value through profit or loss

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. A financial asset at FVTPL is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost

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

Debt investments at FVOCI

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

Debt investments at FVTPL

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

4.2.2.2 Impairment (other than debt securities)

The Fund assess on a forward-looking basis the expected credit losses (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:

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

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

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

4.2.2.3 Impairment loss on debt securities

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

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

4.2.2.4 Regular way contracts

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

4.2.2.5 Derecognition

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

4.2.3 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the income statement.

Offsetting of financial assets and liabilities

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

4.3 Provisions

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

4.4 Taxation

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

The Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent (90%) of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year. Accordingly, no tax liability or deferred tax has been recognised in these financial statements.

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

4.5 Proposed distributions

Distribution to the unit holders are recognized 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.

AL HABIB GOVERNMENT SECURITIES FUND

Distributions declared subsequent to the year end reporting date are subject to the approval of the Board of Directors of the Management Company and considered as non-adjusting events and are recognised before the reporting date.

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the Net Asset Value (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.

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 NAV as on the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.7 Element of income / (loss)

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 year. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net assets 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

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized using the effective interest method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.

4.10 Expenses

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

5	BALANCES WITH BANKS	Note	2025	2024
			----- Rupees in '000 -----	
	In savings accounts	5.1 & 5.2	<u>3,994,113</u>	<u>2,332,270</u>

5.1 These carries profit rates ranging from 9.25% to 11.05% (2024: 20.50% to 21.50%) per annum.

5.2 It includes balance of Rs. 183.33 million (2024: 2,327 million) with Bank AL Habib Limited (a related party).

6 INVESTMENTS

Financial assets at 'fair value through profit or loss'

Government securities:

Market Treasury Bills	6.2	4,744,336	6,049,712
Pakistan Investment Bonds	6.3	<u>3,065,844</u>	<u>8,424,484</u>
		<u>7,810,180</u>	<u>14,474,196</u>

AL HABIB GOVERNMENT SECURITIES FUND

6.1 GOP Ijara Sukuk Certificates

Particulars	As at June 30, 2025								
	As at July 01, 2024	Purchases during the period	Sold / Matured during the period	As at June 30, 2025	Carrying value	Market value	Unrealized appreciation / (diminution)	Market value as percentage of net assets	Market value as a percentage of total investment
	----- (Number of certificate) -----				----- (Rupees in '000) -----				
Quoted									
GOP IJARA SUKUK - VRR (26-10-2022)	-	25,000	25,000	-	-	-	-	-	-
GOP IJARA SUKUK (29-05-2020)	-	500,000	500,000	-	-	-	-	-	-
GOP IJARA SUKUK 3 YEAR VRR (04-12-2023)	-	6,135	6,135	-	-	-	-	-	-
Total as at June 30, 2025					-	-	-		
Total as at June 30, 2024					-	-	-		

6.2 Government securities - Market Treasury Bills

Particulars	As at June 30, 2025								
	As at July 01, 2024	Purchases during the period	Sold during the period	As at June 30, 2025	Carrying value	Market value	Unrealized appreciation / (diminution)	Market value as percentage of net assets	Market value as a percentage of total investment
	----- (Number of Units) -----				----- (Rupees in '000) -----				
T- BILL 12 MONTHS (09-01-2025)	-	22,857,200	11,737,100	11,120,100	1,051,805	1,052,031	226.00	9.08%	13.47%
T- BILL 12 MONTHS (23-01-2025)	-	10,120,000	-	10,120,000	954,104	953,614	(490.00)	8.23%	12.21%
T- BILL 12 MONTHS (06-02-2025)	-	12,053,350	5,000,000	7,053,350	661,180	661,823	643.00	5.72%	8.47%
T- BILL 03 MONTHS (15-05-2025)	-	5,000,000	-	5,000,000	494,461	494,397	(64.00)	4.27%	6.33%
T- BILL 03 MONTHS (26-06-2025)	-	4,000,000	-	4,000,000	390,751	390,669	(82.00)	3.37%	5.00%
T- BILL 03 MONTHS (29-05-2025)	-	8,500,000	5,000,000	3,500,000	344,717	344,646	(71.00)	2.98%	4.41%
T- BILL 03 MONTHS (12-06-2025)	-	5,000,000	2,500,000	2,500,000	245,246	245,168	(78.00)	2.12%	3.14%
T- BILL 12 MONTHS (15-05-2025)	-	10,130,250	7,750,000	2,380,250	217,354	217,457	103.00	1.88%	2.78%
T- BILL 12 MONTHS (06-03-2025)	-	29,090,000	27,000,000	2,090,000	194,228	194,619	391.00	1.68%	2.49%
T- BILL 06 MONTHS (26-06-2025)	-	2,000,000	-	2,000,000	189,922	189,912	(10.00)	1.64%	2.43%
T- BILL 12 MONTHS (02-11-2023)	-	53,620,000	53,620,000	-	-	-	-	-	-
T- BILL 12 MONTHS (14-12-2023)	-	27,950,000	27,950,000	-	-	-	-	-	-
T- BILL 12 MONTHS (16-05-2024)	15,000,000	59,400,000	74,400,000	-	-	-	-	-	-
T- BILL 03 MONTHS (12-12-2024)	-	42,240,000	42,240,000	-	-	-	-	-	-
T- BILL 03 MONTHS (06-03-2025)	-	15,610,000	15,610,000	-	-	-	-	-	-
T- BILL 06 MONTHS (11-07-2024)	-	22,650,000	22,650,000	-	-	-	-	-	-
T- BILL 12 MONTHS (13-06-2024)	5,000,000	18,460,000	23,460,000	-	-	-	-	-	-
T- BILL 06 MONTHS (16-05-2024)	-	7,274,200	7,274,200	-	-	-	-	-	-
T- BILL 03 MONTHS (17-10-2024)	-	9,000,000	9,000,000	-	-	-	-	-	-
T- BILL 12 MONTHS (30-11-2023)	1,550,000	23,892,850	25,442,850	-	-	-	-	-	-
T- BILL 01 MONTHS (02-05-2025)	-	4,580,000	4,580,000	-	-	-	-	-	-
T- BILL 12 MONTHS (19-10-2023)	-	183,650,000	183,650,000	-	-	-	-	-	-
T- BILL 12 MONTHS (16-11-2023)	-	4,150,000	4,150,000	-	-	-	-	-	-
T- BILL 06 MONTHS (13-06-2024)	-	3,300,000	3,300,000	-	-	-	-	-	-
T- BILL 06 MONTHS (05-09-2024)	-	20,000,000	20,000,000	-	-	-	-	-	-
T- BILL 03 MONTHS (05-09-2024)	-	1,500,000	1,500,000	-	-	-	-	-	-
T- BILL 03 MONTHS (22-08-2024)	-	1,000,000	1,000,000	-	-	-	-	-	-
T- BILL 03 MONTHS (23-01-2025)	-	6,000,000	6,000,000	-	-	-	-	-	-
T- BILL 12 MONTHS (28-12-2023)	-	24,000,000	24,000,000	-	-	-	-	-	-
T- BILL 03 MONTHS (13-06-2024)	5,000,000	-	5,000,000	-	-	-	-	-	-
T- BILL 03 MONTHS (18-04-2024)	2,000,000	-	2,000,000	-	-	-	-	-	-
T- BILL 12 MONTHS (02-05-2024)	10,000,000	-	10,000,000	-	-	-	-	-	-
T- BILL 12 MONTHS (11-01-2024)	12,000,000	500,000	12,500,000	-	-	-	-	-	-
T- BILL 12 MONTHS (13-07-2023)	7,200,000	-	7,200,000	-	-	-	-	-	-
T- BILL 12 MONTHS (30-05-2024)	10,000,000	4,524,550	14,524,550	-	-	-	-	-	-
T- BILL 01 MONTHS (12-06-2025)	-	5,000,000	5,000,000	-	-	-	-	-	-
T- BILL 01 MONTHS (15-05-2025)	-	13,170,000	13,170,000	-	-	-	-	-	-
T- BILL 01 MONTHS (29-05-2025)	-	5,000,000	5,000,000	-	-	-	-	-	-
T- BILL 12 MONTHS (02-05-2025)	-	47,240,000	47,240,000	-	-	-	-	-	-
T- BILL 12 MONTHS (12-06-2025)	-	5,000,000	5,000,000	-	-	-	-	-	-
T- BILL 12 MONTHS (26-06-2025)	-	4,000,000	4,000,000	-	-	-	-	-	-
T- BILL 12 MONTHS (29-05-2025)	-	97,500,000	97,500,000	-	-	-	-	-	-
T- BILL 01 MONTHS (17-04-2025)	-	3,750,000	3,750,000	-	-	-	-	-	-
T- BILL 03 MONTHS (06-02-2025)	-	21,040,000	21,040,000	-	-	-	-	-	-
T- BILL 03 MONTHS (14-11-2024)	-	20,250,000	20,250,000	-	-	-	-	-	-
T- BILL 03 MONTHS (17-04-2025)	-	7,000,000	7,000,000	-	-	-	-	-	-
T- BILL 03 MONTHS (20-02-2025)	-	2,500,000	2,500,000	-	-	-	-	-	-
T- BILL 03 MONTHS (26-12-2024)	-	19,240,000	19,240,000	-	-	-	-	-	-
T- BILL 03 MONTHS (28-11-2024)	-	22,940,000	22,940,000	-	-	-	-	-	-
T- BILL 03 MONTHS (31-10-2024)	-	5,000,000	5,000,000	-	-	-	-	-	-
T- BILL 06 MONTHS (03-10-2024)	-	5,000,000	5,000,000	-	-	-	-	-	-
T- BILL 06 MONTHS (04-04-2024)	-	4,000,000	4,000,000	-	-	-	-	-	-
T- BILL 06 MONTHS (06-02-2025)	-	5,000,000	5,000,000	-	-	-	-	-	-
T- BILL 06 MONTHS (08-08-2024)	-	3,530,000	3,530,000	-	-	-	-	-	-
T- BILL 06 MONTHS (09-01-2025)	-	5,000,000	5,000,000	-	-	-	-	-	-
T- BILL 06 MONTHS (12-12-2024)	-	6,050,000	6,050,000	-	-	-	-	-	-

AL HABIB GOVERNMENT SECURITIES FUND

Particulars	As at June 30, 2025								
	As at July 01, 2024	Purchases during the period	Sold during the period	As at June 30, 2025	Carrying value	Market value	Unrealized appreciation / (diminution)	Market value as percentage of net assets	Market value as a percentage of total investment
	(Number of Units)				(Rupees in '000)				
T-BILL 06 MONTHS (14-11-2024)	-	5,000,000	5,000,000	-	-	-	-	-	-
T-BILL 06 MONTHS (17-10-2024)	-	51,800,000	51,800,000	-	-	-	-	-	-
T-BILL 06 MONTHS (22-08-2024)	-	9,660,000	9,660,000	-	-	-	-	-	-
T-BILL 06 MONTHS (23-01-2025)	-	5,000,000	5,000,000	-	-	-	-	-	-
T-BILL 06 MONTHS (31-10-2024)	-	6,750,000	6,750,000	-	-	-	-	-	-
T-BILL 12 MONTHS (03-04-2025)	-	25,221,000	25,221,000	-	-	-	-	-	-
T-BILL 12 MONTHS (03-10-2024)	-	127,600,000	127,600,000	-	-	-	-	-	-
T-BILL 12 MONTHS (05-09-2024)	-	27,250,000	27,250,000	-	-	-	-	-	-
T-BILL 12 MONTHS (08-08-2024)	-	28,500,000	28,500,000	-	-	-	-	-	-
T-BILL 12 MONTHS (11-07-2024)	-	2,500,000	2,500,000	-	-	-	-	-	-
T-BILL 12 MONTHS (12-12-2024)	-	70,959,200	70,959,200	-	-	-	-	-	-
T-BILL 12 MONTHS (14-11-2024)	-	15,584,450	15,584,450	-	-	-	-	-	-
T-BILL 12 MONTHS (17-04-2025)	-	12,275,300	12,275,300	-	-	-	-	-	-
T-BILL 12 MONTHS (17-10-2024)	-	78,538,200	78,538,200	-	-	-	-	-	-
T-BILL 12 MONTHS (18-04-2024)	-	73,000,000	73,000,000	-	-	-	-	-	-
T-BILL 12 MONTHS (21-03-2024)	-	16,500,000	16,500,000	-	-	-	-	-	-
T-BILL 12 MONTHS (22-08-2024)	-	25,030,000	25,030,000	-	-	-	-	-	-
T-BILL 12 MONTHS (25-07-2024)	-	49,190,000	49,190,000	-	-	-	-	-	-
T-BILL 12 MONTHS (26-12-2024)	-	59,485,100	59,485,100	-	-	-	-	-	-
T-BILL 12 MONTHS (28-11-2024)	-	9,425,700	9,425,700	-	-	-	-	-	-
T-BILL 12 MONTHS (31-10-2024)	-	81,789,400	81,789,400	-	-	-	-	-	-
Total as at June 30, 2025					4,743,768	4,744,336	568		
Total as at June 30, 2024					6,040,634	6,049,712	9,078		

6.3 Government Securities - Pakistan Investment Bonds

Particulars	As at June 30, 2025								
	As at July 01, 2024	Purchases during the period	Sold / Matured during the period	As at June 30, 2025	Carrying value	Market value	Unrealized appreciation / (diminution)	Market value as percentage of net assets	Market value as a percentage of total investment
	(Number of certificates)				(Rupees in '000)				
PIB 5 YEARS (15-10-2020)	-	3,576,000	-	3,576,000	354,359	353,892	(467)	3.06%	4.53%
PIB 03 YEARS (21-09-2023) - FLOATER	12,630	-	-	12,630	1,248,082	1,258,580	10,498	10.87%	16.11%
PIB 3 YEARS (09-02-2023) - FLOATER	-	12,000	-	12,000	1,195,576	1,197,840	2,264	10.34%	15.34%
PIB 05 YEARS (17-01-2024) - FIXED	-	3,000	2,000	1,000	104,498	107,785	3,287	0.93%	1.38%
PIB 3 YEARS (08-09-2022) - FLOATER	22,700	25,000	46,800	900	90,028	89,973	(55)	0.78%	1.15%
PIB 03 YEARS (19-10-2023) - FLOATER	80	500	-	580	57,419	57,774	355	0.50%	0.74%
PIB 05 YEARS (17-11-2022) - FLOATER	2,860	30,000	32,860	-	-	-	-	-	-
PIB 05 YEARS (18-04-2024) - FLOATER - SA	8,000	-	8,000	-	-	-	-	-	-
PIB 2 YEARS (06-04-2023) - FLOATER	29,221	29,221	58,442	-	-	-	-	-	-
PIB 3 YEARS (07-04-2022) - FLOATER	10,000	10,000	20,000	-	-	-	-	-	-
PIB 02 YEARS (20-09-2024) - ZERO COUPON	-	2,500	2,500	-	-	-	-	-	-
PIB 03 YEARS (16-01-2025) - FIXED	-	2,500	2,500	-	-	-	-	-	-
PIB 03 YEARS (20-09-2024) - FIXED	-	8,000	8,000	-	-	-	-	-	-
PIB 05 YEARS (16-01-2025) - FIXED	-	5,000	5,000	-	-	-	-	-	-
PIB 05 YEARS (20-09-2024) - FIXED	-	6,500	6,500	-	-	-	-	-	-
PIB 10 YEARS (20-09-2024) - FIXED	-	3,750	3,750	-	-	-	-	-	-
PIB 3 YEARS (07-10-2021) - FLOATER	-	72,920	72,920	-	-	-	-	-	-
PIB 5 YEARS (06-05-2021) - FLOATER	-	10,000	10,000	-	-	-	-	-	-
Total as at June 30, 2025					3,049,962	3,065,844	15,882		
Total as at June 30, 2024					8,455,266	8,424,484	(30,782)		

7 PROFIT RECEIVABLE	Note	2025	2024
		----- Rupees in '000 -----	
Bank deposits	7.1	24,292	7,394
Receivable on debt securities		334,669	268,598
		<u>358,961</u>	<u>275,991</u>

7.1 This includes balance of Rs. 2.262 million (2024: 6.542 million) receivable from Bank AL Habib Limited (a related party).

AL HABIB GOVERNMENT SECURITIES FUND

8	ADVANCES	Note	2025 ----- Rupees in '000 -----	2024
	Advance tax		3	-
			<u>3</u>	<u>-</u>
9	PAYABLE TO THE AL HABIB ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY			
	Remuneration payable	9.1	26,496	30,680
	Sindh Sales Tax payable on remuneration of the Management Company	9.2	3,844	3,988
	Allocated expenses payable	9.3	23,606	10,968
			<u>53,946</u>	<u>45,636</u>
9.1	As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) I 2019 dated 20 June 2019, the Management Company has set and disclosed in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund. The Management Company has charged its remuneration at rate ranging from 0% to 10% of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.			
9.2	Sindh Sales Tax has been charged at 15% (2024: 13%) on the management company's remuneration charged during the year.			
9.3	As per Regulation 60(3)(s) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to a Collective Investment Scheme (CIS).			
10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2025 ----- Rupees in '000 -----	2024
	Trustee fee payable	10.1	885	812
	Sindh Sales Tax on remuneration of the Trustee	10.2	132	106
			<u>1,017</u>	<u>918</u>
10.1	The Trustee is entitled to a remuneration for services rendered to The Fund under the provisions of the Trust Deed based on the daily Net Asset Value of the Fund. The remuneration of the Trustee is fixed at 0.055% per annum of net assets.			
10.2	The Sindh Sales Tax has been charged at 15% (2024: 13%) on the Trustee's remuneration charged during the year.			
11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
	Annual fee payable	11.1	<u>1,205</u>	<u>1,107</u>
11.1	This represents annual fee payable to Securities and Exchange Commission of Pakistan in accordance with regulation 62 of the NBFC Regulations. The fee of the SECP Charged during the year at 0.075% (2024: 0.075%) of net assets.			
12	ACCRUED EXPENSES AND OTHER LIABILITIES			
	Auditors' remuneration payable		230	285
	Withholding tax payable		98,853	19,439
	Capital gain tax payable		436,389	111,990
	Brokerage payable		4,764	2,568
	Dividend payable		75	122
	Printing charges payable		106	49
	Formation cost payable		30	30
	Settlement charges payable		68	6
	Other payables		1,552	-
			<u>542,067</u>	<u>134,489</u>
13	CONTINGENCIES AND COMMITMENTS			
	There are no contingencies and commitments as at June 30, 2025 (2024: Nil).			

AL HABIB GOVERNMENT SECURITIES FUND

14	NUMBER OF UNITS IN ISSUE	Note	2025 ----- Rupees in '000 -----	2024
	Total units in issue at the beginning of the year		198,022,162	-
	Add: Units issued		512,540,293	1,500,945,518
	Less: Units redeemed		(595,307,313)	(1,302,923,356)
	Total units in issue at the end of the year		<u>115,255,142</u>	<u>198,022,162</u>

15 PROFIT ON BANK DEPOSITS

Savings accounts	15.1	<u>71,811</u>	<u>123,043</u>

15.1 This includes profit of Rs. 43.768 million (2024: 106.479) with Bank AL Habib Limited, a related party.

16 AUDITORS' REMUNERATION

Annual audit fee		194	162
Fee for half yearly review		97	97
Other certifications and out of pocket expenses		36	26
		<u>327</u>	<u>285</u>

17 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current year as the management intends to distribute in cash atleast 90 percent of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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

18 Earnings per unit (EPU)

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.

	2025		
	Fair value through profit or loss	Amortized Cost	Total
	----- Rupees in '000 -----		
Financial assets			
Bank balances	-	3,994,113	3,994,113
Investments			
Pakistan Investment Bonds	3,065,844	-	3,065,844
Market Treasury Bills	4,744,336	-	4,744,336
Profit receivable	-	358,961	358,961
Advances	-	3	3
	<u>7,810,180</u>	<u>4,353,077</u>	<u>12,163,257</u>
Financial Liabilities			
Payable to AL Habib Asset Management Company Limited	-	53,946	53,946
Payable to the Central Depository Company	-	1,017	1,017
Payable to Securities and Exchange Commission of Pakistan	-	1,205	1,205
Accured expenses and other liabilities	-	542,067	542,067
	<u>-</u>	<u>598,235</u>	<u>598,235</u>

AL HABIB GOVERNMENT SECURITIES FUND

	2024		
	Fair value through profit or loss	Amortized Cost	Total
	Rupees in '000		
Financial assets			
Bank balances	2,332,270	-	2,332,270
Investments			
Pakistan Investment Bonds	6,049,712	-	6,049,712
Market Treasury Bills	8,424,484	-	8,424,484
	<u>16,806,466</u>	<u>-</u>	<u>16,806,466</u>
Financial Liabilities			
Payable to AL Habib Asset Management Company Limited	-	45,636	45,636
Payable to the Central Depository Company	-	918	918
Payable to Securities and Exchange Commission of Pakistan	-	1,107	1,107
Accrued expenses and other liabilities	-	3,060	3,060
	<u>-</u>	<u>50,721</u>	<u>50,721</u>

20 TRANSACTIONS AND BALANCES WITH RELATED/ CONNECTED PERSONS

Related party/ Connected persons include AL Habib 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 person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of Fund and the directors and officers of the Management Company and the Trustee and unit holders holding Ten percent or more units of the Fund.

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

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

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

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of AL Habib Management Company.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Currency Exchange Ltd	Subsidiary of Bank AL Habib Limited
5	AL Habib Cash Fund Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
19	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
20	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Limited
21	Central Depository Company	Trustee

Connected persons include directors and officers of the above entities as at June 30,2025 and staff retirement benefit funds of the above companies.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with regulatory requirements and as agreed between the parties.

AL HABIB GOVERNMENT SECURITIES FUND

Details of transactions with connected persons are as follows:

	2025		2024	
	(Rupees in '000)		(Rupees in '000)	
AL Habib Asset Management Limited - Management Company				
- Management Remuneration		373,506		146,865
- Sindh Sales Tax on Management Company's Remuneration		55,895		19,093
- Reimbursement to CIS payable to Management Company		12,637		14,098
Central Depository Company of Pakistan Limited - Trustee				
- Trustee Remuneration		15,434		6,671
- Sindh Sales Tax on Trustee Remuneration		2,314		867
AL Habib Asset Management Limited - Management Company				
- Payable to the Management Company (inclusive of Sindh Sales Tax)		53,946		45,636
Central Depository Company of Pakistan Limited - Trustee				
- Remuneration payable (inclusive of Sindh Sales Tax)		1,017		918
- Other CDC charges payable		68		6
Bank AL Habib Limited - Parent Company of AL Habib Asset Management Limited				
- Bank balances		183,330		2,326,884
- Profit receivable		2,262		6,542
Sale / redemption of units	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units sold to:				
Management Company				
- AL Habib Asset Management Limited	24,133,086	2,544,154	1,027,436	102,783
Other related parties				
- Key Executives of the Management Company	-	-	61	6
- Directors and their relatives of the Management Company	28,287,217	3,134,319	326,127,455	33,286,928
Unit sold to Connected Persons holding 10% or more of the unit in issue	11,353,475	1,178,228	8,731,069	887,944
Units redeemed by:				
Management Company				
- AL Habib Asset Management Limited	244,146,988	2,635,955	287,870,099	29,339,240
Other related parties				
- Key Executives of the Management Company	-	-	11	1,123
- Directors and their relatives of the Management Company	72,934,271	8,210,923	287,870,099	29,339,240
Unit redeemed to Connected Persons holding 10% or more of the unit in issue	15,412,029	1,782,022	23,703,175	2,415,787
Units held by:				
Management Company				
- AL Habib Asset Management Limited	-	-	13,902	1,397
Associated Companies				
AL Habib Exchange Company Private Limited - Subsidiary of Bank AL Habib Limited	43,038	4,324	-	-
Other related parties				
- Key Executives of the Management Company	-	-	452	45
- Directors & Their Relatives of the Management Company	264,247	26,549	34,233,823	3,438,966
Units held by Connected Persons holding 10% or more of the units in issue:	17,314,070	1,739,545	21,392,703	2,149,008

21 FINANCIAL RISK MANAGEMENT

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

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

The Fund primarily invests in a portfolio of investments such as Government securities, spread transactions and in other money market instruments. These activities expose the Fund to a variety of financial risks, such as market risk, credit risk and liquidity risk.

21.1 Market risk

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

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

Market risk comprises of three types of risk; currency risk, interest rate risk and price risk. The fund is exposed to market rate risk .

21.1.1 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) Sensitivity analysis of variable rate instruments

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 9.25 to 11.05% per annum, and against investments in Pakistan Investment Bonds, the interest rate on which range between 7.50% to 22.9%.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 70.600 million.

b) Sensitivity analysis of fixed rate instruments

The Fund's investment in Pakistan Investment Bonds (PIBs) exposes it to fair value interest rate risk.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 47.443 million.

The composition of the Fund's investment portfolio and interest rates are expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

-----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	9.25 - 11.05%	3,994,113	-	-	3,994,113	
Pakistan Investment Bonds	7.50% - 22.90%	89,973	1,551,732	1,424,139	3,065,844	
Market Treasury Bills	10.85% - 20.40%	1,197,940	3,546,396	-	4,744,336	
Profit receivable	-	-	-	358,961	358,961	
		5,282,026	5,098,128	1,424,139	358,961	12,163,254
Financial liabilities						
Payable to the AL Habib Asset Management Company		-	-	-	53,946	53,946
Payable to the Central Depository Company		-	-	-	1,017	1,017
Accrued expenses and other liabilities		-	-	-	542,067	542,067
		-	-	-	597,030	597,030
On-balance sheet gap (a)		5,282,026	5,098,128	1,424,139	(238,069)	11,566,224
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		5,282,026	5,098,128	1,424,139	(238,069)	11,566,224
Cumulative interest rate sensitivity gap		5,282,026	5,098,128	1,424,139		

AL HABIB GOVERNMENT SECURITIES FUND

----- 2024 -----					
Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
%	----- Rupees in '000 -----				
Financial assets					
Bank balances	20.5.5 - 21.5%	2,332,270	-	-	2,332,270
Pakistan Investment Bonds	19.27% - 23.39%	-	-	8,424,484	8,424,484
Market Treasury Bills	10.78% - 22.84%	-	-	6,049,712	6,049,712
Profit receivable	-	-	-	275,991	275,991
		2,332,270	-	14,750,187	17,082,457
Financial liabilities					
Payable to the AL Habib Asset Management Company		-	-	-	10,968
Payable to the Central Depository Company		-	-	-	918
Accrued expenses and other liabilities		-	-	-	134,489
		-	-	-	146,375
On-balance sheet gap (a)		2,332,270	-	14,750,187	(146,375)
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a) + (b)		2,332,270	-	14,750,187	(146,375)
Cumulative interest rate sensitivity gap		2,332,270	-	14,750,187	

21.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. Credit risk arises from investment in debt securities, deposits with banks and financial institutions, profit receivable on bank deposits and receivable against sale of units.

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

	----- 2025 -----		----- 2024 -----	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Bank balances	3,994,113	3,994,113	2,332,270	2,332,270
Investments	7,810,180	-	14,474,196	-
Profit receivable	358,961	358,961	275,991	275,991
Receivable against sale of units	18,286	18,286	2,993,469	2,993,469
	12,181,540	4,371,360	20,075,926	5,601,730

The difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investment in Government Securities of Rs. 7,810.18 million (2024: 14,474.19 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired either at June 30, 2025 and June 30, 2024.

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

	Balances held as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
Balances with banks by rating category	Rupees in '000		
Allied Bank Limited	439,197	AAA	PACRA
Bank Al Falah Limited	2,896	AAA	PACRA
Al Habib Bank Limited	183,330	AAA	PACRA
United Bank Limited	3,368,690	AAA	VIS
Total	3,994,113		

	Balances held as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency
Balances with banks by rating category	Rupees in '000		
Allied Bank Limited	-	AAA	PACRA
Bank Al Falah Limited	5,386	AAA	PACRA
Al Babib Bank Limited	2,326,884	AAA	PACRA
Total	2,332,270		

21.2.2 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, having satisfactory credit rating, therefore the fund is not exposed to any concentration of credit risk.

21.3 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.

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.

----- 2025 -----				
Upto three months	More than three months and upto one year	More than one year	Total	
----- Rupees in '000 -----				
Payable to the Management Company	53,946	-	-	53,946
Payable to the Trustee	1,017	-	-	1,017
Payable against redemption of units	3,157	-	-	3,157
Accrued expenses and other liabilities	542,067	-	-	542,067
	600,187	-	-	600,187
----- 2024 -----				
Upto three months	More than three months and upto one year	More than one year	Total	
----- Rupees in '000 -----				
Payable to the Management Company	10,968	-	-	10,968
Payable to the Trustee	918	-	-	918
Accrued expenses and other liabilities	134,489	-	-	134,489
	146,375	-	-	146,375

22 UNITS HOLDERS' FUND RISK MANAGEMENT

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

AL HABIB GOVERNMENT SECURITIES FUND

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 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 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.

- 23.1** 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:

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

Level 2: 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 3: Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

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

		2025					
		Carrying amount			Fair value		
		Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3
		Rupees in '000					
Financial assets measured at 'fair value through profit or loss'							
Market Treasury Bills	23.2	4,744,336	-	4,744,336	-	4,744,336	-
Pakistan Investment Bonds		3,065,844	-	3,065,844	-	3,065,844	-
		7,810,180	-	7,810,180	-	7,810,180	-
		2024					
		Carrying amount			Fair value		
		Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3
		Rupees in '000					
Financial assets measured at 'fair value through profit or loss'							
Market Treasury Bills	23.2	6,049,712	-	6,049,712	-	6,049,712	-
Pakistan Investment Bonds		8,424,484	-	8,424,484	-	8,424,484	-
		14,474,196	-	14,474,196	-	14,474,196	-

23.2 Valuation techniques

For level 2 investments at fair value through profit or loss - Investment in respect of Treasury Bills, Pakistan Investment Bonds and GOP Ijarah Sukuks, Fund uses the rates which are derived from PKRV, PKFRV and PKISRV rates at reporting date per certificate multiplied by the number of certificates held as at year end and for investment in respect of Term Finance Certificates, Fund uses the rates prescribed by MUFAP.

23.3 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.

23.4 Transfers during the year

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

24 UNIT HOLDING PATTERN OF THE FUND

----- As at June 30, 2025 -----				
Category	No. of unit holders	Number of units held	Investment amount	Percentage of total
			(Rupees)	
Insurance Companies	1	1,007,269	101,204,454	0.87%
Retirement Funds	6	2,664,436	267,706,851	2.31%
Other Corporate	26	62,771,989	6,306,959,147	54.46%
Others	384	48,811,440	4,904,285,477	42.35%
	417	115,255,134	11,580,155,929	100%
----- As at June 30, 2024 -----				
Category	No. of unit holders	Number of units held	Investment amount	Percentage of total
			(Rupees)	
Associated Companies	1	13,902	1,396,566	0.01%
Insurance companies	1	249,637	25,077,313	0.13%
Retirement Funds	1	209,158	21,011,050	0.11%
Other Corporate	12	34,250,130	3,440,603,706	17.30%
Others	347	163,299,334	16,404,267,824	82.47%
	362	198,022,161	19,892,356,459	100%

25 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

----- 2025 -----		----- 2024 -----	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
JS Global Capital Limited	45.54%	Direct	41.61%
Continental Exchange (Pvt.) Ltd	14.08%	Continental Exchange (Pvt.) Limited	29.79%
Invest One Markets Limited	11.06%	Optimus Markets (Pvt) Limited	13.48%
C&M Management Limited	8.84%	Invest One Markets Limited	6.36%
Optimus Markets (Pvt.) Ltd	5.44%	Icon Securities (Pvt) Limited	3.48%
AKD Securities Limited	3.90%	JS Global Capital Limited	2.66%
Arif Habib Limited	3.03%	C&M Management Limited	1.79%
Icon Securities (Pvt.) Ltd	2.44%	Paramount Capital (Pvt) Ltd.	0.49%
BMA Capital Management Ltd	1.24%	Arif Habib Limited	0.15%
Paramount Capital (Pvt.) Ltd.	0.92%	AKD Securities Limited	0.12%

AL HABIB GOVERNMENT SECURITIES FUND

26 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:

Name	Designation	Qualifications	Experience in years
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24 years
Mr. Zahid Hussain Vasanani	Chief Operating Officer & Company Secretary	CA- Affiliate	25 years
Mr. Faran ul Haq	Head of Equity	CFA	14.5 years
Mr. Fawad Javaid	Head of Fixed Income	CMA	14.5 years
Mr. Ahmed Abbas	Fund Manager	MBA	17 years
Mr. Hamza Abdur Rehman Siddiqui	Fund Manager - Equity	Msc (Hons)	7 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS ECO, FMVA	7 years

26.1 Name And Qualification Of The Fund Manager

Name	Designation	Qualification	Other Funds Managed by the Fund Manager
Mr. Ahmed Abbas	Fund Manager	MBA	AL Habib Cash Fund, AL Habib Islamic Cash Fund, AL Habib Income Fund, AL Habib Islamic Savings Funds, AL Habib Islamic Income Fund, AL Habib Fixed Return Fund and AL Habib Islamic Munafa Fund and AL Habib Government Securities Fund

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

The dates of the meetings of the Board of Directors of the Management Company of the Fund and attendance of its members are given below:

Name of directors	Designation	Meetings Attended	Attended meeting held on			
			August 01, 2024	October 17, 2024	January 23, 2025	April 25, 2025
Mr. Abbas D.Habib	Chairman	4	Yes	Yes	Yes	Yes
Mr. Mansoor Ali Khan	Director	4	Yes	Yes	Yes	Yes
Mr. Saeed Allawala	Director	4	Yes	Yes	Yes	Yes
Ms. Zarine Aziz	Director	1	No	No	No	Yes
Mr. Imran Azim	Director	2	No	Yes	Yes	No
Mr. Kashif Rafi	Chief Executive	4	Yes	Yes	Yes	Yes

28 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 1.75% (2024: 1.66%) which includes 0.29% (2024: 0.22%) representing Government Levy and SECP Fee. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulation 60(5) for a collective investment scheme categorised as an "Income Scheme"

29 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, whenever necessary for the purpose of comparison and for better presentation.

30 GENERAL

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

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2025 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective

The objective of the Fund is to generate a competitive return with low risk, by investing primarily in Government Securities.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHGSF maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with Government Securities, "AAA" rated Banks and short tenor T-bills.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 195 bps as it posted YTD return of 15.69% as against the benchmark of 13.74%.

Fund Description

Fund Type & Category	Open End - Income Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	July 13, 2023	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	90% six (6) months PKISRV + 10% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks, as selected by MUFAP.	Sales Load	3% (Management has the discretion to reduce or waive load on any transaction)
Annual Return	15.69%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	13.74%	Dealing Days/ Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 11,580 Bn (June 30, 2025)	Fund Stability Rating	"AAA(f)" by PACRA (June 03, 2025)
NAV per unit	Rs. 100.4742 per unit (June 30, 2025)	AMC Rating	"AM1" by PACRA (December 12, 2024)
Pricing Mechanism	Forward Pricing	Trustee	Central Depository Company of Pakistan Limited.
Risk Profile	Moderate Risk (Principal at moderate risk)		

Economic Review:

The main highlights of the outgoing fiscal year were lower than expected inflation, surplus current account balance, IMF's extended financing facility worth USD 7 Billion, narrowing fiscal deficit and record remittances.

CPI witnessed an extensive improvement, increasing only by 4.7%YoY against the forecast of 7%-8%, compared to 26%YoY in FY24. The main contributors were high base effect, lower food prices and decrease in energy charges. Also, the government's keeping the USD/PKR parity in the check played a vital role.

The current account balance stood at USD2.1 billion on the back of shrinking trade gap and higher remittances which reached a record high of USD 38 Billion. Such phenomenon also resulted in higher foreign exchange reserve held by the Central bank at USD14.51 Billion compared to USD9.39 billion in FY'24.

AL HABIB GOVERNMENT SECURITIES FUND

The outgoing year was not without challenges whereby country's GDP recorded an increase of 2.68% against the target of 3.56%. Agricultural sector, the backbone of country's GDP, grew only by 0.56%YoY due to crop failures amid water shortages. Large Scale manufacturing, witnessed a growth of 4.8%YoY, merely covering up for the negative LSM growth in FY'24.

Low inflation, exchange rate stabilization and adequate foreign exchange flows provided room for the SBP to reduce its Policy rate by 1,100bps, from 22% to 11%. Such drastic cut in interest rates was welcomed by the cross section of the market participants. Market is hoping for further cuts in Policy rates amid high real interest rates and satisfactory foreign exchange flows.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	32.80%	11.62%
T-Bills	38.96%	30.14%
PIBs	25.18%	41.97%
Others	3.06%	16.27%

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	151
1001-5000	45
5001-10000	27
10001-50000	55
50001-100000	25
100001-500000	77
500001-1000000	17
1000001-5000000	14
5000001-10000000	3
10000001-100000000	3
Grand Total	417

AL HABIB GOVERNMENT SECURITIES FUND

Income Distribution

AHGSF made a total distribution of Rs. 19.7651 during FY24 in the form of dividend, the details of which is as follows;

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun 21, 2025	115.6691	100	15.6691

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Government Securities Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year 225,021,409 units valued of Rs. 24.536 billion were sold, while 148,672,748 units valued Rs. 16.311 billion were redeemed, resulting in to a net sale of 76,348,661 units valued Rs. 8,251 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2025, please refer to note 25 of the Annual Accounts 2025.

AHGSF Performance at a Glance

	2025	2024
Net Assets as at June 30 (Rs. in billion)	11.580	19.892
NAV per unit as at June 30 (Rs.)	100.4742	100.4552
Distribution during the year ended June 30 (Rs.)	15.6691	19.7651
Annual Return	15.69%	22.82%

AL HABIB SOVEREIGN INCOME FUND
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.

Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200
Karachi.

Trustee

Central Depository Company of Pakistan Limited
and CDC House, 99-B, Block 'B', S.M.C.H.S,
PACRA.
Main Shahra-e-Faisal, Karachi.

Bankers to the Fund

Bank AL Habib Limited
Allied Bank Limited
Habib Bank Limited

Legal Advisor

Mohsin Tayebaly & Co.

Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton,

Rating

AM 1 to the Management Company
AAA (f) to the fund Assigned by

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**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

AL HABIB SOVEREIGN 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 AL Habib Sovereign Income Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from June 3, 2025 to June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Abdul Samad
Chief Operating Officer
Central Depository Company of Pakistan Limited

Karachi, September 24, 2025





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Sarwar Shaheed Road
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Pakistan

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF FINANCIAL STATEMENTS TO THE UNITHOLDERS
OF AL HABIB SOVEREIGN INCOME FUND**

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Al Habib Sovereign Income Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the period then ended, and notes to the financial statements, material accounting policy information.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Fund as at June 30, 2025, 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

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 the Management and its Board of Directors for the Financial Statements

Management of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and for such internal control as the management determines 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.



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



Report on other legal and regulatory requirements

Based on our audit, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking 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: **29 SEP 2025**

UDIN: AR202510166cWOLuNvIG

BDO Ebrahim & Co.
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

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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.

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

		June 30, 2025			
		AHSIF Plan 1	AHSIF Plan 2	AHSIF Plan 3	TOTAL
Note		Rupees in '000			
ASSETS					
Bank balances	5	4,255	335	335	4,925
Investments	6	95,616	100,028	100,028	295,672
Profit receivable		2,092	-	-	2,092
TOTAL ASSETS		101,963	100,363	100,363	302,689
LIABILITIES					
Payable to AL Habib Asset Management Limited - Management Company	7	18	-	-	18
Payable to Central Depository Company of Pakistan Limited - Trustee	8	13	2	2	17
Payable to Securities and Exchange Commission of Pakistan	9	10	2	2	14
Accrued expenses and other liabilities	10	455	110	110	675
TOTAL LIABILITIES		496	114	114	724
NET ASSETS		101,466	100,249	100,249	301,964
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)					
		101,466	100,249	100,249	301,964
CONTINGENCIES AND COMMITMENTS					
	11				
Number of units in issue	12	1,014,684	1,002,489	1,002,489	3,019,662
Rupees					
Net assets value per unit		100.00	100.00	100.00	

The annexed notes 1 to 27 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

		June 30, 2025			
	Note	AHSIF Plan 1	AHSIF Plan 2	AHSIF Plan 3	Total
----- Rupees in '000 -----					
Income					
Profit on bank deposits		295	-	-	295
Income from government securities		1,590	338	338	2,266
		1,885	338	338	2,561
Realised loss on sale of investments - net		(24)	-	-	(24)
Unrealised appreciation on re-measurement of investments classified at 'fair value through profit or loss' - net		72	25	25	122
		1,933	363	363	2,659
Expenses					
Remuneration of AL Habib Asset Management Limited - Management Company	7.1	18	-	-	18
Sindh Sales Tax on remuneration of Management Company	7.2	3	-	-	3
Remuneration of Central Depository Company of Pakistan Limited - Trustee	8.1 & 8.2	10	2	2	14
Sindh Sales Tax on remuneration of Trustee	8.3	1	-	-	1
Annual fee to the Securities and Exchange Commission of Pakistan	9.1	10	2	2	14
Brokerage expense		3	-	-	3
Auditor's remuneration	13	95	27	27	149
		140	31	31	202
Net income for the year before taxation		1,793	332	332	2,457
Taxation	14	-	-	-	-
Net income for the year after taxation		1,793	332	332	2,457
Allocation of net income for the year:					
Net income for the year after taxation		1,793	332	332	2,457
Income already paid on redemption of units		(911)	-	-	(911)
		882	332	332	1,546
Accounting income available for distribution:					
- Relating to capital gains		72	25	25	122
- Excluding capital gains		810	307	307	1,424
		882	332	332	1,546

The annexed notes 1 to 27 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025			
	AHSIF Plan 1	AHSIF Plan 2	AHSIF Plan 3	Total
	----- Rupees in '000 -----			
Net income for the year after taxation	1,793	332	332	2,125
Other comprehensive income	-	-	-	
Total comprehensive income for the year	1,793	332	332	2,125

The annexed notes 1 to 27 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025								
	AHSIF Plan 1			AHSIF Plan 2			AHSIF Plan 3		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Rupees in '000									
Net assets at beginning of the year	-	-	-	-	-	-	-	-	-
Issuance of 5,930,658 units									
- Capital value	392,568	-	392,568	100,249	-	100,249	100,249	-	100,249
- Element of income	1,762	-	1,762	-	-	-	-	-	-
Total proceeds on issuance of units	394,330		394,330	100,249	-	100,249	100,249	-	100,249
Redemption of 2,910,996 units									
- Capital Value	(291,100)	-	(291,100)	-	-	-	-	-	-
- Element of loss	(1,763)	(911)	(2,674)	-	-	-	-	-	-
Total payments on redemption of units	(292,863)	(911)	(293,774)	-	-	-	-	-	-
Total comprehensive income for the year	-	1,793	1,793	-	332	332	-	332	332
Interim cash distribution	-	(883)	(883)	-	(332)	(332)	-	(332)	(332)
Net income for the year less distribution	-	910	910	-	-	-	-	-	-
Net assets at the end of the year	101,467	(1)	101,466	100,249	-	100,249	100,249	-	100,249
Undistributed income brought forward									
- Realised gain	-			-			-		
- Unrealised gain	-			-			-		
Accounting income available for distribution									
- Relating to capital gains	72			25			25		
- Excluding capital gains	810			307			307		
	882			332			332		
Interim cash distribution	(883)			(332)			(332)		
Undistributed loss carried forward	(1)			-			-		
Undistributed loss carried forward comprise of:									
- Realised loss	(73)			(25)			(25)		
- Unrealised gain	72			25			25		
	(1)			-			-		
	(Rupees)			(Rupees)			(Rupees)		
Net assets value per unit at beginning of the year	-			-			-		
Net assets value per unit at end of the year	100.00			100.00			100.00		

The annexed notes 1 to 27 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

		June 30, 2025			
	Note	AHSIF Plan 1	AHSIF Plan 2	AHSIF Plan 3	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the year before taxation		1,793	332	332	2,457
Adjustments for:					
Unrealised (appreciation) / diminution on re-measurement of investments classified at 'fair value through profit or loss' - net		(72)	(25)	(25)	(122)
		1,721	307	307	2,335
(Increase) / decrease in assets					
Investments - net		(95,543)	(100,003)	(100,003)	(295,549)
Profit receivable		(2,092)	-	-	(2,092)
		(97,635)	(100,003)	(100,003)	(297,641)
Increase / (decrease) in liabilities					
Payable to the AL Habib Asset Management Limited - Management Company		18	-	-	18
Payable to Central Depository Company of Pakistan Limited - Trustee		13	2	2	17
Payable to Securities and Exchange Commission of Pakistan		10	2	2	14
Accrued expenses and other liabilities		455	110	110	675
		496	114	114	724
Net cash (used in) / generated from operating activities		(95,418)	(99,582)	(99,582)	(294,582)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of units		394,330	100,249	100,249	594,828
Payments on redemption of units		(293,774)	-	-	(293,774)
Distribution made during the year		(883)	(332)	(332)	(1,547)
Net cash (used in) / generated from financing activities		99,673	99,917	99,917	299,507
Net increase in cash and cash equivalents		4,255	335	335	4,925
Cash and cash equivalents at beginning of the year		-	-	-	-
Cash and cash equivalents at end of the year	5	4,255	335	335	4,925

The annexed notes 1 to 27 form an integral part of this financial information.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Sovereign Income Fund ("the Fund") was established under a Trust Deed executed between AL Habib Asset Management Limited (AHAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 08, 2024 under Rule 67 of the Non- banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2** The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on November 08, 2024 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non-Banking Finance Company under the NBFC Rules by SECP. The registered office of the Management Company is situated at 3rd floor, Mackinnons Building, I, I Chundrigar Road Karachi, Pakistan.
- 1.4** The Fund is an open-end Collective Investment Scheme as per SECP's Circular No.3 of 2022 dated February 10, 2022 with Allocation Plans. The Allocation Plans under the Fund may have different investment avenues and different maturity dates. The Allocation Plans under the Fund may have a set timeframe or perpetual.
- 1.5** The Fund has been categorized as a Fixed Return Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan (SECP).
- 1.6** The Core objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity.
- 1.7** The Fund has launched three different plans; namely, AL Habib Sovereign Income Fund - Plan 1, AL Habib Sovereign Income Fund - Plan 2, AL Habib Sovereign Income Fund - Plan 3. The units of these plans were initially offered to public from June 05, 2025 Perpetual , June 19, 2025 till June 14, 2030, June 19, 2025 till June 14, 2030 respectively.
- 1.8** The Title to the assets of the Fund are held in the name of Central Depository Company Limited (CDC) as a Trustee of the Fund. The Fund is not listed on Pakistan Stock Exchange.
- 1.9** The management company has been assigned a rating of 'AM1' by Pakistan Credit Rating Agency PACRA dated December 12, 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, 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 the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 the revision and future years if the revision affects both current and future years.

Estimates and judgments that have significant effect on the financial statements relates to classification, valuation and impairment of financial assets are as follows:

Classification and measurement of financial assets and liabilities

For details please refer notes 4.2.3 and 6 to these financial statements.

Impairment of financial assets

For details please refer notes 4.2.5 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025**

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
AAmendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the 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' - mendments 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 IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that 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

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 revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan SECP

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan SECP

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

4.2 Financial instruments

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

4.2.1 Financial assets

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

4.2.2 Initial recognition and measurement

Financial assets are recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs associated with these financial assets are charged to the income Statement.

4.2.3 Classification

Debt Instruments

Amortized cost

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

- the asset is held within a business model whose objective is 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.

Fair value through profit or loss

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. These are initially measured at fair value and transaction costs that are directly attributable to its acquisition are charged to income statement.

4.2.4 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost

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

Debt investments at FVOCI

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

Debt investments at FVTPL

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

4.2.5 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.6 Regular way purchase and sale of financial asset

Regular way 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.

4.2.7 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.

4.2.8 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the income statement.

4.2.9 Offsetting of financial assets and liabilities

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

4.3 Provisions

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

4.4 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent (90%) of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders.

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

4.5 Proposed distributions

Distributions declared subsequent to the year end reporting date are subject to the approval of Board of directors of the management company and are considered as non-adjusting events and are recognised in the financial statements in the year in which such distributions are declared.

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours 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, provision of transaction cost if applicable.

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

4.7 Element of income

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

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

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized using the effective interest method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.

4.10 Expenses

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

4.10 Earnings per unit (EPU)

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.

4.11 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at normal commercial rates on the same terms and conditions as applicable to third party transactions.

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

5 BANK BALANCES

		June 30, 2025			
	Note	AHSIF Plan 1	AHSIF Plan 2	AHSIF Plan 3	Total
		----- Rupees in '000 -----			
Saving accounts	5.1	4,255	335	335	4,925
		4,255	335	335	4,925

- 5.1 This represents saving accounts held with various commercial banks carrying profit rate 9.25% per annum. These represents balances with Bank AL Habib Limited (ultimate parent), a related party.

6 INVESTMENTS

		June 30, 2025			
	Note	AHSIF Plan 1	AHSIF Plan 2	AHSIF Plan 3	Total
		----- Rupees in '000 -----			
Financial assets classified at fair value through profit or loss					
Market Treasury Bills (T- Bills)	6.1	95,616	100,028	100,028	295,672
		95,616	100,028	100,028	295,672

AL HABIB SOVEREIGN INCOME FUND

6.1 Government securities - Market Treasury Bills

Name of Instrument	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments

(Rupees in '000)

PLAN 1

T- BILL 3 MONTHS (12-06-2025)	-	2,200,000	2,000,000	200,000	19,617	19,613	(4)	19%	21%
T- BILL 12 MONTHS (06-02-2025)	-	910,000	100,000	810,000	75,928	76,003	76	75%	79%
T- BILL 1 MONTH (12-06-2025)	-	165,000	165,000	-	-	-	-	0%	0%
T- BILL 3 MONTHS (02-05-2025)	-	750,000	750,000	-	-	-	-	0%	0%
Total as at June 30, 2025	-	4,025,000	3,015,000	1,010,000	95,545	95,616	72	94%	100%

Name of Instrument	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments

(Rupees in '000)

PLAN 2

T- BILL 3 MONTHS (12-06-2025)	-	1,020,000	-	1,020,000	100,003	100,028	25	100%	100%
Total as at June 30, 2025	-	1,020,000	-	1,020,000	100,003	100,028	25	100%	100%

Name of Instrument	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments

(Rupees in '000)

PLAN 3

T- BILL 3 MONTHS (12-06-2025)	-	1,020,000	-	1,020,000	100,003	100,028	25	100%	100%
Total as at June 30, 2025	-	1,020,000	-	1,020,000	100,003	100,028	25	100%	100%

7 PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - THE MANAGEMENT COMPANY

		June 30, 2025			
		AHSIF Plan 1	AHSIF Plan 2	AHSIF Plan 3	Total
Note		----- Rupees in '000 -----			
Remuneration payable to Management Company	7.1	18	-	-	-
Sindh Sales Tax payable	7.2	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	-	-	-	-
		18	-	-	-

7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund.

7.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% on the remuneration of Management Company during the year through Sindh Sales Tax on Services Act, 2011.

7.3 As per Regulation 60(3) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to CIS are chargeable to the CIS at the rate 0.1% .

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

		June 30, 2025			
		AHSIF Plan 1	AHSIF Plan 2	AHSIF Plan 3	Total
Note		----- Rupees in '000 -----			
Remuneration payable to Trustee	8.1 & 8.2	10	2	2	14
Sindh Sales Tax Payable on remuneration of the Trustee	8.3	3	-	-	3
		13	2	2	17

- 8.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified there in, based on the daily Net Asset Value (NAV) of the Fund. The remuneration is paid to the trustee monthly in arrears.
- 8.2** As per the Trust Deed and Offering Document, the trustee fee shall be charged in accordance to the tariff flat rate of 0.055% pa of net assets.
- 8.3** Sindh Government has levied Sindh Sales Tax (SST) at the rate of 15% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

9. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		June 30, 2025			
		AHSIF Plan 1	AHSIF Plan 2	AHSIF Plan 3	Total
		----- Rupees in '000 -----			
Annual fee payable to SECP	9.1	10	2	2	14
		10	2	2	14

- 9.1** This represents annual fee payable to Securities and Exchange Commission of Pakistan SECP in accordance with regulation 62 of the NBFC Regulations and pursuant to S.R.O 685(I) 2019, dated 28 June 2019. The fee of the SECP charged during the year at 0.055% of net assets.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

		June 30, 2025			
		AHSIF Plan 1	AHSIF Plan 2	AHSIF Plan 3	Total
		----- Rupees in '000 -----			
Auditor's remuneration		95	27	27	149
Withholding tax payable		224	83	83	390
Capital gain tax payable		137	-	-	137
		455	110	110	675

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the reporting date.

12. NUMBER OF UNITS IN ISSUE

	AHSIF PLAN 1	AHSIF PLAN 2	AHSIF PLAN 3	Total
Total units in issue at the beginning of the year	-	-	-	-
Add: Units issued during the year	3,925,680	1,002,489	1,002,489	5,930,658
Less: Units redeemed during the year	(2,910,996)	-	-	(2,910,996)
Total units in issue at the end of the year	1,014,684	1,002,489	1,002,489	3,019,662

13. AUDITORS' REMUNERATION

	AHSIF PLAN 1	AHSIF PLAN 2	AHSIF PLAN 3	Total
Annual audit fee	95	27	27	149
Review of condensed interim financial information	-	-	-	-
Out of pocket expenses	-	-	-	-
	95	27	27	149

14. TAXATION

The Fund's income is exempt from income tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders. The Fund is also exempt from section 113 (minimum tax) provision under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

AL HABIB SOVEREIGN INCOME FUND

During the period ended June 30, 2025, the Fund has distributed by way of cash and bonus units as dividend, as the case maybe, at minimum of 90% of accounting income for the period, as reduced by capital gains, whether realised or unrealised to the unit holders. Accordingly, no provision for taxation has been recognized in these financial statements.

15 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

Particular	AHSIF Plan 1			AHSIF Plan 2			AHSIF Plan 3			Total
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	
Rupees in '000										
Financial assets										
Bank balances	-	4,255	4,255	-	335	335	-	335	335	4,925
Investments	95,616	-	95,616	100,028	-	100,028	100,028	-	100,028	295,672
Profit receivable	-	2,092	2,092	-	-	-	-	-	-	2,092
	95,616	4,255	99,871	100,028	335	100,363	100,028	335	100,363	2,132,780

Particular	AHSIF Plan 1			AHSIF Plan 2			AHSIF Plan 3			Total
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	
Rupees in '000										
Financial liabilities										
Payable to the Management Company	-	18	18	-	-	-	-	-	-	18
Payable to the Trustee	-	10	10	-	2	2	-	2	2	14
Payable to Securities and Exchange Commission of Pakistan	-	10	10	-	2	2	-	2	2	14
Accrued expenses and other liabilities	-	95	95	-	27	27	-	27	27	149
	-	133	133	-	31	31	-	31	31	195

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES/ CONNECTED PARTIES

Related parties/ Connected persons include Al Habib Fund Managers Limited being the Management Company, Bank Al Habib Limited being the Sponsor, Central Depository Company of Pakistan Limited being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

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

Related parties/connected persons include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of AL Habib Management Company.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Currency Exchange Ltd	Subsidiary of Bank AL Habib Limited
5	AL Habib Cash Fund Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
19	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
20	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Limited
21	Central Depository Company	Trustee

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

June 30, 2025				
	AHSIF Plan 1	AHSIF Plan 1	AHSIF Plan 1	TOTAL
17.1 Transactions during the period				
AL Habib Asset Management Limited - Management Company				
Remuneration of the Management Company	18	-	-	18
Sindh Sales Tax on remuneration of the Management Company	3	-	-	3
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of the Trustee	10	2	2	14
Sindh Sales Tax on remuneration of the Trustee	1	-	-	1
Bank Al Habib Limited - Sponsor				
Mark-up on bank deposits	295	-	-	295

June 30, 2025				
	AHSIF Plan 1	AHSIF Plan 1	AHSIF Plan 1	TOTAL
17.2 Balances outstanding as at period end				
AL Habib Asset Management Limited - Management Company				
Remuneration of the Management Company	18	-	-	18
Sindh Sales Tax on remuneration of the Management Company	-	-	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of the Trustee	10	2	2	14
Sindh Sales Tax on remuneration of the Trustee	3	-	-	3
Bank Al Habib Limited - Sponsor				
Bank Balances	4,255	335	335	4,925
Profit Receivable	2092	-	-	2,092

	June 30, 2025					
	AHSIF Plan 1		AHSIF Plan 2		AHSIF Plan 3	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
<u>Units issued to:</u>						
Management Company						
- AL Habib Asset Management Limited	1,000,000	100,000	100,000	100,000	100,000	100,000
Directors & Their Relatives of the Management Company						
- Directors & their relatives	-	-	-	-	-	-
Key Management Personnel of the Management Company						
-Key Management Personnel	-	-	-	-	-	-

AL HABIB SOVEREIGN INCOME FUND

	June 30, 2025					
	AHSIF Plan 1		AHSIF Plan 2		AHSIF Plan 3	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units redeemed by:						
Management Company						
- AL Habib Asset Management Limited	-	-	-	-	-	-
Directors & Their Relatives of the Management Company						
- Directors & their relatives	-	-	-	-	-	-
Key Management Personnel of the Management Company						
-Key Management Personnel	-	-	-	-	-	-
Units held by:						
Management Company						
- AL Habib Asset Management Limited	1,000,000	100,000	100,000	100,000	100,000	100,000
Directors & Their Relatives of the Management Company						
- Directors & their relatives	-	-	-	-	-	-
Key Management Personnel of the Management Company						
-Key Management Personnel	-	-	-	-	-	-
Connected persons holding 10% or more of the units in issue):	-	-	-	-	-	-

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

18.1 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.

18.1.1 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.

18.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

As at the reporting date, the fund holds variable profit based investment and bank balances exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rates at period end with all other variables held constant, the net income for the period and the net assets of Plan 1, Plan 2 and Plan 3 would have been higher / lower by Rs. 0.001 million, Rs. 0.001 million and Rs. 0.001 million respectively.

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.

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18.1 Market risk

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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.

18.1.1 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.

18.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

As at the reporting date, the fund holds variable profit based investment and bank balances exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rates at period end with all other variables held constant, the net income for the period and the net assets of Plan 1, Plan 2 and Plan 3 would have been higher / lower by Rs. 0.001 million, Rs. 0.001 million and Rs. 0.001 million respectively.

b) Sensitivity analysis for fixed rate instruments

As at the reporting date, the fund holds fixed profit based investment exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rates at period end with all other variables held constant, the net income for the period and the net assets of Plan 1, Plan 2 and Plan 3 would have been higher / lower by Rs. Nil (June 30, 2024: Nil).

c) Fair value interest rate risk

AHSIF PLAN 1						
JUNE 30, 2025						
Particulars	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	9.25%	4,255	-	-	-	4,255
Investments - net		-	-	-	95,616	95,616
Profit receivable		-	-	-	2,092	2,092
Sub total		4,255	-	-	97,708	101,963
Financial liabilities						
Payable to the Management Company		-	-	-	18	18
Payable to the Trustee		-	-	-	10	10
Payable to the SECP		-	-	-	10	10
Accrued expenses and other liabilities		-	-	-	95	95
Sub total		-	-	-	133	133
On-balance sheet gap (a)		4,255	-	-	97,575	101,830
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		4,255	-	-	97,575	101,830
Cumulative interest rate sensitivity gap		4,255	-	-	97,575	101,830

AL HABIB SOVEREIGN INCOME FUND

AHSIF PLAN 2 JUNE 30, 2025

JUNE 30, 2023

Particulars	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	9.25%	335	-	-	-	335
Investments - net		-	-	-	100,028	100,028
Profit receivable		-	-	-	-	-
Sub total		335	-	-	100,028	100,363
Financial liabilities						
Payable to the Management Company		-	-	-	-	-
Payable to the Trustee		-	-	-	2	2
Payable to the SECP		-	-	-	2	2
Accrued expenses and other liabilities		-	-	-	27	27
Sub total		-	-	-	31	31
On-balance sheet gap (a)		335	-	-	99,997	100,332
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		335	-	-	99,997	100,332
Cumulative interest rate sensitivity gap		335	-	-	99,997	100,332

AHSIF PLAN 3 JUNE 30, 2025

30th Sep, 2023						
Particulars	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	9.25%	335	-	-	-	335
Investments - net		-	-	-	100,028	100,028
Profit receivable		-	-	-	-	-
Sub total		335	-	-	100,028	100,363
Financial liabilities						
Payable to the Management Company		-	-	-	-	-
Payable to the Trustee		-	-	-	2	2
Payable to the SECP		-	-	-	2	2
Accrued expenses and other liabilities		-	-	-	27	27
Sub total		-	-	-	31	31
On-balance sheet gap (a)		335	-	-	99,997	100,332
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		335	-	-	99,997	100,332
Cumulative interest rate sensitivity gap		335	-	-	99,997	100,332

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 bank balances (financial institutions) and receivables from banks.

Management of credit risk

The Fund keeps deposits with reputed financial institutions. All transactions in units are settled / paid for upon delivery using the system of Trustee. 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.

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

Bank	AHSIF Plan 1	AHSIF Plan 2	AHSIF Plan 3	Latest available published rating as at June 30, 2025	Rating agency
Bank Al Habib Limited	4,255	335	335	A1+	PACRA
	4,255	335	335		

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

Rating by rating category

A1+

There is no exposure other than bank balance as disclosed above as at June 30, 2025.

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Fund's major asset balances are held with a single bank. The management believes that these banks are reputed institution.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed off.

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.

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 summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

AL HABIB SOVEREIGN INCOME FUND

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

Particulars	June 30, 2025								
	AHSIF Plan 1			AHSIF Plan 2			AHSIF Plan 3		
	Upto three months	More than three months and upto one year	More than one year	Upto three months	More than three months and upto one year	More than one year	Upto three months	More than three months and upto one year	More than one year
Rupees in '000									
Financial liabilities									
Payable to AL Habib Asset Management Limited - Management Company	18	-	-	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	13	-	-	2	-	-	2	-	-
Payable to Securities and Exchange Commission of Pakistan	10	-	-	2	-	-	2	-	-
Accrued expenses and other liabilities	455	-	-	110	-	-	110	-	-
Total liabilities	496	-	-	114	-	-	114	-	-

19 UNITHOLDERS' FUND RISK MANAGEMENT

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unitholders' fund. Unitholders fund risk management is carried out by the 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 unitholders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

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

20 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

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

AL HABIB SOVEREIGN INCOME FUND

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

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

June 30, 2025							
AHSIF Plan 1							
Particulars	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							
Investments	6.1	95,616	-	95,616	-	-	95,616
		95,616	-	95,616	-	-	95,616

June 30, 2025							
AHSIF Plan 2							
Particulars	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							
Investments	6.1	100,028	-	100,028	-	-	100,028
		100,028	-	100,028	-	-	100,028

June 30, 2025							
AHSIF Plan 3							
Particulars	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							
Investments	6.1	100,028	-	100,028	-	-	100,028
		100,028	-	100,028	-	-	100,028

20.1 Valuation techniques

20.1.1 For level 2 investments at fair value through profit or loss in units of mutual funds, Fund uses PKRV rates which are taken from MUFAP, for the purpose of computation of Market value at the reporting date.

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

20.2 Transfers during the year

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

21 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:

Name	Designation	Qualifications	Experience in years
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	25 years
Mr. Faran ul Haq	Head of Equity	CFA	14.5 years
Mr. Fawad Javaid	Head of Fixed Income	CMA	14.5 years
Mr. Ahmed Abbas	Fund Manager	MBA	17 years
Mr. Hamza Abdur Rehman Siddiqui	Fund Manager - Equity	Msc (Hons)	7 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS ECO, FMVA	7 years

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22 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 1, 2024 and October 17, 2024, January 23, 2025, April 25, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Particular	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
Name of Director					
1	Mr. Abbas D.Habib	4	3	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	4	3	1	100th Meeting
6	Mr. Kashif Rafi	4	4	0	-

23 PATTERN OF UNITHOLDING

Category	June 30, 2025			
	Number of unit holders	Number of units held	Investment amount	Percentage
	----- Rupees in '000 -----			
AL Habib Sovereign Income Fund - Plan 1				
Director	-	-	-	0.00%
Associated Companies	384	1,006,567	101,538	99.20%
Retirement Funds	-	-	-	0.00%
Other Corporate	-	-	-	0.00%
Others	6,335	8,117	819	0.80%
	6,719	1,014,684	102,357	100.00%
	June 30, 2025			
	Number of unit holders	Number of units held	Investment amount	Percentage
	----- Rupees in '000 -----			
AL Habib Sovereign Income Fund - Plan 2				
Director	-	-	-	0.00%
Associated Companies	-	1,002,489	100,582	100.00%
Retirement Funds	-	-	-	0.00%
Other Corporate	-	-	-	0.00%
Others	-	-	-	0.00%
	-	1,002,489	100,582	100.00%
AL Habib Sovereign Income Fund - Plan 3				
Director	-	-	-	0.00%
Associated Companies	-	1,002,489	100,582	100.00%
Retirement Funds	-	-	-	0.00%
Other Corporate	-	-	-	0.00%
Others	-	-	-	0.00%
	-	1,002,489	100,582	100.00%

24 TOTAL EXPENSE RATIO

In accordance with the S.R.O 1068 (I) / 2021 dated August 23, 2021 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of Al Habib Sovereign Income Fund Plan 1, Plan 2 and Plan 3 for the year ended June 30, 2025 is 0.78%, 1.03% and 1.03% respectively which includes 0.08%, 0.06% and 0.06% respectively representing Government levy and SECP fee.

25 CORRESPONDING FIGURES

Being the first reporting period of the Fund, corresponding figures have not been reported.

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 25, 2025 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**ANNUAL FUND MANAGER REPORT
FINANCIAL YEAR 2025****Fund Objective**

The AL Habib Sovereign Income Fund - Plan 1 (AHSIF Plan 1) is Investment Plan under "AL Habib Sovereign Income Fund (AHSIF)" with an objective to seek maximum possible preservation of capital and generate a competitive return by investing primarily in Government Securities.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHSIFP-1 maintained the strategy to maximize capital preservation while generating competitive returns primarily through investments in Government Securities.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 97 bps as it posted YTD return of 11.84% as against the benchmark of 10.87%.

Fund Description

Fund Type & Category	Open End -Sovereign Income Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	June 03, 2025	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	90% six (6) months PKRV rates + 10% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks, as selected by MUFAP	Risk Profile	Medium (Principal at medium risk)
Annual Return	11.84%	Minimum Investment	Initial investment of Rs. 5,000/-
Benchmark	10.87%	Dealing Days/ Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 101 Million (June 30, 2025)	AMC Rating	"AM1" by PACRA
NAV per unit	Rs. 100.00 per unit (June 30, 2025)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing		

Economic Review:

The main highlights of the outgoing fiscal year were lower than expected inflation, surplus current account balance, IMF's extended financing facility worth USD 7 Billion, narrowing fiscal deficit and record remittances.

CPI witnessed an extensive improvement, increasing only by 4.7%YoY against the forecast of 7%-8%, compared to 26%YoY in FY24. The main contributors were high base effect, lower food prices and decrease in energy charges. Also, the government's keeping the USD/PKR parity in the check played a vital role.

The current account balance stood at USD2.1 billion on the back of shrinking trade gap and higher remittances which reached a record high of USD 38 Billion. Such phenomenon also resulted in higher foreign exchange reserve held by the Central bank at USD14.51 Billion compared to USD9.39 billion in FY'24.

AL HABIB SOVEREIGN INCOME FUND

The outgoing year was not without challenges whereby country's GDP recorded an increase of 2.68% against the target of 3.56%. Agricultural sector, the backbone of country's GDP, grew only by 0.56%YoY due to crop failures amid water shortages. Large Scale manufacturing, witnessed a growth of 4.8%YoY, merely covering up for the negative LSM growth in FY'24.

Low inflation, exchange rate stabilization and adequate foreign exchange flows provided room for the SBP to reduce its Policy rate by 1,100bps, from 22% to 11%. Such drastic cut in interest rates was welcomed by the cross section of the market participants. Market is hoping for further cuts in Policy rates amid high real interest rates and satisfactory foreign exchange flows.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	4.17%	-
T-Bills	93.78%	-
Others	2.05%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
5001-10000	1
1000001-5000000	1
Grand Total	2

Income Distribution

AHSIF P1 made a total distribution of Rs. 0.8756 during FY25 in the form of dividend, the detail of which is given below:

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun, 25	100.8756	100.00	0.8756

During the period under question:

There has been no significant change in the state of affairs of the Fund. AHSIF Plan 1 does not have any soft commission arrangement with any broker in the industry.

AL HABIB SOVEREIGN INCOME FUND

Sales and Redemptions of Units

During the year, 1,000,000 units valued Rs. 100.00 million were sold, while 598,260 units valued Rs. 60.052 million were redeemed, resulting in to a net sale of 401,740 units valued Rs. 39.947 million.

Fund Performance at a Glance

	2025
Net Assets as at June 30 (Rs. in Million)	101
NAV per unit as at June 30 (Rs.)	100.00
Distribution during the year ended June 30 (Rs.)	0.8756
Annual Return	11.84%

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective

The AL Habib Sovereign Income Fund - Plan 2 (AHSIF Plan 2) is Investment Plan under "AL Habib Sovereign Income Fund (AHSIF)" with an objective to seek maximum possible preservation of capital and generate a competitive return by investing primarily in Government Securities.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHSIFP-2 maintained the strategy to maximize capital preservation while generating competitive returns primarily through investments in Government Securities.

Performance of the fund with benchmark

The Fund outperformed its benchmark by 14 bps as it posted YTD return of 11.01% as against the benchmark of 10.87%.

Fund Description

Fund Type & Category	Open End -Sovereign Income Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	June 19, 2025	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	90% six (6) months PKRV rates + 10% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks, as selected by MUFAP	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	11.01%	Minimum Investment	Initial investment of Rs. 5,000/-
Benchmark	10.87%	Dealing Days/ Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 100 Million (June 30, 2025)	AMC Rating	"AM1" by PACRA
NAV per unit	Rs. 100.00 per unit (June 30, 2025)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Trustee	June 14, 2030
Risk Profile	Medium (Principal at medium risk)		

Economic Review:

The main highlights of the outgoing fiscal year were lower than expected inflation, surplus current account balance, IMF's extended financing facility worth USD 7 Billion, narrowing fiscal deficit and record remittances.

CPI witnessed an extensive improvement, increasing only by 4.7%YoY against the forecast of 7%-8%, compared to 26%YoY in FY24. The main contributors were high base effect, lower food prices and decrease in energy charges. Also, the government's keeping the USD/PKR parity in the check played a vital role.

AL HABIB SOVEREIGN INCOME FUND

The current account balance stood at USD2.1 billion on the back of shrinking trade gap and higher remittances which reached a record high of USD 38 Billion. Such phenomenon also resulted in higher foreign exchange reserve held by the Central bank at USD14.51 Billion compared to USD9.39 billion in FY'24.

The outgoing year was not without challenges whereby country's GDP recorded an increase of 2.68% against the target of 3.56%. Agricultural sector, the backbone of country's GDP, grew only by 0.56%YoY due to crop failures amid water shortages. Large Scale manufacturing, witnessed a growth of 4.8%YoY, merely covering up for the negative LSM growth in FY'24.

Low inflation, exchange rate stabilization and adequate foreign exchange flows provided room for the SBP to reduce its Policy rate by 1,100bps, from 22% to 11%. Such drastic cut in interest rates was welcomed by the cross section of the market participants. Market is hoping for further cuts in Policy rates amid high real interest rates and satisfactory foreign exchange flows.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	0.33%	-
T-Bills	99.67%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1000001-5000000	1
Grand Total	1

Income Distribution

AHSIF P2 made a total distribution of Rs. 0.8756 during FY25 in the form of dividend, the detail of which is given below:

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun, 25	100.3319	100.00	0.3319

During the period under question:

There has been no significant change in the state of affairs of the Fund. AHSIF Plan 2 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 1,000,000 units valued Rs. 100.00 million were sold, while no units were redeemed, resulting in to a net sale of 1,000,000 units valued Rs. 100.00 million.

Fund Performance at a Glance

	2025
Net Assets as at June 30 (Rs. in Million)	100
NAV per unit as at June 30 (Rs.)	100.00
Distribution during the year ended June 30 (Rs.)	0.3319
Annual Return	11.01%

**ANNUAL FUND MANAGER REPORT
FINANCIAL YEAR 2025****Fund Objective**

The AL Habib Sovereign Income Fund - Plan 3 (AHSIF Plan 3) is Investment Plan under "AL Habib Sovereign Income Fund (AHSIF)" with an objective to seek maximum possible preservation of capital and generate a competitive return by investing primarily in Government Securities.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHSIFP-3 maintained the strategy to maximize capital preservation while generating competitive returns primarily through investments in Government Securities.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 14 bps as it posted YTD return of 11.01% as against the benchmark of 10.87%

Fund Description

Fund Type & Category	Open End -Sovereign Income Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	June 19, 2025	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	90% six (6) months PKRV rates + 10% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks, as selected by MUFAP	Risk Profile	Medium (Principal at medium risk)
Annual Return	11.01%	Minimum Investment	Initial investment of Rs. 5,000/-
Benchmark	10.87%	Dealing Days/ Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 100 Million (June 30, 2025)	AMC Rating	"AM1" by PACRA
NAV per unit	Rs. 100.00 per unit (June 30, 2025)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	June 14, 2030

Economic Review:

The main highlights of the outgoing fiscal year were lower than expected inflation, surplus current account balance, IMF's extended financing facility worth USD 7 Billion, narrowing fiscal deficit and record remittances.

CPI witnessed an extensive improvement, increasing only by 4.7%YoY against the forecast of 7%-8%, compared to 26%YoY in FY24. The main contributors were high base effect, lower food prices and decrease in energy charges. Also, the government's keeping the USD/PKR parity in the check played a vital role.

The current account balance stood at USD2.1 billion on the back of shrinking trade gap and higher remittances which reached a record high of USD 38 Billion. Such phenomenon also resulted in higher foreign exchange reserve held by the Central bank at USD14.51 Billion compared to USD9.39 billion in FY'24.

AL HABIB SOVEREIGN INCOME FUND

The outgoing year was not without challenges whereby country's GDP recorded an increase of 2.68% against the target of 3.56%. Agricultural sector, the backbone of country's GDP, grew only by 0.56%YoY due to crop failures amid water shortages. Large Scale manufacturing, witnessed a growth of 4.8%YoY, merely covering up for the negative LSM growth in FY'24.

Low inflation, exchange rate stabilization and adequate foreign exchange flows provided room for the SBP to reduce its Policy rate by 1,100bps, from 22% to 11%. Such drastic cut in interest rates was welcomed by the cross section of the market participants. Market is hoping for further cuts in Policy rates amid high real interest rates and satisfactory foreign exchange flows.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
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12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-25	30-Jun-24
Cash	0.33%	-
T-Bills	99.67%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1000001-5000000	1
Grand Total	1

Income Distribution

AHSIF P3 made a total distribution of Rs. 0.8756 during FY25 in the form of dividend, the detail of which is given below:

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun, 25	100.3319	100.00	0.3319

AL HABIB SOVEREIGN INCOME FUND

During the period under question:

There has been no significant change in the state of affairs of the Fund. AHSIF Plan 3 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 1,000,000 units valued Rs. 100.00 million were sold, while no units were redeemed, resulting in to a net sale of 1,000,000 units valued Rs. 100.00 million.

Fund Performance at a Glance

	2025
Net Assets as at June 30 (Rs. in Million)	100
NAV per unit as at June 30 (Rs.)	100.00
Distribution during the year ended June 30 (Rs.)	0.3319
Annual Return	11.01%

AL HABIB PENSION FUND
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.

Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200
Karachi.

Trustee

Central Depository Company of Pakistan Limited
Quality
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Bankers to the Fund

Bank AL Habib Limited
Bank Alfalah Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.

Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton,

Rating

AM1 Management Company

Rating Assigned by PACRA.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

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

Fax: (92-21) 34326021 - 23

URL: www.cdcPakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

AL HABIB PENSION FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Pension Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the Constitutive Documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2025





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

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF FINANCIAL STATEMENTS TO THE UNITHOLDERS
OF AL HABIB PENSION FUND**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Pension Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

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

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 the Management and its Board of Directors for the Financial Statements

Management Company of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and for such internal control as the management determines 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.



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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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



Report on other legal and regulatory requirements

Based on our audit, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking 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: 29 SEP 2025

UDIN: AR202510166q2ozx7ukM


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

		June 30, 2025				June 30, 2024				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Note		-----Rupees in '000-----								
Assets										
	Balances with bank	5	31,356	22,580	73,935	127,871	9,122	25,471	37,560	72,153
	Investments	6	405,922	291,503	320,293	1,017,718	84,308	129,291	199,268	412,867
	Dividend and profit receivable	7	1,239	113	170	1,522	82	4,551	3,686	8,319
	Other receivables		3,454	1,730	648	5,832	-	113	-	113
Total assets			441,971	315,926	395,046	1,152,943	93,512	159,426	240,514	493,452
Liabilities										
	Payable to AL Habib Asset Management Company Limited - Management Company	8	382	280	427	1,089	78	124	198	400
	Payable to Central Depository Company of Pakistan Limited - Trustee	9	60	46	56	162	12	19	28	59
	Payable to the Securities and Exchange Commission of Pakistan	10	106	88	127	321	23	39	64	126
	Accrued expenses and other liabilities	11	4,989	70	154	5,213	731	79	132	942
Total liabilities			5,537	484	764	6,785	844	261	422	1,527
Net assets			436,434	315,442	394,282	1,146,158	92,668	159,165	240,092	491,925
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)			436,434	315,442	394,282	1,146,158	92,668	159,165	240,092	491,925
CONTINGENCIES AND COMMITMENTS		12								
Number of units in issue		13	1,112,732	1,863,433	2,389,597		426,769	1,099,815	1,671,513	
Net assets value per unit			392.21	169.27	164.99		217.14	144.72	143.64	

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT **FOR THE YEAR ENDED JUNE 30, 2025**

		June 30, 2025				June 30, 2024			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		-----Rupees in '000-----							
Income									
		36,414	5,548	2,868	44,830	15,438	1,311	547	17,296
		-	-	8,932	8,932	-	11,320	2,789	14,109
		-	28,869	34,059	62,928	-	6,360	27,568	33,928
		18,882	-	-	18,882	5,858	-	-	5,858
		2,137	1,830	2,319	6,286	617	3,069	1,892	5,578
		57,433	36,247	48,178	141,858	21,913	22,060	32,796	76,769
		81,155	430	127	81,712	21,519	57	1,691	23,267
		138,588	36,677	48,305	223,570	43,432	22,117	34,487	100,036
Expenses									
	8.1	2,654	2,232	3,180	8,066	510	794	1,223	2,527
	8.2	398	334	476	1,208	66	103	159	328
	9.1	400	310	471	1,181	81	174	219	474
	9.2	60	48	70	178	10	15	28	53
	10.1	106	89	127	322	23	40	64	127
	14	141	141	141	423	134	115	115	364
		1,064	5	-	1,069	241	-	-	241
		156	-	-	156	31	-	-	31
		-	-	-	-	22	22	22	66
		20	49	48	117	15	42	20	77
		4,999	3,208	4,513	12,720	1,133	1,305	1,850	4,288
Net income for the year before taxation									
		133,589	33,469	43,792	210,850	42,299	20,812	32,637	95,748
Taxation									
		-	-	-	-	-	-	-	-
Net income for the year after taxation									
		133,589	33,469	43,792	210,850	42,299	20,812	32,637	95,748
Earnings per unit									

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025				June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees in '000 -----							
Net income for the year after taxation	133,589	33,469	43,792	210,850	42,299	20,812	32,637	95,748
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	<u>133,589</u>	<u>33,469</u>	<u>43,792</u>	<u>210,850</u>	<u>42,299</u>	<u>20,812</u>	<u>32,637</u>	<u>95,748</u>

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025				June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees in '000-----							
Net assets at the beginning of the year	92,668	159,165	240,092	491,925	36,884	77,180	133,949	248,013
Issue of units*	716,132	463,274	636,421	1,815,827	50,648	192,775	271,468	514,891
Redemption of units*	(505,955)	(340,466)	(526,023)	(1,372,444)	(37,163)	(131,602)	(197,962)	(366,727)
	210,177	122,808	110,398	443,383	13,485	61,173	73,506	148,164
Gain on sale of investments - net	36,414	5,548	2,868	44,830	15,438	1,311	547	17,296
Unrealised appreciation / (diminution) on 're-measurement' of investments classified at fair value 'through profit or loss' - net	81,155	430,127		81,712	21,519	57	1,691	23,267
Other income for the year - net	16,020	27,491	40,797	84,308	5,342	19,444	30,399	55,185
Total comprehensive income for the year	133,589	33,469	43,792	210,850	42,299	20,812	32,637	95,749
Net assets at the end of the year	436,434	315,442	394,282	1,146,158	92,668	159,165	240,092	491,925

* Total number of units issued and redeemed during the year is disclosed in note 13 of these financial statements.

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025				June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	Rupees in '000							
CASH FLOW FROM OPERATING ACTIVITIES								
Net income for the year before taxation	133,589	33,469	43,792	210,850	42,299	20,812	32,637	95,748
Adjustments for:								
Unrealised appreciation / (diminution) on re-measurement of investments 'classified at fair value through profit or loss' - net	(81,155)	(430)	(127)	(81,712)	(21,519)	(57)	(1,691)	(23,267)
	52,434	33,039	43,665	129,138	20,780	20,755	30,946	72,481
(Increase) / decrease in assets								
Investments	(240,459)	(161,782)	(120,898)	(523,139)	(28,182)	(63,016)	(94,890)	(186,088)
Dividend and profit receivable	(1,157)	4,438	3,516	6,797	1,762	(2,589)	(2,795)	(3,622)
Other receivables	(3,454)	(1,617)	(648)	(5,719)	226	120	147	493
	(245,070)	(158,961)	(118,030)	(522,061)	(26,194)	(65,485)	(97,538)	(189,217)
Increase / (decrease) in liabilities								
Payable to AL Habib Asset Management Limited - Management Company	305	157	229	691	79	(330)	(499)	(750)
Payable to Central Depository Company of Pakistan Limited - Trustee	48	27	28	103	(43)	(100)	(75)	(218)
Payable to Securities and Exchange Commission of Pakistan	83	49	63	195	9	19	44	72
Payable against purchase of investments	-	-	-	-	-	-	(29,698)	(29,698)
Accrued expenses and other liabilities	4,258	(9)	22	4,271	622	(11)	19	630
	4,694	224	342	5,260	667	(422)	(30,209)	(29,964)
Net cash used in operating activities	(187,942)	(125,698)	(74,023)	(387,663)	(4,747)	(45,152)	(96,801)	(146,700)
CASH FLOW FROM FINANCING ACTIVITIES								
Receipts from issue of units	716,132	463,274	636,421	1,815,827	50,648	192,775	271,468	514,891
Payment against redemption of units	(505,955)	(340,466)	(526,023)	(1,372,444)	(37,163)	(131,602)	(197,962)	(366,727)
Net cash generated from financing activities	210,177	122,808	110,398	443,383	13,485	61,173	73,506	148,164
Net increase / (decrease) in cash and cash equivalents	22,235	(2,890)	36,375	55,718	8,738	16,021	(23,295)	1,464
Cash and cash equivalents at beginning of the year	9,122	25,471	37,560	72,153	384	9,450	60,855	70,689
Cash and cash equivalents at the end of the year	31,356	22,580	73,935	127,871	9,122	25,471	37,560	72,153

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Pension Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on June 20, 2022 between AL Habib Asset Management Company Limited as the Pension Fund Manager and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Fund as a Pension Fund dated May 16, 2022 in accordance with the requirements of the Voluntary Pension Scheme Rules, 2005.
- 1.2** The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Pension Fund Manager of the Fund has been licensed to act as a Pension Fund Manager under the Voluntary Pension Scheme Rules, 2005 (the VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 3rd Floor Mackinnon's Building I, I Chundrigar Road Karachi.
- 1.4** The units of the Sub Funds are offered to the public for subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in the Voluntary Pension System Rules, 2005 and can be redeemed by surrendering them to the Sub Funds. Further, as per the Offering Document, the Fund shall not distribute any income or dividend from the Fund whether in cash or otherwise from any of the Sub-Funds.
- 1.5** The objective of the Fund is to provide a secure source of savings and retirement income to individuals. It is a portable pension scheme allowing individuals the flexibility of contributions and portfolio customisation through allocation of such contributions in equity and fixed income investment avenues suited to their specific needs and risk profile.
- 1.6** The Fund consists of three sub-funds namely, AL Habib Pension Fund Equity Sub-Fund (Equity Sub-Fund), AL Habib Pension Fund Debt Sub-Fund (Debt Sub-Fund) and AL Habib pension Fund Money Market Sub-Fund (Money Market Sub-Fund) (collectively the "Sub-Funds"). Investment policy for each of the sub-funds is as follows:

a) AL Habib Pension Fund - Equity Sub-Fund

The investment objective of the Equity Sub Fund of the Pension Fund is to earn returns from investments in Pakistani Capital Markets. Assets of Equity Sub-fund shall be invested in equity securities which are listed on the Stock Exchange of Pakistan or for the listing of which an application has been approved by a Stock Exchange and Equity sub-fund shall be eligible to invest in units of Real Estate Investment Trusts (REIT) and Exchange Traded Funds (ETF's) provided that entity/sector/group exposure limits as prescribed are complied with at least ninety percent (90%) of Net Assets of Equity Sub-fund shall remain invested in listed equity securities during the year based on rolling average investment of last ninety (90) days calculated on daily basis.

b) AL Habib Pension Fund - Debt Sub-Fund

The investment objective of the Debt Sub Fund is to earn returns from investments in debt markets of Pakistan, thus incurring a relatively lower risk than equity sub fund. The investment limits of the Debt Sub Fund are determined by the Commission. The current investment policy/limits for debt sub-fund as stated below:

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

c) AL Habib Pension Fund - Money Market Sub-Fund

The investment objective of the Money Market Sub-Fund is to earn returns from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than debt sub fund. The investment limits of the Money Market Sub Fund are determined by the Commission. The current investment policy / limits for money market sub-fund as stated below:

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

- 1.7 The Fund offers four types of allocation schemes, as prescribed by the SECP under VPS Rules 2005 vide its Circular no. 36 of 2009 dated December 10, 2009, to the participants of the Fund, namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has an option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the Funds are allocated to the above stated Sub-Funds. The allocation to the sub-funds has to be done at the date of the opening of the participant's pension account and on an anniversary date thereafter.
- 1.8 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.
- 1.9 The management company has been assigned a rating of 'AM1' by Pakistan Credit Rating Agency PACRA dated December 12, 2024.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The requirements of the Constitutive Documents, Voluntary Pension System Rules, 2005 (VPS Rules), The NBFC Rules, The Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and the requirements of the Trust Deed.

Wherever the requirements of the Constitutive Documents, the VPS Rules, NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the VPS Rules (2005) or the requirements of the said directives prevail.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, 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 the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 the revision and future year if the revision affects both current and future year.

Estimates and judgments that have significant effect on the financial statements relate to classification and valuation and impairment of financial assets are as follows:

Classification and measurement of financial assets and financial liabilities

For details please refer notes 4.2.1.1 and 6 to these financial statements.

Impairment of financial assets

For details please refer notes 4.2.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025**

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - 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 IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 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 revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan SECP.

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

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

4.2 Financial instruments

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss. The Management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.1.1 Classification

4.2.1.1.1 Equity Instruments

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

4.2.1.1.2 Debt Instruments

Amortized cost

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

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

Fair value through profit or loss

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. A financial asset is at FVTPL initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent, the financial measured at:

Debt investments at amortised cost

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

Debt investments at FVOCI

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

Debt investments at FVTPL

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

Equity instruments at FVOCI

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by instrument basis. The Fund has not used this classification for its investment portfolio.

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

Equity investments at FVTPL

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

4.2.1.2 Regular way purchase and sale of financial asset

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.

4.2.1.3 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 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.3 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the income statement.

4.2.4 Offsetting of financial assets and liabilities

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

4.3 Provisions

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

4.4 Taxation

The income of the Fund is exempt from income tax under clause 57(3)(viii) of part I of second schedule to the income Tax Ordinance, 2001.

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

4.5 Proposed distributions

Distributions declared subsequent to the year end reporting date are subject to the approval of Board of Directors of the management company and are considered as non-adjusting events and are recognised in the financial statements in the year in which such distributions are declared.

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours 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 is payable to the Management Company / Distributors as processing fee.

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 represents the net assets value per unit as of the close of the business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

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

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized using the effective interest method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.

4.9 Expenses

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

4.10 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

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

AL HABIB PENSION FUND

			June 30, 2025				June 30, 2024			
			Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
5	BALANCES WITH BANK	Note	Rupees in '000							
	Saving accounts	5.1	34,810	22,580	73,935	131,325	9,122	25,471	37,560	72,153
			34,810	22,580	73,935	131,325	9,122	25,471	37,560	72,153

5.1 These carries mark-up at the rates ranging between 9.25% to 19% (2024: 18% to 21.1%) per annum for all sub funds. These represents balances held with Bank AL Habib Limited, a related party.

			June 30, 2025				June 30, 2024			
			Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
			Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
6	INVESTMENTS	Note	Rupees in '000							
At fair value through profit or loss										
	Listed equity securities	6.1	405,922	-	-	405,922	84,308	-	-	84,308
Government securities:										
	Pakistan Investment Bond	6.2.1	-	14,865	-	14,865	-	69,248	68,814	138,062
	Market Treasury Bills	6.2.2	-	276,638	320,293	596,931	-	60,043	130,454	190,497
			405,922	291,503	320,293	1,017,718	84,308	129,291	199,268	412,867

6.1 Listed equity securities

Ordinary shares having face value of Rs. 10 each unless stated otherwise.

Name of the investee company	Note	Number of shares / certificates					As at June 30, 2025			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
		As at July 01, 2024	Purchased during the year	Bonus received during the year	Sold during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Sub-Fund	Total investment of the Sub-Fund	
(Number of shares)						Rupees in '000			%age			
AUTOMOBILE PARTS AND ACCESSORIES												
Baluchistan Wheels Limited		3,000	3,300	-	-	6,300	758	896	138	0.21%	0.22%	0.00%
Exide Pakistan Limited		5,000	2,800	-	-	7,800	5,492	6,628	1,136	1.52%	1.63%	0.06%
Atlas Battery Limited		-	4,100	-	4,100	-	-	-	-	0.00%	0.00%	0.00%
Treet Battery Limited		-	180,000	-	180,000	-	-	-	-	0.00%	0.00%	0.00%
							6,250	7,524	1,274	1.73%	1.85%	
CEMENT												
Cherat Cement Company Limited		9,000	4,500	-	-	13,500	2,358	3,919	1,561	0.90%	0.97%	0.07%
D.G. Khan Cement Company Limited		-	95,000	-	5,000	90,000	11,449	14,900	3,451	3.41%	3.67%	0.21%
Fauji Cement Company Limited		70,000	137,000	-	25,000	182,000	4,858	8,130	3,272	1.86%	2.00%	0.07%
Kohat Cement Limited		5,000	2,200	-	7,200	-	-	-	-	0.00%	0.00%	0.00%
Lucky Cement Limited		2,600	63,504	-	1,604	64,500	16,379	22,913	6,534	5.25%	5.64%	0.22%
Pioneer Cement Limited		10,000	11,600	-	-	21,600	4,113	4,928	815	1.13%	1.21%	0.10%
Attock Cement Pakistan Limited		9,000	-	-	9,000	-	-	-	-	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Limited		36,862	132,000	-	43,862	125,000	6,937	10,535	3,598	2.41%	2.60%	0.12%
Bestway Cement Limited		4,500	18,500	-	-	23,000	5,865	9,327	3,462	2.14%	2.30%	0.04%
							51,959	74,652	22,693	17.10%	18.39%	
CHEMICALS												
Lotte Chemical Pakistan Limited		16,000	-	-	16,000	-	-	-	-	0.00%	0.00%	0.00%
Ghani Chemical Limited		-	100,000	-	100,000	-	-	-	-	0.00%	0.00%	0.00%
Biafo Industries Ltd		16,000	7,000	-	2,000	21,000	2,312	3,688	1,376	0.85%	0.91%	0.45%
							2,312	3,688	1,376	0.85%	0.91%	
COMMERCIAL BANKS												
Habib Bank Limited		27,000	28,500	-	55,500	-	-	-	-	0.00%	0.00%	0.00%
MCB Bank Limited		9,000	41,050	-	50,050	-	-	-	-	0.00%	0.00%	0.00%
Faysal Bank Limited		60,000	75,413	-	135,413	-	-	-	-	0.00%	0.00%	0.00%
Bank Alfalah Limited		55,000	283,500	-	67,000	271,500	20,104	21,785	1,681	4.99%	5.37%	0.17%
Askari Bank Limited		30,000	276,324	-	306,324	-	-	-	-	0.00%	0.00%	0.00%
Meezan Bank Limited		28,000	30,500	-	26,000	32,500	8,609	10,792	2,183	2.47%	2.66%	0.02%
BankIslami Pakistan Limited		75,000	-	-	75,000	-	-	-	-	0.00%	0.00%	0.00%
National Bank of Pakistan		-	100,000	-	-	100,000	5,984	10,869	4,885	2.49%	2.68%	0.00%
United Bank Limited		15,500	149,500	-	41,000	124,000	24,457	34,218	9,761	7.84%	8.43%	0.10%
							59,154	77,664	18,510	17.79%	19.14%	
PHARMACEUTICALS												
BF Biosciences Limited		-	63,000	-	63,000	-	-	-	-	0.00%	0.00%	0.00%
Abbott Laboratories (Pakistan) Limited		-	12,000	-	-	12,000	10,045	11,665	1,620	2.67%	2.87%	0.01%
Haleon Pakistan Limited		-	18,000	-	3,000	15,000	8,351	11,045	2,694	2.53%	2.72%	0.01%
Hoechst Pakistan Limited		-	1,400	-	-	1,400	2,920	4,596	1,676	1.05%	1.13%	0.00%
GlaxoSmithKline Pakistan Limited		-	64,400	-	16,900	47,500	12,331	18,559	6,228	4.25%	4.57%	0.03%
AGP Limited		-	18,500	-	18,500	-	-	-	-	0.00%	0.00%	0.00%
Citi Pharma Ltd		-	25,000	-	25,000	-	-	-	-	0.00%	0.00%	0.00%
							33,647	45,865	12,218			

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Name of the investee company	Note	Number of shares / certificates					As at June 30, 2025			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
		As at July 01, 2024	Purchased during the year	Bonus received during the year	Sold during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Sub-Fund	Total investment of the Sub-Fund	
(Number of shares)						Rupees in '000			%age			
MISCELLANEOUS												
Shifa International Hospitals Limited	-	-	3 10,000	-	-	10,000	4,450	4,751	301	1.09%	1.17%	0.17%
Pakistan Hotels Developers Limited	-	-	5,000	-	5,000	-	-	-	-	0.00%	0.00%	0.00%
							4,450	4,751	301	1.09%	1.17%	
ENGINEERING												
International Industries Limited	-	-	12,000	-	-	12,000	2,106	2,124	18	0.49%	0.52%	0.04%
Crescent Steel & Allied Products Limited	6,000	-	-	-	6,000	-	-	-	-	0.00%	0.00%	0.00%
International Steels Limited	-	-	22,000	-	-	22,000	2,038	2,039	1	0.47%	0.50%	0.05%
							4,144	4,163	19	0.96%	1.02%	
FERTILIZER												
Engro Fertilizer Limited	29,500	-	45,000	-	29,500	45,000	9,459	8,352	(1,107)	1.91%	2.06%	0.03%
Fauji Fertilizer Company	10,000	-	87,573	-	35,573	62,000	17,567	24,329	6,762	5.57%	5.99%	0.05%
Fauji Fertilizer Bin Qasim Limited	65,000	-	59,000	-	124,000	-	-	-	-	0.00%	0.00%	0.00%
Engro Corporation Limited	10,500	-	15,000	-	25,500	-	-	-	-	0.00%	0.00%	0.00%
							27,026	32,681	5,655	7.48%	8.05%	
GLASS & CERAMIC												
Tariq Glass Industries Limited	-	-	10,000	-	-	10,000	1,979	2,512	533	0.58%	0.62%	0.00%
							1,979	2,512	533	0.58%	0.62%	
TEXTILE COMPOSITE												
Towellers Limited	6,000	-	-	-	6,000	-	-	-	-	0.00%	0.00%	0.00%
Interloop Limited	4,000	-	-	-	4,000	-	-	-	-	0.00%	0.00%	0.00%
Nishat Mills Limited	-	-	91,500	-	61,500	30,000	3,101	3,776	675	0.87%	0.93%	0.09%
							3,101	3,776	675	0.87%	0.93%	
OIL & GAS MARKETING COMPANIES												
Sui Northern Gas Pipelines Limited	-	-	90,000	-	10,000	80,000	8,266	9,337	1,071	2.14%	2.30%	0.00%
							8,266	9,337	1,071	2.14%	2.30%	
REFINERY												
Attock Refinery Limited	-	-	7,099	-	7,099	-	-	-	-	0.00%	0.00%	0.00%
							-	-	-	0.00%	0.00%	
OIL & GAS EXPLORATION COMPANIES												
Mari Energies Limited	6.1.1	1,450	10,000	11,600	20,730	2,320	1,442	1,454	12	0.33%	0.36%	0.00%
Oil & Gas Development Company Limited	45,000	-	145,000	-	60,000	130,000	25,149	28,673	3,524	6.57%	7.06%	0.03%
Pakistan State Oil Company Limited	-	-	63,000	-	20,000	43,000	13,370	16,234	2,864	3.72%	4.00%	0.35%
Pak Oilfields Limited	5,900	-	16,600	-	15,500	7,000	4,012	4,131	119	0.95%	1.02%	0.02%
Pakistan Petroleum Limited	27,000	-	162,800	-	94,800	95,000	15,414	16,166	752	3.70%	3.98%	0.03%
							59,387	66,658	7,271	15.27%	16.42%	
POWER GENERATION & DISTRIBUTION												
Hub Power Company Ltd	27,000	-	102,000	-	34,000	95,000	13,011	13,092	81	3.00%	3.23%	0.07%
Engro Powergen Qadirpur Ltd. 40,000	40,000	-	28,000	-	68,000	-	-	-	-	0.00%	0.00%	0.00%
							13,011	13,092	81	3.00%	3.23%	
TECHNOLOGY & COMMUNICATION												
Pakistan Telecommunication Company Ltd	-	-	390,000	-	180,000	210,000	4,889	5,342	453	1.22%	1.32%	0.00%
							4,889	5,342	453	1.22%	1.32%	
INVESTMENT BANKS/COMPANIES/SECURITIES												
Engro Holdings Limited	-	-	111,161	-	33,661	77,500	13,611	14,148	537	3.24%	3.49%	0.00%
							13,611	14,148	537	3.24%	3.49%	
AUTOMOBILE ASSEMBLER												
Sazgar Engineering Works Limited	7,000	-	7,200	-	14,200	-	-	-	-	0.00%	0.00%	0.00%
Ghandhara Industries Limited	-	-	9,000	-	2,000	7,000	3,077	4,553	1,476	1.04%	1.12%	0.12%
Ghandhara Automobiles Limited -	-	-	52,000	-	27,000	25,000	9,670	9,434	(236)	2.16%	2.32%	0.59%
							12,747	13,987	1,240	3.20%	3.44%	
FOOD & PERSONAL CARE PRODUCTS												
Barkat Frisian Agro Limited	-	-	265,746	-	15,746	250,000	5,517	10,238	4,721	2.35%	2.52%	0.00%
National Foods Limited	-	-	30,000	-	-	30,000	7,538	9,817	2,279	2.25%	2.42%	0.00%
The Organice Meat Company Limited®	-	-	5,051	-	5,051	-	-	-	-	0.00%	0.00%	0.00%
The Organic Meat Company Limited	25,000	-	-	-	25,000	-	-	-	-	0.00%	0.00%	0.00%
							13,055	20,055	7,000	4.60%	4.94%	
LEATHER & TANNERIES												
Service Global Footwear Limited-	-	-	54,000	-	-	54,000	3,923	4,287	364	0.98%	1.06%	0.00%
							3,923	4,287	364	0.98%	1.06%	
CABLE & ELECTRICAL GOODS												
Fast Cables Limited	-	-	152,000	-	82,000	70,000	1,854	1,740	(114)	0.40%	0.43%	0.00%
							1,854	1,740	(114)	0.40%	0.43%	
Total as at June 30, 2025							324,765	405,922	81,155	82.50%	88.71%	
Total as at June 30, 2024							62,787	84,308	21,519	82.81%	91.00%	

6.1.1 During the tax year 2023, section 236Z of the Income Tax Ordinance, 2001 introduced for levy a withholding tax at the rate of 10% of amount of bonus shares declared by company. During the period, the Fund has received 14,400 bonus shares from Mari Petroleum Company Limited, against which 1,440 shares were withheld by the investee company as withholding tax under section 236Z of the income tax ordinance, 2001. The Management Company in consultation with other CISOs, has formed a considered view that since

AL HABIB PENSION FUND

the fund is a pass through entity and its income, upon distribution of 90% to unit holders, is not subject to tax. Therefore, the provision of Section 236Z - withholding tax is not applicable to the Fund as no tax incidence will eventually arise.

Further, a Petition having reference no. C.P. No. D-4747 of 2024 and C.P. No D-5461 of 2024 have been filed by the Central Depository Company of Pakistan Limited (CDC) as Trustee on behalf of CISs and management companies against the investee companies before the Honorable High court of Sindh (the Court) against implementation of Section 236Z on CISs and to seek exemption certificates from Income tax authorities. The Court has issued order and directed the investee companies to retain 10% of the bonus shares being issued to petitioners (i.e. investment management companies) and shall not pay any tax to Inland Revenue Department until further order received from the Court. In order to cater the fair value differences and resulting withholding tax amount as requested by the investee company, the Court has further directed to retain additional 10% shares. Accordingly, the CDC being the custodian of the shares has frozen additional 10% shares in the investment account held with them.

Based on Islamabad High Court order, Mari Energies Limited has disposed of the shares withheld and the proceeds has been deposited with government treasury except those entities which are in litigation with SHC. As a result, CDC released frozen additional 10% shares in the investment account held by CDC irrespective of litigation. However, SHC decision is still pending adjudication.

6.2 Government Securities

6.2.1 Pakistan Investment Bond

6.2.1.1 Debt Sub Fund

Tenure	As at July 01, 2024	Purchased during the year	Disposed of / matured during the year / Sale	As at June 30, 2025	Carrying Amount as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (diminution)	Percentage in relation to	
								Net assets of the Fund	Total market value of investment
PIB 5 YEARS (19-10-2023) - FLOATER	80	-	-	80	7,786	7,892	106	2.50%	2.71%
PIB 03 YEAR (07-10-2021) - FLOATER	-	250	250	-	-	-	-	0.00%	0.00%
PIB 3 YEARS (19-10-2023) - FLOATER	570	-	500	70	6,764	6,973	209	2.21%	2.39%
PIB 10 YEARS (26-03-2015)	60	-	60	-	-	-	-	0.00%	0.00%
PIB 03 YEARS (20-09-2024) - FIXED	-	1,500	1,500	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025					14,550	14,865	315		
Total as at June 30, 2024					69,199	69,248	49		

6.2.1.2 Money Market Sub Fund

Tenure	As at July 01, 2024	Purchased during the year	Disposed of / matured during the year	As at June 30, 2025	Carrying Amount as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (diminution)	Percentage in relation to	
								Net assets of the Fund	Total market value of investment
-----Number of certificates-----				-----Rupees in '000-----			-----%age-----		
PIB 5 YEARS (18-06-2020) - FLOATER	-	450	450	-	-	-	-	0.00%	0.00%
PIB 03 YEAR (07-10-2021) - FLOATER	690	1,010	1,700	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 01 YEAR VRR (17-04-2023)	25	-	25	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025					-	-	-		
Total as at June 30, 2024					67,168	68,814	1,646		

6.2.2 Market Treasury Bills

6.2.2.1 Debt Sub Fund

Tenure	As at July 01, 2024	Purchased during the year	Disposed of / matured during the year	As at June 30, 2025	Carrying Amount as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (diminution)	Percentage in relation to	
								Net assets of the Fund	Total market value of investment
		-----Number of certificates-----				-----Rupees in '000-----			-----%-----
T- BILL 03 MONTHS (11-07-2024)	-	410,000	410,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (11-07-2024)	-	1,030,000	1,030,000	-	-	-	-	0.00%	0.00%
T-BILL 01 MONTHS (02-05-2025)	-	80,000	80,000	-	-	-	-	0.00%	0.00%
T-BILL 01 MONTHS (15-05-2025)	-	89,000	89,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTH (02-05-2024)	440,000	-	440,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (06-02-2025)	-	750,000	750,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (06-03-2025)	-	660,000	660,000	-	-	-	-	0.00%	0.00%

6.2.2.2 Money Market Sub Fund

AL Habib Asset Management Limited

Tenure	As at July 01, 2024	Purchased during the year	Disposed of / matured during the year	As at June 30, 2025	Carrying Amount as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (diminution)	Percentage in relation to	
								Net assets of the Fund	Total market value of investment
T-BILL 06 MONTHS (03-10-2024)	-	140,000	140,000	-	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (05-09-2024)	-	350,000	350,000	-	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (08-08-2024)	-	200,000	-	200,000	19,072	19,071	(1)	6.05%	5.95%
T-BILL 06 MONTHS (09-01-2025)	8,250	-	8,250	-	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (12-06-2025)	-	370,000	230,000	140,000	13,449	13,455	6	4.27%	4.20%
T-BILL 06 MONTHS (13-06-2024)	-	500,000	-	500,000	48,347	48,440	93	15.36%	15.12%
T-BILL 06 MONTHS (15-05-2025)	-	2,000,000	2,000,000	-	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (17-04-2025)	-	350,000	350,000	-	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (17-10-2024)	-	200,000	-	200,000	19,864	19,860	(4)	6.30%	6.20%
T-BILL 06 MONTHS (22-08-2024)	-	130,000	-	130,000	12,345	12,344	(1)	3.91%	3.85%
T-BILL 06 MONTHS (23-01-2025)	-	320,000	320,000	-	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (26-06-2025)	-	100,000	100,000	-	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (26-12-2024)	-	250,000	-	250,000	24,281	24,318	37	7.71%	7.59%
T-BILL 12 MONTHS (02-11-2023)	-	160,000	-	160,000	15,698	15,691	(7)	4.97%	4.90%
T-BILL 12 MONTHS (03-10-2024)	-	25,000	25,000	-	-	-	-	0.00%	0.00%
T-BILL 12 MONTHS (05-09-2024)	-	1,810,000	1,810,000	-	-	-	-	0.00%	0.00%
T-BILL 12 MONTHS (07-03-2024)	-	227,650	-	227,650	21,780	21,793	13	6.91%	6.80%
T-BILL 12 MONTHS (19-10-2023)	-	27,000	27,000	-	-	-	-	0.00%	0.00%
T-BILL 12 MONTHS (28-11-2024)	135,000	-	135,000	-	-	-	-	0.00%	0.00%
T-BILL 12 MONTHS (30-05-2024)	-	-	-	-	-	-	-	0.00%	0.00%
T-BILL 12 MONTHS (30-11-2023)	-	-	-	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025					320,165	320,293	128		
Total as at June 30, 2024					130,409	130,454	45		

Dividend receivable
Profit receivable on saving account

Remuneration payable to the Management Company	8.1
Sindh Sales Tax payable on remuneration of the Management Company	8.2

Dividend receivable
Profit receivable on saving account

Remuneration payable to the Management Company	8.
Sindh Sales Tax payable on remuneration of the Management Company	8.

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

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

8.2 The Sindh Sales Tax is charged at the rate of 15% (2024: 13%) on the remuneration as per Sindh Sales Tax on Services Act, 2011.

		June 30, 2025				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
		-----Rupees in '000-----				
9.	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note				
	Remuneration payable to Trustee	9.1	52	39	49	140
	Sindh Sales Tax Payable on remuneration of the Trustee	9.2	8	7	7	22
			60	46	56	162
		June 30, 2024				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
		-----Rupees in '000-----				
	Remuneration payable to Trustee	9.1	10	17	25	52
	Sindh Sales Tax Payable on remuneration of the Trustee	9.2	2	2	3	7
			12	19	28	59

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 there in, based on the daily Net Asset Value (NAV) of the Fund. The remuneration is paid to the trustee monthly in arrears.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2025 is as follows:

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

9.2 The Sindh Sales Tax is charged at the rate of 15% (2024: 13%) on the remuneration as per Sindh Sales Tax on Services Act, 2011.

		June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		-----Rupees in '000-----			
10.	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note			
Annual fee payable to SECP	10.1	106	88	127	321
		106	88	127	321
		June 30, 2024			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		-----Rupees in '000-----			
	Annual fee payable to SECP	10.1	23	39	126
		23	39	64	126

10.1 This represents annual fee payable to Securities And Exchange Commission of Pakistan in accordance with the Rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one thirtieth of 1% (2024: one thirtieth of 1%) of average annual net asset value of each of the sub-fund.

June 30, 2025				
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
-----Rupees in '000-----				
11. ACCRUED EXPENSES AND OTHER LIABILITIES				
Broker Payable	4,889	-	-	4,889
Auditors' remuneration payable	60	60	60	180
Other payable	11	-	63	74
Printing charges	29	10	31	70
	4,989	70	154	5,213

11. ACCRUED EXPENSES AND OTHER LIABILITIES

Broker Payable	4,889	-	-	4,889
Auditors' remuneration payable	60	60	60	180
Other payable	11	-	63	74
Printing charges	29	10	31	70
	4,989	70	154	5,213

June 30, 2024				
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Broker Payable	640	-	-	640
Auditors' remuneration payable	54	59	54	167
Other payable	37	20	78	135
Printing charges	-	-	-	-
	731	79	132	942

12. CONTINGENCIES AND COMMITMENTS

Contingencies

There are no contingencies as at June 30, 2025. (2024 : Nil)

Commitments

There are no commitments as at June 30, 2025. (2024 : Nil)

13. NUMBER OF UNITS IN ISSUE

	June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
NUMBER OF UNITS IN ISSUE	-----Rupees in '000-----			
Total units in issue at the beginning of the year	426,769	1,099,815	1,671,513	3,198,097
Add: Units issued during the year	2,141,857	2,831,466	3,984,645	8,957,968
Less: units redeemed during the year	(1,455,894)	(2,067,848)	(3,266,561)	(6,790,303)
Total units in issue at the end of the year	1,112,732	1,863,433	2,389,597	5,365,762

	June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees in '000-----			
Total units in issue at the beginning of the year	357,416	657,296	1,145,516	2,160,228
Add: Units issued during the year	258,660	1,380,617	1,962,854	3,602,131
Less: units redeemed during the year	(189,307)	(938,098)	(1,436,857)	(2,564,262)
Total units in issue at the end of the year	426,769	1,099,815	1,671,513	3,198,097

14. AUDITORS' REMUNERATION

	June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
AUDITORS' REMUNERATION	-----Rupees in '000-----			
Annual audit fee	141	141	141	423
Review of condensed interim financial information	-	-	-	-
Sales tax	-	-	-	-
Out of pocket expenses	-	-	-	-
	141	141	141	423

	June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees in '000-----			
Annual audit fee	134	115	115	364
Review of condensed interim financial information	-	-	-	-
Sales tax	-	-	-	-
Out of pocket expenses	-	-	-	-
	134	115	115	364

15. TAXATION

The income of the Fund is exempt from income tax under clause 57(3)(viii) of part I of second schedule to the income Tax Ordinance, 2001. The Fund is also exempt from section 113 (minimum tax) provision under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

16. EARNINGS PER UNIT

Earnings per unit has not been disclosed in these financial statements as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.

17. FINANCIAL INSTRUMENTS BY CATEGORY

June 30, 2025									
Particular	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000-----									
Financial assets									
Balances with bank	-	31,356	31,356	-	22,580	22,580	-	73,935	73,935
Investments	405,922	-	405,922	291,503	-	291,503	320,293	-	320,293
Dividend and profit receivable	-	1,239	1,239	-	113	113	-	170	170
Other receivables	-	3,454	3,454	-	1,730	1,730	-	648	648
	405,922	36,049	441,971	291,503	24,423	315,926	320,293	74,753	395,046
Financial liabilities									
Payable to AL Habib Asset Management Limited - Management Company	-	332	332	-	243	243	-	373	373
Payable to Central Depository Company of Pakistan Limited - Trustee	-	52	52	-	39	39	-	49	49
Payable to Securities and Exchange Commission of Pakistan	-	106	106	-	88	88	-	127	127
Accrued expenses and other liabilities	-	4,989	4,989	-	70	70	-	154	154
	-	5,479	5,479	-	440	440	-	703	703

June 30, 2024									
Particular	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000-----									
Financial assets									
Balances with bank	-	9,122	9,122	-	25,471	25,471	-	37,560	37,560
Investments	84,308	-	84,308	120,086	-	120,086	199,268	-	199,268
Dividend and profit receivable	-	82	82	-	4,551	4,551	-	3,686	3,686
Other receivables	-	-	-	-	113	113	-	-	-
	84,308	9,204	93,512	120,086	30,135	150,221	199,268	41,246	240,514
Financial liabilities									
Payable to AL Habib Asset Management Limited - Management Company	-	78	78	-	124	124	-	198	198
Payable to Central Depository Company of Pakistan Limited - Trustee	-	12	12	-	19	19	-	28	28
Payable to Securities and Exchange Commission of Pakistan	-	23	23	-	39	39	-	64	64
Accrued expenses and other liabilities	-	731	731	-	79	79	-	132	132
	-	844	844	-	261	261	-	422	422

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES/ CONNECTED PARTIES

Related parties/ Connected persons include Al Habib Fund Managers Limited being the Management Company, Bank Al Habib Limited being the Sponsor, Central Depository Company of Pakistan Limited being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

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

Related parties/connected persons include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of Al Habib Management Company.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Currency Exchange Ltd	Subsidiary of Bank AL Habib Limited
5	AL Habib Cash Fund Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
19	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
20	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Limited
21	Central Depository Company	Trustee

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

	June 30, 2025				June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000							
18.1 Transactions during the year								
Al Habib Asset Management Limited - Management Company								
Remuneration of Management company	2,654	2,232	3,180	8,066	510	794	1,223	2,527
Sindh Sales Tax on remuneration of Management company	398	334	476	1,208	66	103	159	328
Central Depository Company of Pakistan Limited - Trustee								
Remuneration of the Trustee	400	310	471	1,181	81	174	219	474
Sindh Sales Tax on remuneration of Trustee	60	48	70	178	10	15	28	53
Bank Al Habib Limited - Sponsor								
Mark-up on bank deposits	2,137	1,830	2,319	6,286	617	3,069	1,892	5,578
AL Habib Capital Markets (Pvt) Ltd								
Brokerage	31	-	-	31	114	-	-	114

	June 30, 2025				June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000							
18.2 Balances outstanding as at year end								
Al Habib Asset Management Limited - Management Company								
Management company fee payable	332	243	373	948	69	109	176	354
Sindh Sales Tax payable on remuneration of Management company	50	37	54	141	9	15	22	46
Central Depository Company of Pakistan Limited - Trustee								
Trustee fee payable	52	39	49	140	10	17	25	52
Sindh Sales Tax payable on remuneration of Trustee	8	7	7	22	2	2	3	7
Bank Al Habib Limited - Sponsor								
Balances with bank	34,810	22,580	73,935	131,325	9,122	25,471	37,560	72,153
Profit Receivable	112	113	170	395	49	4,551	3,686	8,286

19. FINANCIAL RISK MANAGEMENT

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

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

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

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 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.

19.1.1 Currency risk

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

19.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

As at the reporting date, the fund does not hold any variable profit based investment except balances with banks exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rates at period end with all other variables held constant, the net income for the period and the net assets of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund would have been higher / lower by Rs 4.407 million, Rs 0.374 million and Rs 0.739 million respectively.

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b) Sensitivity analysis for fixed rate instruments

The Fund is exposed to fair value interest rate risk for investment in government securities.

In case of 100 basis points increase in interest rates on June 30, 2025, with all other variables held constant, the net income for the period and the net assets Debt Sub-Fund and Money Marker Sub-Fund would have been lower / higher by Rs 0.225 million and Rs 0.739 million respectively.

Fair value interest rate risk

Yield / Interest rate sensitivity position for financial instrument is as follows:

Particulars	Effective yield / interest rate	June 30, 2025											Total											
		Equity Sub-Fund				Debt Sub-Fund			Money Market Sub-Fund															
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Exposed to yield / interest rate risk														
		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year												
%														Rupees in '000										
On-balance sheet financial instruments																								
Financial assets																								
Balances with bank	9.25%-19%	31,356	-	-	-	22,580	-	-	-	73,935	-	-	-	127,871										
Investments - net		-	-	-	405,922	-	-	-	291,503	-	-	-	320,293	1,017,718										
Dividend and profit receivable		1,239	-	-	-	113	-	-	-	170	-	-	-	1,522										
Other Receivable		3,454	-	-	-	1,730	-	-	-	648	-	-	-	5,832										
		36,049	-	-	405,922	24,423	-	-	291,503	74,753	-	-	320,293	1,152,943										
Financial liabilities																								
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	332	-	-	-	243	-	-	-	373	948										
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	52	-	-	-	39	-	-	-	49	140										
Payable to Securities and Exchange Commission of Pakistan		-	-	-	106	-	-	-	88	-	-	-	127	321										
Accrued expenses and other liabilities		-	-	-	4,989	-	-	-	70	-	-	-	154	5,213										
		-	-	-	5,479	-	-	-	440	-	-	-	703	6,622										
On-balance sheet gap (a)		36,049	-	-	400,443	24,423	-	-	291,063	74,753	-	-	319,590	1,146,321										
Off-balance sheet financial instruments		-	-	-	-	-	-	-	-	-	-	-	-	-										
Off-balance sheet gap (b)		-	-	-	-	-	-	-	-	-	-	-	-	-										

Particulars	Effective yield / interest rate	June 30, 2024												Total
		Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		
%		Rupees in '000												
On-balance sheet financial instruments														
Financial assets														
Balances with bank	18%-21.1%	9,122.00	-	-	-	25,471	-	-	-	37,560	-	-	-	72,153
Investments - net		-	-	-	84,308	-	-	-	120,086	-	-	-	199,268	403,662
Dividend and profit receivable		82.00	-	-	-	4,551	-	-	-	3,686	-	-	-	8,319
Advance and deposits		-	-	-	-	113	-	-	-	-	-	-	-	113
		9,204	-	-	84,308	30,135	-	-	120,086	41,246	-	-	199,268	484,247
Financial liabilities														
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	78	-	-	-	124	-	-	-	131	333
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	12	-	-	-	19	-	-	-	26	57
Payable to Securities and Exchange Commission of Pakistan		-	-	-	23	-	-	-	39	-	-	-	64	126
Accrued expenses and other liabilities		-	-	-	731	-	-	-	79	-	-	-	132	942
		-	-	-	844	-	-	-	261	-	-	-	353	1,458
On-balance sheet gap (a)		9,204	-	-	83,464	30,135	-	-	119,825	41,246	-	-	198,915	482,789
Off-balance sheet financial instruments		-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-	-	-	-	-	-	-	-	-

19.1.3 Other 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.

A summary analysis of local investments by industry sector, the percentage in relation to Fund's assets and the issued capital of the investee company is presented in note 6.1 to these financial statements. Further, the Fund's policy requires that the overall Fund position is monitored on a daily basis by the Fund Manager and is reviewed on bi-monthly basis by the Investment Committee and by the Board of Directors in every meeting of the Board. Non - compliance with the Fund's investment policies is reported to the Board of Directors.

The Fund's investments in equity securities are publicly traded and are valued at the rates quoted on the relevant stock exchanges.

In case of 5% increase / decrease in the fair value of the Fund's equity securities at fair value through profit or loss on June 30, 2025, net income for the year would increase / decrease by Rs. 20.296 million (2024: Rs. 4.215 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 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 KMI index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX 100 Index.

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 balances with bank (financial institutions) and receivables from banks.

Management of credit risk

The Fund keeps deposits with reputed financial institutions. All transactions in units are settled / paid for upon delivery using the system of Trustee. 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.

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

Bank	Equity Sub - Fund	Debt Sub - Fund	Money Market Sub-Fund	Latest available published rating as at June 30, 2025	Rating agency
----- Rupees in '000 -----					
Bank Al Habib Limited	31,356	22,580	73,935	A1+	PACRA
	31,356	22,580	73,935		
Bank	Equity Sub - Fund	Debt Sub - Fund	Money Market Sub-Fund	Latest available published rating as at June 30, 2024	Rating agency
----- Rupees in '000 -----					
Bank Al Habib Limited	9,122	25,471	37,560	A1+	PACRA
	9,122	25,471	37,560		

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Fund's major asset balances are held with a single bank. The management believes that these banks are reputed institution.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed off.

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.

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 summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including balances with bank have been included in the maturity grouping of one month.

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

Particulars	June 30, 2025								
	EquitySub-Fund			DebtSub-Fund			Money Market Sub-Fund		
	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year
----- Rupees in '000 -----									
Financial liabilities									
Payable to the Management Company	382	-	-	280	-	-	427	-	-
Payable to the Trustee (CDC)	60	-	-	46	-	-	56	-	-
Payable to Securities and Exchange Commission of Pakistan	106	-	-	88	-	-	127	-	-
Accrued expenses and other liabilities	4,989	-	-	70	-	-	154	-	-
Total Liabilities	5,537	-	-	484	-	-	764	-	-

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unitholders' fund. Unitholders fund risk management is carried out by the 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 unitholders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the 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 period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

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

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

	June 30, 2025			
	Fair value			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Investments at fair value through profit or loss				
Equity Sub-Fund				
Listed equity securities	405,922	-	-	405,922
Debt Sub-Fund				
Market Treasury Bills	-	291,503	-	291,503
Money Market Sub-Fund				
Market Treasury Bills	-	320,293	-	320,293
	405,922	611,796	-	1,017,718

	June 30, 2024			
	Fair value			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Investments at fair value through profit or loss				
Equity Sub-Fund				
Listed equity securities	84,308	-	-	84,308
Debt Sub-Fund				
Market Treasury Bills	-	120,086	-	120,086
Money Market Sub-Fund				
Market Treasury Bills	-	199,268	-	199,268
	84,308	319,354	-	403,662

21.1 VALUATION TECHNIQUES

21.1.1 For level 1 investments at fair value through profit or loss in units of mutual funds, Fund uses daily quotations which are taken from PSX, for the purpose of computation of Market value at the reporting date.

21.1.2 For level 2 investments at fair value through profit or loss, Fund uses PKRV and PKFRV rates which are taken from MUFAP, for the purpose of computation of Market value at the reporting date.

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

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21.2 TRANSFERS DURING THE YEAR

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

22. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

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

Name	Designation	Qualifications	Experience in years
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	25 years
Mr. Faran ul Haq	Head of Equity	CFA	14.5 years
Mr. Fawad Javaid	Head of Fixed Income	CMA	14.5 years
Mr. Ahmed Abbas	Fund Manager	MBA	17 years
Mr. Hamza Abdur Rehman Siddiqui	Fund Manager - Equity	Msc (Hons)	7 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS ECO, FMVA	7 years

23. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 01, 2024 and October 17, 2024, January 23, 2025, April 25, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Particular	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
Name of Director					
1	Mr. Abbas D.Habib	4	4	-	-
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	103th, 104th and 105th Meeting
5	Mr. Imran Azim	4	2	2	103rd and 106th Meeting
6	Mr. Kashif Rafi	4	4	-	-

24. TOTAL EXPENSE RATIO

As per Part V regulations 67G of NBFC regulations issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the equity sub fund, debt sub fund and money market sub fund for the year ended June 30, 2025 is 1.92%, 1.46% and 1.43% (June 30, 2024: 2.39%, 1.28% and 1.16%) respectively which includes 0.22%, 0.22% and 0.27% (June 30, 2024: 0.17%, 0.16% and 0.15%) respectively representing Government levy and SECP fee.

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

26.1 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 25, 2025** by the Board of Directors of the Management Company.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective:

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

Strategies and Policies Employed during the period under review:

The AHPF maintained its strategy of reaping maximum benefits emanating from volatility experienced in both equity and debt markets. The selection criterion for equity securities is based upon hybrid investment approach with companies having sound financial history backed by strong fundamentals. The exposure in debt portion was also in line with the investment objectives with preference given to highly rated and liquid debt securities.

Fund Description

Fund Type & Category	Open Ended - Voluntary Pension Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	June 30, 2022	Management Fee	Up to 1.5% p.a. on average Net Assets of each Sub-Fund.
Pricing Mechanism	Forward Pricing	Sales Load	Up to 3% on all Contributions
Dealing Days/Timings	Monday to Thursday 4:00 pm Friday 9:30 am to 4:30 pm	Minimum Investment	Initial investment of Rs. 1,000/- Subsequently Rs. 1,000/- per transaction
AMC Rating	"AM1" by PACRA (December 12, 2024)	Risk Profile	Allocation Dependent
Trustee	Central Depository Company of Pakistan Limited.		

	Net Assets (Rs. Mn) 30, 2025	NAV (Rs. Per unit) June 30, 2025	NAV (Rs. Per unit) June 30, 2024	Performance since inception FY 25
AHPF-Debt	315.44	169.2798	144.72	16.97%
AHPF-Money Market	394.28	164.9991	143.63	14.87%
AHPF-Equity	436.43	392.2177	217.13	80.64%

	July-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
AHPF-Debt	17.23%	21.46%	31.43%	27.60%	16.27%	9.17%	15.59%	8.22%	7.47%	10.60%	14.51%	9.46%
AHPF-Money Market	18.31%	21.33%	22.06%	15.98%	15.59%	13.48%	10.54%	9.48%	9.71%	10.20%	10.91%	9.45%
AHPF-Equity	3.47%	1.21%	5.30%	13.27%	18.34%	12.48%	-1.36%	-2.02%	7.26%	-5.94%	6.05%	5.06%

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

AL HABIB PENSION FUND

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

AHPF-Debt Sub Fund	30-Jun-25	30-Jun-24
Cash	7.15%	15.99%
T-Bills	87.56%	37.70%
PIBs	4.71%	43.47%
Others	0.58%	2.84%

AHPF-Money Market Sub Fund	30-Jun-25	30-Jun-24
Cash	18.72%	15.64%
T-Bills	81.08%	54.27%
PIBs	0.00%	28.63%
Others	0.21%	1.46%

AHPF-Equity Sub Fund	30-Jun-25	30-Jun-24
Cash	7.88%	11.59%
Equity	91.84%	88.33%
Others	0.28%	0.09%

Unit Holding Pattern**Debt Sub Fund:**

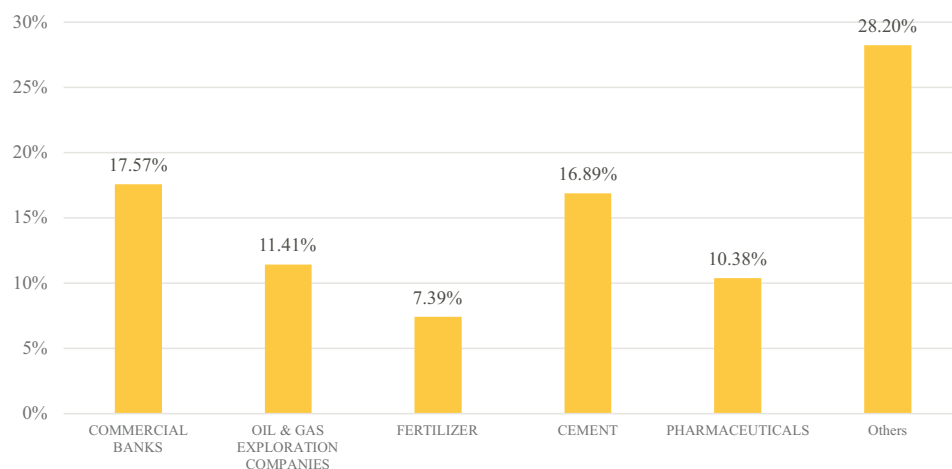
Size of Unit Holding (Units)	# of Unit Holders
1-1000	124
1001-5000	52
5001-10000	17
10001-50000	28
50001-100000	6
100001-500000	3
Grand Total	230

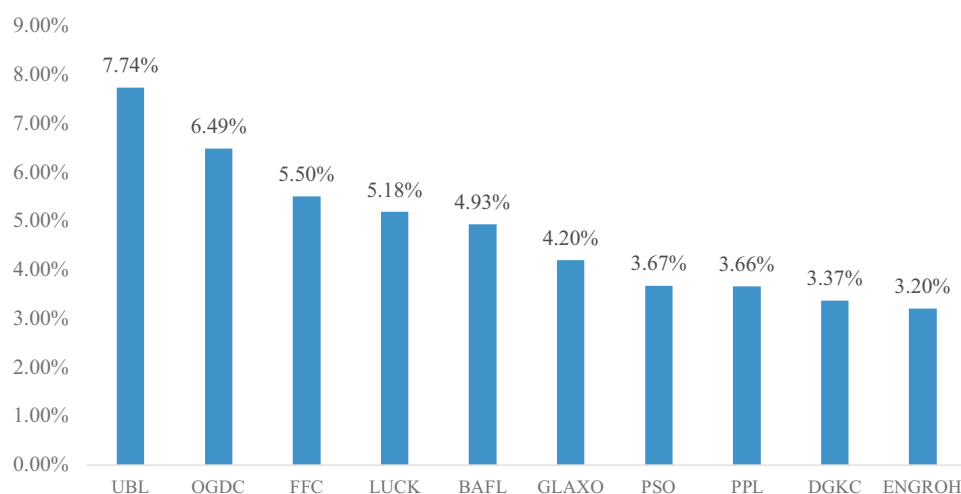
Money Market Sub Fund:

Size of Unit Holding (Units)	# of Unit Holders
1-1000	124
1001-5000	37
5001-10000	17
10001-50000	37
50001-100000	1
100001-500000	8
Grand Total	224

Equity Sub Fund:

Size of Unit Holding (Units)	# of Unit Holders
1-1000	114
1001-5000	34
5001-10000	5
10001-50000	8
50001-100000	1
100001-500000	3
Grand Total	165

Sector Allocation (%age of Total Assets) June 30, 2025

Top Ten holding (%age of Total Asset) June 30, 2025**During the period under question:**

During the period there has been no significant change in the state of affairs of the Fund, other than stated above. During the year there were no circumstances that materially affected any interests of the unit holders. The fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units (Debt Sub Fund)

During the period, 2,823,463 units valued Rs 462.089 million were sold, while 2,067,848 units valued Rs. 340.465 million were redeemed, resulting in to a net sale of 755,615 units valued Rs. 121.6 million.

Sales and Redemptions of Units (Equity Sub Fund)

During the period, 2,137,319 units valued Rs. 715.5 million were sold, while 1,455,894 units valued Rs. 506.5 million were redeemed, resulting in to a net sale of 681,425 units valued Rs. 209 million.

Sales and Redemptions of Units (Money Market Sub Fund)

During the period, 3,980,395 units valued Rs. 635.8 million were sold, while 3,266,561 units valued Rs. 526 million were redeemed, resulting in to a net sale of 713,834 units valued Rs. 109.7 million.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2025, please refer to note 24 of the Annual Accounts 2025.

AL HABIB ISLAMIC PENSION FUND
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.

Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200
Karachi.

Trustee

Central Depository Company of Pakistan Limited
Quality
CDC House, 99-B, Block 'B', S.M.C.H.S.,

Main Shahra-e-Faisal, Karachi.

Bankers to the Fund

Bank AL Habib Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.

Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton,

Rating

AM1 Management Company

Rating Assigned by PACRA.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

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

Fax: (92-21) 34326021 - 23

URL: www.cdcPakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

AL HABIB ISLAMIC PENSION FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Islamic Pension Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the Constitutive Documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2025



REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Advisor of the **AL Habib Islamic Pension Fund**, I am issuing this report. The scope of the report is to express an opinion on the Shariah compliance of the fund's activities.

It is the responsibility of the management of aforesaid fund to establish and maintain a system of internal control to ensure compliance with Shariah guidelines. My responsibility is to express an opinion, based on my review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, I hereby certify that:

- The modes of investments, transactions, relevant documentations, operations and the procedures adopted have been in accordance with the Shariah principles and rules.
- The provisions of the scheme, investments and affairs have been carried out in accordance with Shariah principles, rules and relevant Shariah opinions issued from time to time.
- The earnings that have been realized from sources and means prohibited by Shariah have been credited to the charity account.



Dr. Mufti Ismatullah Hamdullah

Shariah Advisor

Date: June 30, 2025



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Fax: +92 21 3568 4239
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Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

TO THE BOARD OF DIRECTORS OF AL HABIB ASSET MANAGEMENT LIMITED

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of Al Habib Islamic Pension Fund (the Fund) managed by Al Habib Asset Management Limited (the Management Company) for assessing compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June 30, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2025) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under;

- 1) Essentials, Regulations, Instructions and Guidelines issued by the SECP;
- 2) The rulings of Central Shariah Board as notified by the SECP;
- 3) Requirements of the applicable Islamic Financial Accounting Standards as notified by the SECP;
- 4) Approvals and rulings given by the Shariah Board (SB) directives, regulations, instructions and guidelines issued in accordance with the rulings of SECP's Shariah Board.

The above criteria were evaluated, for their implications on the financial statements of the Fund for the year ended June 30, 2025.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Fund with its unitholders, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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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.



4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM) 1 "Quality Management for firms that perform Audit or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended June 30, 2025 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depend on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund internal control. We have designed and performed necessary verification procedures on various financial arrangements, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

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BDO Ebrahim & Co. Chartered Accountants

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6. Conclusion

Based on our reasonable assurance engagement we report that in our opinion, the Fund overall financial arrangements, contracts, transactions for the year ended June 30, 2025, are in compliance with the Shariah rules and principles, in all material respects.

Engagement Partner
Tariq Feroz Khan


BDO EBRAHIM & CO.
CHARTERED Accountants

Date: 29 SEP 2025
Place: Karachi



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Karachi-74200
Pakistan

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF FINANCIAL STATEMENTS TO THE UNITHOLDERS
OF AL HABIB ISLAMIC PENSION FUND**

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Al Habib Islamic Pension Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

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

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 the Management and its Board of Directors for the Financial Statements

Management of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and for such internal control as the management determines 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.



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



Report on other legal and regulatory requirements

Based on our audit, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking 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: 29 SEP 2025

UDIN: AR202510166s63Jd5tkl


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

		June 30, 2025				June 30, 2024			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		Rupees in '000							
ASSETS									
Balances with bank	5	23,153	9,993	18,750	51,896	13,353	17,274	14,010	44,637
Investments	6	193,927	186,157	205,968	586,052	96,310	98,037	107,549	301,896
Dividend and other receivable	7	102	8,613	7,465	16,180	222	8,898	9,678	18,798
TOTAL ASSETS		217,182	204,763	232,183	654,128	109,885	124,209	131,237	365,331
LIABILITIES									
Payable to AL Habib Asset Management Limited - Management Company	8	158	195	231	584	78	113	131	322
Payable to Central Depository Company of Pakistan Limited - Trustee	9	29	31	39	99	12	28	26	66
Payable to Securities and Exchange Commission of Pakistan	10	64	63	65	192	25	37	43	105
Accrued expenses and other liabilities	11	3,251	114	132	3,497	4,163	74	95	4,332
TOTAL LIABILITIES		3,502	403	467	4,372	4,278	252	295	4,825
NET ASSETS		213,680	204,360	231,716	649,757	105,607	123,957	130,942	360,506
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)									
		213,680	204,360	231,716	649,757	105,607	123,957	130,942	360,506
CONTINGENCIES AND COMMITMENTS	12								
Number of units in issue	13	559,575	1,303,198	1,503,152	3,365,925	492,323	887,318	953,526	2,333,167
Net assets value per unit		381.86	156.81	154.15		214.51	139.70	137.32	

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT **FOR THE YEAR ENDED JUNE 30, 2025**

		June 30, 2025				June 30, 2024			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Note	Rupees in '000							
Income									
Realised gain / (loss) on sale of investments - net		49,797	1,669	(942)	50,524	21,005	908	100	22,013
Profit on Government Ijarah Sukuks		-	16,189	19,814	36,003	-	14,496	14,529	29,025
Dividend income		7,976	-	-	7,976	4,488	-	-	4,488
Mark-up on bank deposits		954	2,269	2,926	6,149	639	5,166	8,345	14,150
		58,727	20,127	21,798	100,652	26,132	20,570	22,974	69,676
Unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss' - net		25,728	(160)	(994)	24,574	18,410	19	40	18,469
		84,455	19,967	20,804	125,226	44,542	20,589	23,014	88,145
Expenses									
Remuneration of AL Habib Asset Management Limited - Management Company	8.1	1,597	1,602	1,662	4,861	512	763	873	2,148
Sindh Sales Tax on remuneration of Management Company	8.2	239	239	249	727	67	99	113	279
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	242	238	255	735	93	142	157	392
Sindh Sales Tax on remuneration of Trustee	9.2	38	30	31	99	12	18	20	50
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	64	64	66	194	26	38	44	108
Auditors' remuneration	14	152	98	152	402	138	87	91	316
Securities transaction costs		980	5	1	986	493	6	2	501
Printing charges		-	-	-	-	8	20	25	53
Bank charges		6	-	-	6	5	-	15	20
Charity		195	-	-	195	75	-	-	75
Other expense		186	11	-	197	83	59	-	142
		3,699	2,287	2,416	8,402	1,512	1,232	1,340	4,084
Net income for the year before taxation		80,756	17,680	18,388	116,824	43,030	19,357	21,674	84,061
Taxation		-	-	-	-	-	-	-	-
Net income for the year after taxation		80,756	17,680	18,388	116,824	43,030	19,357	21,674	84,061

Earnings per unit

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025				June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees in '000 -----							
Net income for the year after taxation	80,756	17,680	18,388	116,824	43,030	19,357	21,674	84,061
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year / period	<u>80,756</u>	<u>17,680</u>	<u>18,388</u>	<u>116,824</u>	<u>43,030</u>	<u>19,357</u>	<u>21,674</u>	<u>84,061</u>

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025				June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees in '000 -----							
Net assets at the beginning of the year	105,607	123,957	130,942	360,506	35,278	69,945	86,693	191,916
Issue of units*	406,284	535,518	530,010	1,471,812	235,293	188,301	271,756	695,350
Redemption of units*	(378,966)	(472,795)	(447,624)	(1,299,385)	(207,994)	(153,646)	(249,181)	(610,821)
	27,318	62,723	82,386	172,427	27,299	34,655	22,575	84,529
Gain on sale of investments - net	49,797	1,669	(942)	50,524	21,005	908	100	22,013
Unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss' - net	25,728	(160)	(994)	24,574	18,410	19	40	18,469
Other income for the year - net	5,231	16,171	20,324	41,726	3,615	18,430	21,534	43,579
Total comprehensive income for the year	80,756	17,680	18,388	116,824	43,030	19,357	21,674	84,061
Net assets at the end of the year	213,680	204,360	231,716	649,757	105,607	123,957	130,942	360,506

* Total number of units issued and redeemed during the year is disclosed in note 13 of these financial statements.

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025				June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000							
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the year / period before taxation	80,756	17,680	18,388	116,824	43,030	19,357	21,674	84,061
Adjustments for:								
Unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss' - net	(25,728)	160	994	(24,574)	(18,410)	(19)	(40)	(18,469)
	55,028	17,840	19,382	92,250	24,620	19,338	21,634	65,592
(Increase) / decrease in assets								
Investments - net	(71,889)	(88,280)	(99,413)	(259,582)	(44,626)	(55,997)	(107,509)	(208,132)
Dividend and profit receivable	120	285	2,213	2,618	266	(2,606)	(4,390)	(6,730)
	(71,769)	(87,995)	(97,200)	(256,964)	(44,360)	(58,603)	(111,899)	(214,862)
Increase / (decrease) in liabilities								
Payable to AL Habib Asset Management Limited - Management Company	80	82	100	262	78	113	131	322
Payable to Central Depository Company of Pakistan Limited - Trustee	17	3	13	33	(60)	(59)	(65)	(184)
Payable to Securities and Exchange Commission of Pakistan	39	26	22	87	14	23	29	66
Payable against purchase of investments	-	-	-	-	-	(5,000)	-	(5,000)
Accrued expenses and other liabilities	(912)	40	37	(835)	4,050	(7)	18	4,061
	(776)	151	172	(453)	4,082	(4,930)	113	(735)
Net cash (used in) / generated from operating activities	(17,517)	(70,004)	(77,646)	(165,167)	(15,658)	(44,195)	(90,152)	(150,005)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts from issue of units	406,284	535,518	530,010	1,471,812	235,293	188,301	271,756	695,350
Payment against redemption of units	(378,966)	(472,795)	(447,624)	(1,299,385)	(207,994)	(153,646)	(249,181)	(610,821)
Net cash generated from financing activities	27,318	62,723	82,386	172,427	27,299	34,655	22,575	84,529
Net increase / (decrease) in cash and cash equivalents during the year	9,801	(7,281)	4,740	7,260	11,641	(9,540)	(67,577)	(65,476)
Cash and cash equivalents at the beginning of the year	13,353	17,274	14,010	44,637	1,712	26,814	81,587	110,113
Cash and cash equivalents at the end of the year	23,153	9,993	18,750	51,897	13,353	17,274	14,010	44,637

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Al Habib Islamic Pension Fund (the Fund) was established under a Trust Deed executed between AL Habib Asset Management Company Limited as the Management Company, and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/AHFRF/7/2022 dated September 21, 2022 and the Trust Deed was executed on November 17, 2022.
- 1.2** The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 3rd floor, Mackinnons Building, I, I Chundrigar Road Karachi, Pakistan.
- 1.4** The Fund is an Open-End Shariah complaint Collective Investment Scheme (CIS) as per SECP's Circular No.3 of 2022 dated February 10, 2022 with Allocation Plans. The Allocation Plans under the Fund may have different Shariah compliant investment avenues and different maturity dates. The Allocation Plans under the Fund may have a set timeframe or perpetual.
- 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** The Fund consists of three sub-funds namely, AL Habib Islamic Pension Fund Equity Sub-Fund (Equity Sub-Fund), AL Habib Islamic Pension Fund Debt Sub-Fund (Debt Sub-Fund) and AL Habib Islamic Pension Fund Money Market Sub-Fund (Money Market Sub-Fund) (collectively the "Sub-Funds"). Investment policy for each of the sub-funds is as follows:

1.6.1 AL Habib Islamic Pension Fund - Equity Sub-Fund

The investment objective of the Equity Sub Fund of the Islamic Pension Fund is to earn returns from investments in Pakistani Capital Markets. Assets of Equity Sub-fund shall be invested in equity securities which are listed on Pakistan Stock Exchange (PSX) or for the listing of which an application has been approved by PSX and the Equity Sub Fund also eligible to invest in units of Real Estate Investment Trusts (REITs) and Exchange Traded Funds (ETFs) provided that entity/sector/group exposure limits as prescribed are complied with at least ninety percent (90%) of Net Assets of Equity Sub Fund shall remain invested in listed equity securities during the year based on rolling average investment of last ninety (90) days calculated on daily basis.

1.6.2 AL Habib Islamic Pension Fund - Debt Sub-Fund

The investment objective of the Debt Sub Fund is to earn returns from investments in debt markets of Pakistan, thus incurring a relatively lower risk than Equity Sub Fund. The Investment limits of the Debt Sub Fund are determined by the Commission. The current Investment policy/limits for Debt Sub Fund consist of Shariah Compliant government securities issued from time to time.

1.6.3 AL Habib Islamic Pension Fund - Money Market Sub-Fund

The Investment Objective of the Money Market Sub Fund is to earn returns from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than Debt Sub Fund. The Investment limits of the Money Market Sub Fund are determined by the Commission. The current Investment policy/limits for Money Market Sub Fund consist of Shariah Compliant government securities issued from time to time.

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

- 1.8** The title to the assets of the Fund is held in the name of CDC as trustee of the Fund.

1.9 The management company has been assigned a rating of 'AM1' by Pakistan Credit Rating Agency PACRA dated December 12, 2024.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The requirements of the Constitutive Documents, Voluntary Pension System Rules, 2005 (VPS Rules), The NBFC Rules, The Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

Wherever the requirements of the Constitutive Documents, the VPS Rules, NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the VPS Rules (2005) or the requirements of the said directives prevail.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates judgements and associated assumptions are based on historical experience and various other factors including expectation of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 the revision and future year if the revision affects both current and future years.

Estimates and judgments that have significant effect on the financial statements relates to classification, valuation and impairment of financial assets are as follows:

2.4.1 Classification and measurement of financial assets and financial liabilities

For details please refer notes 4.2.1.1 and 6 to these financial statements.

2.4.2 Impairment of financial assets

For details please refer notes 4.2.2 to these financial statements.

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

1.9 The management company has been assigned a rating of 'AM1' by Pakistan Credit Rating Agency PACRA dated December 12, 2024.

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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:

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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 the revision and future year if the revision affects both current and future years.

Estimates and judgments that have significant effect on the financial statements relates to classification, valuation and impairment of financial assets are as follows:

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3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - 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 IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 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 revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan SECP.

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

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

4.2 Financial instruments

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss. The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.1.1 Classification

4.2.1.1.1 Equity Instruments

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

4.2.1.1.2 Debt Instruments

Amortized cost

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

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

Fair value through profit or loss

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. These are initially measured at fair value and transaction costs that are directly attributable to its acquisition are charged to income statement.

Subsequent, the financial measured at:

Debt investments at amortised cost

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

Debt investments at FVTPL

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

Equity instruments at FVOCI

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. The Fund has not used this classification for its investment portfolio.

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

Equity investments at FVTPL

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

4.2.1.2 Regular way purchase and sale of financial asset

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.

4.2.1.3 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 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.3 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the income statement.

4.2.4 Offsetting of financial assets and liabilities

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

4.3 Provisions

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

4.4 Taxation

The income of the Fund is exempt from income tax under clause 57(3)(viii) of part I of second schedule to the income Tax Ordinance, 2001.

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

4.5 Proposed distributions

Distributions declared subsequent to the year end reporting date are subject to the approval of Board of directors of the management company and are considered as non-adjusting events and are recognised in the financial statements in the year in which such distributions are declared.

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours 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 is payable to the Management Company / Distributors as processing fee.

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 represents the net assets value per unit as of the close of the business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

AL HABIB ISLAMIC PENSION 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

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized using the effective interest method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.

4.9 Expenses

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

4.10 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

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

		June 30, 2025				June 30, 2024			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
5. BALANCES WITH BANK	Note	Rupees in '000							
Saving accounts	5.1	23,153	9,993	18,750	51,896	13,353	17,274	14,010	44,637
		23,153	9,993	18,750	51,896	13,353	17,274	14,010	44,637

- 5.1** These carries mark-up at the rates ranging between 8.3% to 10.8% (2024: 18% to 21.1%) per annum for all sub funds. These represents balances held with Bank AL Habib Limited, a related party.

6. INVESTMENTS

Financial assets classified at fair value through profit or loss

Listed equity securities	6.1	193,927	-	-	193,927	96,310	-	-	96,310
GOP Ijara sukuk (GIS)	6.2	-	186,157	205,968	392,125	-	98,037	107,549	205,586
		193,927	186,157	205,968	586,052	96,310	98,037	107,549	301,896

6.1 Listed equity securities

Ordinary shares having face value of Rs. 10 each unless stated otherwise.

Name of the Investee	Note	As at July 01, 2024	Purchased during the year	Bonus received during the year	Sold during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution) as at June 30, 2025	Market Value as a percentage of Net Asset of Equity Sub Fund	Market Value as a percentage of Investment of Equity Sub Fund	Holding as a percentage of paid-up capital of investee company
		No. of shares				(Rupees in '000)			(%)			
AUTOMOBILE ASSEMBLER												
Ghandhara Industries Limited		-	4,500	-	2,000	2,500	1,084	1,626	542	0.76%	0.84%	0.00%
Ghandhara Automobiles Limited		-	29,500	-	25,000	4,500	1,722	1,698	(24)	0.79%	0.88%	0.00%
Sazgar Engineering Works		12,000	7,700	-	19,700	-	-	-	-	0.00%	0.00%	0.00%
		12,000	41,700		46,700	7,000	2,806	3,324	518			
AUTOMOBILE PARTS & ACCESSORIES												
Atlas Battery Limited		-	2,500	-	2,500	-	-	-	-	0.00%	0.00%	0.00%
Exide Pakistan Limited		5,500	49	-	3,549	2,000	1,184	1,700	516	0.80%	0.88%	0.03%
		5,500	2,549		6,049	2,000	1,184	1,700	516			

AL HABIB ISLAMIC PENSION FUND

Name of the Investee	Note	As at July 01, 2024	Purchased during the year	Bonus received during the year	Sold during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution) as at June 30, 2025	Market Value as a percentage of Net Asset of Equity Sub Fund	Market Value as a percentage of Investment of Equity Sub Fund	Holding as a percentage of paid-up capital of investee company
		No. of shares				(Rupees in '000)			(%)			
CEMENT												
Attock Cement Pakistan Limited		4,500	-	-	4,500	-			-	0.00%	0.00%	0.00%
Bestway Cement Limited		3,000	27,000	-	20,000	10,000	2,445	4,055	1,610	1.90%	2.09%	0.00%
Cherat Cement Pakistan Limited		9,000	10,500	-	4,000	15,500	3,891	4,500	608	2.11%	2.32%	0.01%
Fauji Cement Co Limited		80,000	149,000	-	154,000	75,000	2,791	3,350	559	1.57%	1.73%	0.00%
Kohat Cement Limited		6,971	-	-	6,971	-	-	-	-	0.00%	0.00%	0.00%
D.G. Khan Cement Company Limited		-	55,000	-	27,000	28,000	3,596	4,636	1,040	2.17%	2.39%	0.01%
Lucky Cement Limited		4,700	57,301	-	28,501	33,500	10,138	11,901	1,763	5.57%	6.14%	0.01%
Maple Leaf Cement Factory Limited		50,000	135,000	-	90,000	95,000	6,480	8,007	1,527	3.75%	4.13%	0.01%
Pioneer Cement Limited		10,000	21,995	-	12,995	19,000	3,680	4,334	654	2.03%	2.24%	0.01%
		168,171	455,796		347,967	276,000	33,021	40,782	7,761			
CHEMICAL												
Biafo Industries Limited		7,000	20,000	-	9,500	17,500	1,885	3,073	1,188	1.44%	1.58%	0.04%
Fatima Fertilizer Company Limited		-	119,500	-	39,500	80,000	7,080	7,953	873	3.72%	4.10%	0.38%
Lotte Chemical Pakistan Ltd.		-	-	-	-	-	-	-	-	0.00%	0.00%	0.00%
		7,000	139,500		49,000	97,500	8,965	11,026	2,061			
COMMERCIAL BANKS												
Bank Islami Pakistan Limited		270,000	45,000	-	315,000	-	-	-	-	0.00%	0.00%	0.00%
Faysal Bank Limited		170,000	-	-	170,000	-	-	-	-	0.00%	0.00%	0.00%
Meerzan Bank Limited		56,000	72,100	-	92,100	36,000	9,520	11,954	2,434	5.59%	6.16%	0.00%
		496,000	117,100		577,100	36,000	9,520	11,954	2,434			
ENGINEERING												
International Industries Limited		-	6,000	-	-	6,000	1,056	1,062	6	0.50%	0.55%	0.00%
International Steels Limited		-	10,000	-	-	10,000	925	927	2	0.43%	0.48%	0.00%
		-	16,000	-	16,000		1,981	1,989	8			
FERTILIZER												
Engro Corporation Limited		17,000	18,000	-	35,000	-	-	-	-	0.00%	0.00%	0.00%
Engro Fertilizers Limited		30,000	43,700	-	43,700	30,000	6,237	5,568	(669)	2.61%	2.87%	0.00%
Fauji Fertilizer Bin Qasim Limited		75,000	120,000	-	195,000	-	-	-	-	0.00%	0.00%	0.00%
		122,000	181,700		273,700	30,000	6,237	5,568	(669)			
FOOD & PERSONAL CARE PRODUCTS												
The Organic Meat Company Limited		45,000	4,041	-	49,041	-	-	-	-	0.00%	0.00%	0.00%
National Foods Limited		-	25,000	-	10,000	15,000	4,143	4,908	765	2.30%	2.53%	0.01%
Barkat Frisian Agro Limited		-	204,997	-	124,997	80,000	2,339	3,276	937	1.53%	1.69%	0.05%
		45,000	234,038	-	184,038	95,000	6,483	8,184	1,702			
GLASS & CERAMICS												
Tariq Glass Industries Limited		-	23,500	-	9,160	14,340	3,130	3,602	472	1.69%	1.86%	0.01%
		-	23,500	-	9,160	14,340	3,130	3,602	472			
MISCELLANEOUS												
Pakistan Aluminium Beverage Cans Ltd.		7,500	-	-	7,500	-	-	-	-	0.00%	0.00%	0.00%
Shifa International Hospitals Limited		-	6,650	-	650	6,000	2,684	2,851	167	1.33%	1.47%	0.00%
		7,500	6,650	-	8,150	6,000	2,684	2,851	167			
OIL & GAS EXPLORATION COMPANIES												
Mari Energies Limited	6.1.1	2,300	5,500	22,400	25,720	4,480	2,278	2,808	531	1.31%	1.45%	0.00%
Oil and Gas Development Company Limited		-	128,400	-	46,750	81,650	17,826	18,009	183	8.43%	9.29%	0.00%
Pakistan Oilfields Limited		-	10,000	-	10,000	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited		69,000	196,000	-	180,000	85,000	13,884	14,464	580	6.77%	7.46%	0.00%
		71,300	339,900	20,160	262,470	171,130	33,988	35,282	1,294			
OIL & GAS MARKETING COMPANIES												
Attock Petroleum Limited		2,000	500	-	2,500	-	-	-	-	0.00%	0.00%	0.00%
Pakistan State Oil Company Limited		-	48,500	-	25,000	23,500	7,722	8,872	1,150	4.15%	4.57%	0.01%
Sui Nourthen Gas Pipelines Limited		35,000	68,500	-	55,500	48,000	5,220	5,602	382	2.62%	2.89%	0.01%
		37,000	117,500	-	83,000	71,500	12,941	14,474	1,533			
PHARMACEUTICALS												
Abbott Laboratories		-	9,000	-	3,200	5,800	5,058	5,638	580	2.64%	2.91%	0.01%
Highnoon Laboratories Limited		-	5,000	-	1,745	3,255	2,994	3,216	222	1.50%	1.66%	0.01%
Haleon Pakistan Limited		-	12,000	-	3,500	8,500	4,115	6,259	2,144	2.93%	3.23%	0.02%
GlaxoSmithKline Pakistan Limited		-	42,000	-	26,000	16,000	4,129	6,252	2,123	2.93%	3.22%	0.03%
Hoechst Pakistan Limited		-	1,600	-	1,600	1,600	3,338	5,252	1,915	2.46%	2.71%	0.01%
		-	69,600	-	34,445	35,155	19,633	26,616	6,983			
POWER GENERATION & DISTRIBUTION												
Hub Power Company Limited		36,000	110,000	-	80,000	66,000	9,057	9,095	39	4.26%	4.69%	0.01%
Engro Powergen Qadirpur Limited		50,000	-	-	50,000	-	-	-	-	0.00%	0.00%	0.00%
		86,000	110,000	-	130,000	66,000	9,057	9,095	39			
CABLE AND ELECTRICAL GOODS												
Fast Cables Limited		-	55,000	-	55,000	-	-	-	-	0.00%	0.00%	0.00%
		-	55,000	-	55,000	-	-	-	-			
INVESTMENT BANKS/COMPANIES/SECURITIES												
Engro Holdings Limited		-	120,393	-	57,893	62,500	11,178	11,410	232	5.34%	5.88%	0.01%
		-	120,393	-	57,893	62,500	11,178	11,410	232			
TEXTILE COMPOSITE												
Interloop Limited		-	55,000	-	10,000	45,000	2,791	3,049	258	1.43%	1.57%	0.00%
Nishat Mills Limited		-	76,000	-	52,000	24,000	2,600	3,021	421	1.41%	1.56%	0.00%
		-	131,000	-	62,000	69,000	5,392	6,070	679			
Total equity securities as at June 30, 2025							1,055,125	168,200	193,927	25,728		
Total equity securities as at June 30, 2024							1,057,471	77,900	96,310	18,410		

AL HABIB ISLAMIC PENSION FUND

6.1.1 During the tax year 2023, section 236Z of the Income Tax Ordinance, 2001 introduced for levy a withholding tax at the rate of 10% of amount of bonus shares declared by company. During the period, the Fund has received 22,400 bonus shares from Mari Petroleum Company Limited, against which 2,240 shares were withheld by the investee company as withholding tax under section 236Z of the income tax ordinance, 2001. The Management Company in consultation with other CISs, has formed a considered view that since the fund is a pass through entity and its income, upon distribution of 90% to unit holders, is not subject to tax. Therefore, the provision of Section 236Z - withholding tax is not applicable to the Fund as no tax incidence will eventually arise.

Further, a Petition having reference no. C.P. No. D-4747 of 2024 and C.P. No D-5461 of 2024 have been filed by the Central Depository Company of Pakistan Limited (CDC) as Trustee on behalf of CISs and management companies against the investee companies before the Honorable High court of Sindh (the Court) against implementation of Section 236Z on CISs and to seek exemption certificates from Income tax authorities. The Court has issued order and directed the investee companies to retain 10% of the bonus shares being issued to petitioners (i.e. investment management companies) and shall not pay any tax to Inland Revenue Department until further order received from the Court. In order to cater the fair value differences and resulting withholding tax amount as requested by the investee company, the Court has further directed to retain additional 10% shares. Accordingly, the CDC being the custodian of the shares has frozen additional 10% shares in the investment account held with them.

Based on Islamabad High Court order, Mari Energies Limited has disposed of the shares withheld and the proceeds has been deposited with government treasury except those entities which are in litigation with SHC. As a result, CDC released frozen additional 10% shares in the investment account held by CDC irrespective of litigation. However, SHC decision is still pending adjudication.

6.2 GOP Ijara Sukuk (GIS)

6.2.1 Debt Sub Fund

Particulars	As at July 01, 2024	Purchased during the year	Sold/ matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Market Value as a percentage of Net Asset of Debt Sub Fund	Market Value as a percentage of Investment of Debt Sub Fund
	----- No. of instruments -----				----- (Rupees in '000) -----			----- (%) -----	
GOP IJARA SUKUK - VRR (26-10-2022)	-	200	-	200	20,468	20,300	(168)	9.93%	10.90%
GOP IJARA SUKUK - 01 YEAR VRR (04-12-2023)	-	1,550	1,550	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 01 FRR (07-08-2023)	720	350	1,070	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 05 YEAR VRR (29-07-2020)	-	1,175	-	1,175	117,463	117,512	49	57.50%	63.13%
GOP IJARA SUKUK - 03 YEAR VRR (04-12-2023)	-	850	850	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 01 YEAR VRR (07-08-2023)	260	-	260	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 01 YEAR FRR (09-10-2023)	-	1,215	1,215	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 05 YEAR VRR (30-04-2020)	-	465	465	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 05 YEAR FRR (29-07-2020)	-	485	-	485	48,386	48,345	(41)	23.66%	25.97%
Total GOP Ijarah Sukuk as at June 30, 2025				1,860	186,317	186,157	(160)		
Total GOP Ijarah Sukuk as at June 30, 2024				980	98,018	98,037	19		

6.2.2 Money Market Sub Fund

Particulars	As at July 01, 2024	Purchased during the year	Sold/ matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation / (diminution)	Market Value as a percentage of Net Asset of Money Market Sub Fund	Market Value as a percentage of Investment of Money Market Sub Fund
	----- No. of instruments -----				----- (Rupees in '000) -----			----- (%) -----	
GOP IJARA SUKUK - VRR (26-10-2022)	-	540	-	540	54,924	54,810	(114)	23.65%	26.61%
GOP IJARA SUKUK - 01 YEAR VRR (04-12-2023)	-	1,220	1,220	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 01 FRR (07-08-2023)	520	80	600	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 05 YEAR VRR (29-05-2020)	-	564	564	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 05 YEAR FRR (29-07-2020)	-	1,080	-	1,080	107,748	107,654	(94)	46.46%	52.27%
GOP IJARA SUKUK - 01 YEAR VRR (07-08-2023)	555	-	555	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 01 YEAR FRR (09-10-2023)	-	1,040	1,040	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 05 YEAR VRR (30-04-2020)	-	305	305	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 05 YEAR VRR (29-07-2020)	-	1,185	750	435	44,290	43,504	(786)	18.77%	21.12%
Total GOP Ijarah Sukuk as at June 30, 2025				2,055	206,962	205,968	(994)		
Total GOP Ijarah Sukuk as at June 30, 2024				1,075	107,509	107,549	40		

	June 30, 2025				June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
7. DIVIDEND AND PROFIT RECEIVABLE	Rupees in '000							
Advances and other receivables	-	67	108	175	100	-	-	100
Profit receivable on:								
GOP Ijara Sukuk (GIS)	-	8,409	7,236	15,645	-	8,502	9,270	17,772
Savings deposits	102	137	121	360	122	396	408	926
	102	8,613	7,465	16,180	222	8,898	9,678	18,798

PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration payable to Management Company	137	156	202	495	68	100	117	285
Sindh Sales Tax payable	21	39	29	89	10	13	14	37
	158	195	231	584	78	113	131	322

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

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

- 8.2** The Sindh Sales Tax is charged at the rate of 15% (2024: 13%) on the remuneration as per Sindh Sales Tax on Services Act, 2011.

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

Remuneration payable to Trustee	9.1	24	27	34	85	11	19	17	47
Sindh Sales Tax payable	9.2	5	4	5	14	1	9	9	19
		29	31	39	99	12	28	26	66

- 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 there in, based on the daily Net Asset Value (NAV) of the Fund. The remuneration is paid to the trustee monthly in arrears.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2025 is as follows:

Net assets

Tariff per annum

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

- 9.2** The Sindh Sales Tax is charged at the rate of 15% (2024: 13%) on the remuneration as per Sindh Sales Tax on Services Act, 2011.

10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		June 30, 2025				June 30, 2024			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		----- Rupees in '000 -----							
Annual fee payable to SECP	10.1	64	63	65	192	25	37	43	105
		64	63	65	192	25	37	43	105

AL HABIB ISLAMIC PENSION FUND

- 10.1** This represents annual fee payable to Securities and Exchange Commission of Pakistan in accordance with the Rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one twenty fifth of one percent (2024: one thirtieth of one percent) of average annual net asset value of each of the sub-fund.

	June 30, 2025				June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
11. ACCRUED EXPENSES AND OTHER LIABILITIES	Rupees in '000							
Withholding tax	-	-	-	-	-	1	-	1
Auditors' remuneration payable	99	99	99	297	55	54	54	163
Printing charges	10	13	33	56	21	19	41	81
Charity Payable	203	-	-	203	54	-	-	54
Others	2,939	2	-	2,941	4,033	-	-	4,033
	<u>3,251</u>	<u>114</u>	<u>132</u>	<u>3,497</u>	<u>4,163</u>	<u>74</u>	<u>95</u>	<u>4,332</u>

12. CONTINGENCIES AND COMMITMENTS

Contingencies

There are no contingencies as at June 30, 2025 (2024: Nil)

Commitments

There are no commitments as at June 30, 2025. (2024: Nil)

	June 30, 2025				June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
13. NUMBER OF UNITS IN ISSUE	Rupees in '000							
Total units in issue at the beginning of the year	492,323	887,318	953,526	2,333,167	336,424	618,459	770,924	1,725,807
Add: Units issued during the year	1,276,981	3,511,166	3,494,306	8,282,453	1,583,269	1,446,082	2,105,481	5,134,832
Less: units redeemed during the year	(1,209,730)	(3,095,286)	(2,944,680)	(7,249,695)	(1,427,370)	(1,177,223)	(1,922,879)	(4,527,472)
Total units in issue at the end of the year	<u>559,575</u>	<u>1,303,198</u>	<u>1,503,152</u>	<u>3,365,925</u>	<u>492,323</u>	<u>887,318</u>	<u>953,526</u>	<u>2,333,167</u>

	June 30, 2025				June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
14. AUDITORS' REMUNERATION	Rupees in '000							
Annual audit fee	152	98	152	402	138	87	91	316

15. TAXATION

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

16. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial statements as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.

17. FINANCIAL INSTRUMENTS BY CATEGORY

Particular	June 30, 2025								
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
	Rupees in '000								
Financial assets									
Bank balances	-	23,153	23,153	-	9,993	9,993	-	18,750	18,750
Investments	193,927	-	193,927	186,157	-	186,157	205,968	-	205,968
Dividend and other receivable	-	102	102	-	8,613	8,613	-	7,465	7,465
	<u>193,927</u>	<u>23,255</u>	<u>217,182</u>	<u>186,157</u>	<u>18,606</u>	<u>204,763</u>	<u>205,968</u>	<u>26,215</u>	<u>232,183</u>

AL HABIB ISLAMIC PENSION FUND

June 30, 2025									
Particular	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000-----									
Financial liabilities									
Payable to AL Habib Asset Management Limited - Management Company	-	137	137	-	156	156	-	202	202
Payable to Central Depository Company of Pakistan Limited - Trustee	-	24	24	-	27	27	-	34	34
Payable to Securities and Exchange Commission of Pakistan	-	64	64	-	63	63	-	65	65
Accrued expenses and other liabilities	-	3,251	3,251	-	114	114	-	132	132
	-	3,476	3,476	-	360	360	-	433	433

June 30, 2024									
Particular	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000-----									
Financial assets									
Bank balances	-	13,353	13,353	-	17,274	17,274	-	14,010	14,010
Investments	96,310	-	96,310	98,037	-	98,037	107,549	-	107,549
Dividend and other receivable	-	222	222	-	8,898	8,898	-	9,678	9,678
	96,310	13,575	109,885	98,037	26,172	124,209	107,549	23,688	131,237

Financial liabilities									
Payable to AL Habib Asset Management Limited - Management Company	-	78	78	-	113	113	-	131	131
Payable to Central Depository Company of Pakistan Limited - Trustee	-	12	12	-	28	28	-	26	26
Payable to Securities and Exchange Commission of Pakistan	-	25	25	-	37	37	-	43	43
Payable against purchase of investments	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	4,163	4,163	-	74	74	-	95	95
	-	4,278	4,278	-	252	252	-	295	295

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES/ CONNECTED PARTIES

Related parties/ Connected persons include Al Habib Asset Management Limited being the Management Company, Bank Al Habib Limited being the Sponsor, Central Depository Company of Pakistan Limited being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

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

Related parties/connected persons include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of Al Habib Management Company.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Currency Exchange Ltd	Subsidiary of Bank AL Habib Limited
5	AL Habib Cash Fund Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited

AL HABIB ISLAMIC PENSION FUND

S.No	Company Name	Relationship
7	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
19	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
20	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Limited
21	Central Depository Company	Trustee

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

	June 30, 2025				June 30, 2024			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
18.1 Transactions during the period	----- Rupees in '000 -----							
Al Habib Asset Management Limited - Management Company								
Remuneration of Management company	1597	1602	1662	4,861	512	763	873	2,148
Sindh Sales Tax	239	239	249	727	67	99	113	279
Central Depository Company of Pakistan Limited - Trustee								
Remuneration of the Trustee	242	238	255	735	93	142	157	392
Sindh Sales Tax	38	30	31	99	12	18	20	50
Bank Al Habib Limited - Sponsor								
Mark-up on bank deposits	954	2,269	2,926	6,149	639	5,166	8,345	14,150
AL Habib Capital Markets (Pvt) Ltd								
Brokerage	37	-	-	37	114	-	-	114
18.2 Balances outstanding	----- Rupees in '000 -----							
Al Habib Asset Management Limited - Management Company								
Management company fee payable	137	156	202	495	68	100	117	285
Sindh Sales Tax	21	39	29	89	10	13	14	37
Central Depository Company of Pakistan Limited - Trustee								
Trustee fee payable	24	27	34	85	11	19	17	47
Sindh Sales Tax	5	4	5	14	1	9	9	19
Bank Al Habib Limited - Sponsor								
Balances with bank	23,153	9,993	18,750	51,896	13,353	17,274	14,010	44,637
Profit Receivable	102	137	121	360	122	396	408	926

AL HABIB ISLAMIC PENSION FUND

	June 30, 2025					
	Equity Sub-Fund (Units) (Rupees in '000)		Debt Sub-Fund (Units) (Rupees in '000)		Money Market Sub-Fund (Units) (Rupees in '000)	
<u>Units issued to:</u>						
Management Company						
- AL Habib Asset Management Limited	-	-	-	-	-	-
Directors & Their Relatives of the Management Company						
- Directors & their relatives	747,499	12,000	849,040	9,000	2,028,343	15,000
Key Management Personnel of the Management Company						
-Key Management Personnel	263,663	22,000	1,259,447	27,000	-	-
<u>Units redeemed by:</u>						
Management Company						
- AL Habib Asset Management Limited	-	-	-	-	-	-
Directors & Their Relatives of the Management Company						
- Directors & their relatives	769,508	8,000	749,996	5,000	1,787,013	7,000
Key Management Personnel of the Management Company						
-Key Management Personnel	228,111	12,000	1,240,715	15,000	-	-
<u>Units held by:</u>						
Management Company						
- AL Habib Asset Management Limited	300,000	114,558	300,000	47,044	300,000	46,246
Directors & Their Relatives of the Management Company						
- Directors & their relatives	1,464,560	212,499	454,328	56,170	628,801	96,390
Key Management Personnel of the Management Company						
-Key Management Personnel	29,424	5,085	117,641	15,753	-	-
Connected persons holding 10% or more of the units in issue):	412,177	157,394	652,592	102,336	837,878	129,161
	June 30, 2024					
	Equity Sub-Fund (Units) (Rupees in '000)		Debt Sub-Fund (Units) (Rupees in '000)		Money Market Sub-Fund (Units) (Rupees in '000)	
<u>Units issued to:</u>						
Management Company						
- AL Habib Asset Management Limited	-	-	-	-	-	-
Directors & Their Relatives of the Management Company						
- Directors & their relatives	1,464,560	212,499	454,328	56,170	1,033,740	131,661
Key Management Personnel of the Management Company						
-Key Management Personnel	29,424	5,085	117,641	15,753	33,487	4,071
<u>Units redeemed by:</u>						
Management Company						
- AL Habib Asset Management Limited	-	-	-	-	-	-
Directors & Their Relatives of the Management Company						
- Directors & their relatives	1,330,375	190,336	509,217	62,811	1,116,385	142,083
Key Management Personnel of the Management Company						
-Key Management Personnel	32,395	6,004	87,692	11,586	41,719	5,118
<u>Units held by:</u>						
Management Company						
- AL Habib Asset Management Limited	300,000	64,352	300,000	41,197	300,000	41,197
Directors & Their Relatives of the Management Company						
- Directors & their relatives	127,196	27,284	15	2	10	1
Key Management Personnel of the Management Company						
-Key Management Personnel	3,898	836	42,917	5,894	332	46
Connected persons holding 10% or more of the units in issue):	-	-	-	-	686,767	94,310

19. FINANCIAL RISK MANAGEMENT

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

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

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

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 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.

19.1.1 Currency risk

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

19.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

As at the reporting date, the fund holds variable profit based investment and balances with bank exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rates at period end with all other variables held constant, the net income for the period and the net assets of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund would have been higher / lower by Rs. 2.171 million, Rs. 1.478 million and Rs. 2.247 million respectively (2024: Rs. 0.134 million, Rs. 0.433 million and Rs. 0.695 million respectively).

b) Sensitivity analysis for fixed rate instruments

As at the reporting date, the fund holds fixed profit based investment exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rates at period end with all other variables held constant, the net income for the period and the net assets of the Debt Sub-Fund and Money Market Sub-Fund would have been higher / lower by Rs. 0.48 million and Rs. 1.08 million respectively (2024: Rs. 0.72 million and Rs. 0.52 million respectively).

In case of 100 basis points increase in interest rates on June 30, 2023, with all other variables held constant, the net income for the period and the net assets Debt Sub-Fund and Money Marker Sub-Fund would have been lower / higher by Rs 0.328 million and Rs 0.354 million respectively.

c) Fair value interest rate risk

Yield / Interest rate sensitivity position for financial instrument is as follows:

Particulars	Effective yield / interest rate	June 30, 2025											Total	
		Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Exposed to yield / interest rate risk		Not exposed to yield / Interest rate risk		
		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year			More than one year
Note		Rupees in '000												
On-balance sheet financial instruments														
Financial assets														
Balances with bank	8.3%-10.8%	23,153	-	-	-	9,993	-	-	-	18,750	-	-	-	51,896
Investments - net		-	-	-	193,927	-	-	-	186,157	-	-	-	205,968	586,052
Dividend and other receivable		102	-	-	-	8,613	-	-	-	7,465	-	-	-	16,180
		23,255	-	-	193,927	18,606	-	-	186,157	26,215	-	-	205,968	654,128
Financial liabilities														
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	137	-	-	-	156	-	-	-	202	495
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	24	-	-	-	27	-	-	-	34	85
Payable to Securities and Exchange Commission of Pakistan		-	-	-	64	-	-	-	63	-	-	-	65	192
Accrued expenses and other liabilities		-	-	-	3,251	-	-	-	114	-	-	-	132	3,497
		-	-	-	3,476	-	-	-	360	-	-	-	433	4,269
On-balance sheet gap (a)		23,255	-	-	190,451	18,606	-	-	185,797	26,215	-	-	205,535	649,859
Off-balance sheet financial instruments														
Off-balance sheet gap (b)		-	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	Effective yield / interest rate	June 30, 2024												Total
		Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		
Note		Rupees in '000												
On-balance sheet financial instruments														
Financial assets														
Bank balances	18%-21.1%	13,353	-	-	-	17,274	-	-	-	14,010	-	-	-	44,637
Investments - net		-	-	-	96,310	-	-	-	98,037	-	-	-	107,549	301,896
Dividend and other receivable		222	-	-	-	8,898	-	-	-	9,678	-	-	-	18,798
		13,575	-	-	96,310	26,172	-	-	98,037	23,688	-	-	107,549	365,331
Financial liabilities														
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	78	-	-	-	113	-	-	-	131	322
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	12	-	-	-	28	-	-	-	26	66
Payable to Securities and Exchange Commission of Pakistan		-	-	-	25	-	-	-	37	-	-	-	43	105
Accrued expenses and other liabilities		-	-	-	4,163	-	-	-	74	-	-	-	95	4,332
		-	-	-	4,278	-	-	-	252	-	-	-	295	4,503
On-balance sheet gap (a)		13,575	-	-	92,032	26,172	-	-	97,785	23,688	-	-	107,254	360,506
Off-balance sheet financial instruments		-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-	-	-	-	-	-	-	-	-

19.1.3 Other 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.

A summary analysis of local investments by industry sector, the percentage in relation to Fund's assets and the issued capital of the investee company is presented in note 6.1 to these financial statements. Further, the Fund's policy requires that the overall Fund position is monitored on a daily basis by the Fund Manager and is reviewed on bi-monthly basis by the Investment Committee and by the Board of Directors in every meeting of the Board. Non - compliance with the Fund's investment policies is reported to the Board of Directors.

The Fund's investments in equity securities are publicly traded and are valued at the rates quoted on the relevant stock exchanges.

In case of 5% increase / decrease in the fair value of the Fund's equity securities at fair value through profit or loss on June 30, 2025, the net income for the year would increase / decrease by Rs. 9.696 million (2024: Rs. 4.815 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.

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The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 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 KMI index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX 100 Index.

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 balances with bank (financial institutions) and receivables from banks.

Management of credit risk

The Fund keeps deposits with reputed financial institutions. All transactions in units are settled / paid for upon delivery using the system of Trustee. 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.

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

Bank	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Latest available published rating as at June 30, 2025	Rating agency
Rupees in '000					
Bank Al Habib Limited	23,153	9,993	18,750	A1+	PACRA
	23,153	9,993	18,750		

Bank	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Latest available published rating as at June 30, 2024	Rating agency
Rupees in '000					
Bank Al Habib Limited	13,353	17,274	14,010	A1+	PACRA
	13,353	17,274	14,010		

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

	June 30, 2025			June 30, 2024		
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
Ratings	----- (%) -----					
A1+	100%	100%	100%	100%	100%	100%
	100%	100%	100%	100%	100%	100%

As of the previous report date, the sovereign entity had never defaults on any of its securities. Therefore, the fund has determined that it is not exposed to credit risk.

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Fund's major asset balances are held with a single bank, and management believes that there is no concentration of credit risk as this bank is reputed institution.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed off.

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.

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 summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

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

Particulars	June 30, 2025								
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	Upto three months	More than three months and upto one year	More than one year	Upto three months	More than three months and upto one year	More than one year	Upto three months	More than three months and upto one year	More than one year
Rupees in '000									
Financial liabilities									
Payable to AL Habib Asset Management Limited - Management Company	158	-	-	195	-	-	231	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	29	-	-	31	-	-	39	-	-
Payable to Securities and Exchange Commission of Pakistan	64	-	-	63	-	-	65	-	-
Accrued expenses and other liabilities	3,251	-	-	114	-	-	132	-	-
Total liabilities	3,502			403			467		

20 UNITHOLDERS' FUND RISK MANAGEMENT

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

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- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unitholders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the 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 period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

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

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

	June 30, 2025			
	Fair value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Investments at fair value through profit or loss				
Equity Sub-Fund				
Listed equity securities	193,927	-	-	193,927
Debt Sub-Fund				
GoP Ijarah Sukuk Certificates	-	186,157	-	186,157
Money Market Sub-Fund				
GoP Ijarah Sukuk Certificates	-	205,968	-	205,968
	193,927	392,125		586,052

	June 30, 2024			
	Fair value			Total
	Level 1	Level 2	Level 3	
	(Rupees in '000)			
Investments at fair value through profit or loss				
Equity Sub-Fund				
Listed equity securities	96,310	-	-	96,310
Debt Sub-Fund				
GoP Ijarah Sukuk Certificates	-	98,037	-	98,037
Money Market Sub-Fund				
GoP Ijarah Sukuk Certificates	-	107,549	-	107,549
	96,310	205,586	-	301,896

21.1 Valuation techniques

21.1.1 For level 1 investments at fair value through profit or loss in units of mutual funds, Fund uses daily quotations which are taken from PSX, for the purpose of computation of Market value at the reporting date.

21.1.2 For level 2 investments at fair value through profit or loss, Fund uses PKISRV rates which are taken from MUFAP, for the purpose of computation of Market value at the reporting date.

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

21.2 Transfers during the year

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

22. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

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

Name	Designation	Qualifications	Experience in years
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24 years
Mr. Zahid Hussain Vasanani	Chief Operating Officer & Company Secretary	CA- Affiliate	25 years
Mr. Faran ul Haq	Head of Equity	CFA	14.5 years
Mr. Fawad Javaid	Head of Fixed Income	CMA	14.5 years
Mr. Ahmed Abbas	Fund Manager	MBA	17 years
Mr. Hamza Abdur Rehman Siddiqui	Fund Manager - Equity	Msc (Hons)	7 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS ECO, FMVA	7 years

23. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 1, 2024 and October 17, 2024, January 23, 2025, April 25, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Particular	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
	Name of Director				
1	Mr. Abbas D.Habib	4	4	-	-
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	103th, 104th and 101st Meeting
5	Mr. Imran Azim	4	2	2	103rd and 106th Meeting
6	Mr. Kashif Rafi	4	4	-	-

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24. PATTERN OF UNITHOLDING

Category	June 30, 2025			Percentage
	Number of unit holders	Number of units held	Investment amount	
AL Habib Islamic Pension Fund - Debt Sub Fund	----- Rupees in '000 -----			
Director	3	11,343	1,778,710	0.87%
Associated Companies	-	-	-	0.00%
Retirement Funds	-	-	-	0.00%
Other Corporate	-	-	-	0.00%
Others	263	1,291,855	202,581,172	99.13%
	266	1,303,198	204,359,882	100.00%

	June 30, 2025			Percentage
	Number of unit holders	Number of units held	Investment amount	
AL Habib Islamic Pension Fund - Equity Sub Fund	Rupees in '000			
Director	3	900	343,716	0.16%
Associated Companies	-	-	-	0.00%
Retirement Funds	-	-	-	0.00%
Other Corporate	-	-	-	0.00%
Others	218	558,675	213,335,293	99.84%
	221	559,575	213,679,009	100.00%

AL Habib Islamic Pension Fund - Money Market Sub Fund

Director	2	5,717	881,255	0.38%
Associated Companies	-	-	-	0.00%
Retirement Funds	-	-	-	0.00%
Other Corporate	-	-	-	0.00%
Others	200	1,497,435	230,832,735	99.62%
	202	1,503,152	231,713,990	100.00%

25. TOTAL EXPENSE RATIO

As per Part V Regulation 67G of NBFC regulations issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the equity sub fund, debt sub fund and money market sub fund for the year ended June 30, 2025 is 2.35%, 1.46% and 1.48% (2024: 2.39%, 1.28% and 1.16%) respectively which includes 0.32%, 0.22% and 0.22% (2024: 0.17%, 0.16% and 0.15%) respectively representing Government levy and SECP fee.

26. CORRESPONDING FIGURES

26.1 Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

27. GENERAL

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

28. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 25, 2025** by the Board of Directors of the Management Company.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective:

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

Strategies and Policies Employed during the period under review:

The AHIPF maintained its strategy of reaping maximum benefits emanating from volatility experienced in both equity and debt markets. The selection criterion for equity securities is based upon hybrid investment approach with companies having sound financial history backed by strong fundamentals. The exposure in debt portion was also in line with the investment objectives with preference given to highly rated and liquid debt securities.

Fund Type & Category	Open Ended - Voluntary Pension Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	September 05, 2022	Management Fee	Up to 1.5% p.a. on average Net Assets of each Sub-Fund.
Pricing Mechanism	Forward Pricing	Sales Load	Up to 3% on all Contributions
Dealing Days/Timings	Monday to Thursday 9:00 am to 3:30 pm Friday 9:00 am to 4:30 pm	Minimum Investment	Initial investment of Rs. 1,000/- Subsequently Rs. 1,000/- per transaction
AMC Rating	AAA(f) by VIS (December 27, 2024)	Risk Profile	Allocation Dependent
Trustee	Central Depository Company of Pakistan Limited.		

	Net Assets (Rs. Mn) 30, 2025	NAV (Rs. Per unit) June 30, 2025	NAV (Rs. Per unit) June 30, 2024	Performance since inception FY 25
AHIPF-Debt	204.36	156.8142	139.7055	12.25%
AHIPF-Money Market	231.71	154.1521	137.3232	12.25%
AHIPF-Equity	213.68	381.8607	214.5048	78.02%

	July-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
AHIPF-Debt	18.38%	19.54%	12.39%	17.02%	12.38%	12.81%	7.98%	7.29%	1.33%	10.79%	10.40%	8.61%
AHIPF-Money Market	18.17%	19.20%	13.13%	15.87%	9.39%	10.42%	8.31%	11.02%	5.73%	8.72%	11.28%	7.96%
AHIPF-Equity	3.38%	1.11%	3.68%	13.30%	17.72%	13.71%	-1.85%	-1.45%	8.13%	-7.33%	6.77%	4.66%

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

AL HABIB ISLAMIC PENSION FUND

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

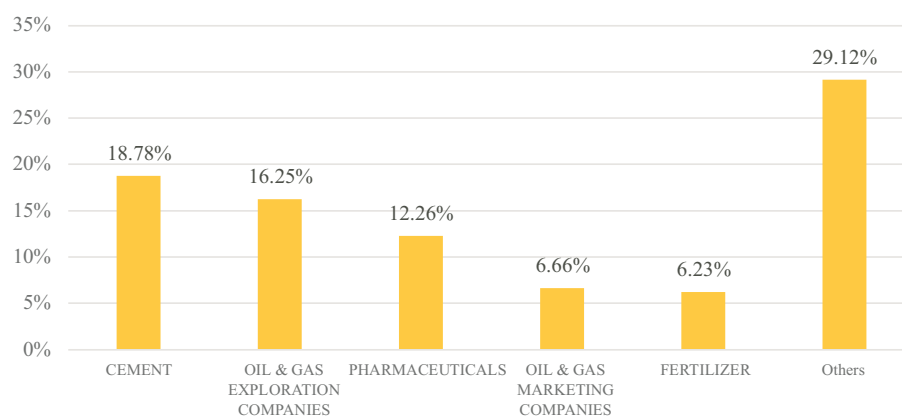
Asset Allocation of Fund (as a % of total assets)

AHIPP-Debt Sub Fund	30-Jun-25	30-Jun-24
Cash	4.88%	13.92%
GOP Ijarah	90.93%	78.97%
Others	4.19%	7.11%

AHIPP-Money Market Sub Fund	30-Jun-25	30-Jun-24
Cash	8.08%	10.69%
GOP Ijarah	88.71%	82.03%
Others	3.21%	7.28%

AHIPP-Equity Sub Fund	30-Jun-25	30-Jun-24
Cash	10.66%	12.15%
Equity	89.29%	87.64%
Others	0.05%	0.21%

Sector Allocation (%age of Total Assets) June 30, 2025

**Unit Holding Pattern****Debt Sub Fund:**

Size of Unit Holding (Units)	# of Unit Holders
1-1000	198
1001-5000	40
5001-10000	13
10001-50000	11
50001-100000	2
100001-500000	2
Grand Total	266

Money Market Sub Fund:

Size of Unit Holding (Units)	# of Unit Holders
1-1000	142
1001-5000	32
5001-10000	8
10001-50000	15
50001-100000	3
100001-500000	1
500001-1000000	1
Grand Total	202

Equity Sub Fund:

Size of Unit Holding (Units)	# of Unit Holders
1-1000	188
1001-5000	25
5001-10000	4
10001-50000	2
100001-500000	2
Grand Total	221

AL HABIB ISLAMIC PENSION FUND

Sales and Redemptions of Units (Debt Sub fund)

During the period, 3,511,166 units valued Rs. 535.5 million were sold, while 3,095,286 units valued Rs. 472.7 million were redeemed, resulting in to a net sale of 415,880 units valued Rs. 62.7 million.

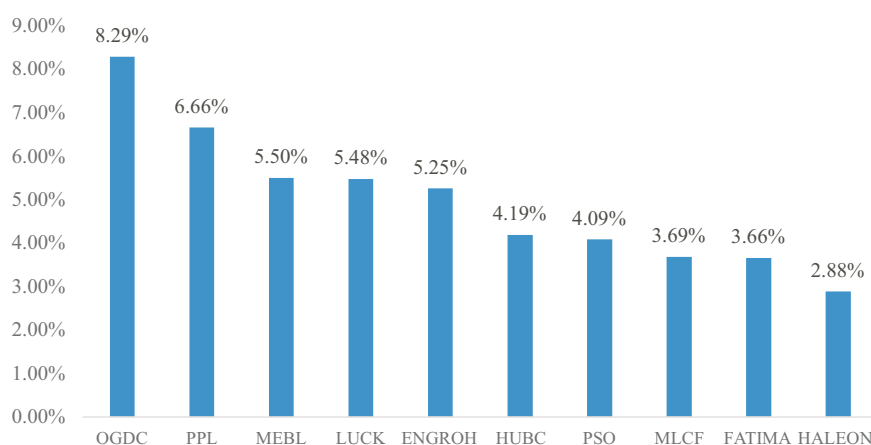
Sales and Redemptions of Units (Equity Sub fund)

During the period, 1,268,386 units valued Rs. 404.4 million were sold, while 1,209,730 units valued Rs. 378.9 million were redeemed, resulting in to a net redemption of 155,900 units valued Rs. 27.302 million.

Sales and Redemptions of Units (Money Market Sub Fund)

During the period, 3,494,305 units valued Rs. 530 million were sold, while 2,944,680 units valued Rs. 447.6 million were redeemed, resulting in to a net sale of 549,625 units valued Rs. 82.3 million.

Top Ten holding (%age of Total Asset) June 30, 2024



During the period under question:

During the period there has been no significant change in the state of affairs of the Fund, other than stated above. During the year there were no circumstances that materially affected any interests of the unit holders. The fund does not have any soft commission arrangement with any broker in the industry.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2025, please refer to note 24 of the Annual Accounts 2025.

AL HABIB GOKP PENSION FUND
Annual Report
For the year ended June 30, 2025

FUND'S INFORMATION**Management Company**

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.

Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200
Karachi.

Trustee

Central Depository Company of Pakistan Limited
Quality
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahr-e-Faisal, Karachi.

Bankers to the Fund

Bank AL Habib Limited
Bank Alfalah Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.

Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton,

Rating

AM1 Management Company

Rating Assigned by PACRA.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

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

Fax: (92-21) 34326021 - 23

URL: www.cdcPakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

AL HABIB GOKP PENSION FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib GoKP Pension Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund, during the year ended June 30, 2025 in accordance with the provisions of the Constitutive Documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.

Abdul Samad
Chief Operating Officer
Central Depository Company of Pakistan Limited

Karachi, September 26, 2025





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

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS TO THE UNIT HOLDERS' OF AL HABIB GOKP PENSION FUND

Opinion

We have audited the financial statements of AL Habib GOKP Pension Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, the statement of comprehensive income, the statement of movement in participants' sub 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 give a true and fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

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

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 the Management and Board of Directors 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 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.

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

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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.



Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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



From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. 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

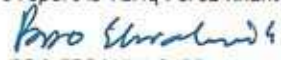
Based on our audit, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking Companies and Notified Entities Regulations, 2008.

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

KARACHI

DATED: 29 SEP 2025

UDIN: AR202510166kqsP1YENm


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

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STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

		2025	2024
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	5	2,081	1,240
Investments	6	47,770	32,618
Other receivable		232	800
TOTAL ASSETS		<u>50,083</u>	<u>34,658</u>
LIABILITIES			
Payable to AL Habib Asset Management Limited Management Company	7	17	7
Payable to Central Depository Company of Pakistan Limited- Trustee Fee	8	13	3
Payable to the Securities and Exchange Commission of Pakistan	9	17	7
Accrued expenses and other liabilities	10	<u>114</u>	<u>65</u>
TOTAL LIABILITIES		<u>161</u>	<u>82</u>
NET ASSETS		<u>49,922</u>	<u>34,576</u>
UNIT HOLDER OF SUB- FUND (AS PER ATTACHMENT)		<u>49,922</u>	<u>34,576</u>
CONTINGENCIES AND COMMITMENTS	11		
Number of units in issue	12	<u>393,194</u>	<u>312,802</u>
Net asset value per unit		<u>126.9656</u>	<u>110.5407</u>

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 ------(Rupees in '000)-----	2024
INCOME			
Profit on bank deposit	13	441	380
Gain/ (Loss) from sale of securities		277	-
Income from government securities		5,354	2,465
Unrealised appreciation/(diminution) on remeasurement of investment classified as financial asset at fair value through profit and loss		7	482
Total Income		<u>6,079</u>	<u>3,327</u>
EXPENSES			
Remuneration of AL Habib Asset Management Limited - Management Company		97	6
Sindh sales tax on Management Company's remuneration		15	1
Remuneration of Central Depository Company of Pakistan Limited - Trustee		65	23
Sindh Sales Tax on remuneration of the Trustee		10	3
Fees to the Securities and Exchange Commission of Pakistan		17	7
Auditors' remuneration	14	102	49
Accrued expenses		13	6
Bank charges expense		1	7
Total expenses		<u>320</u>	<u>102</u>
Net income for the year before taxation		<u>5,759</u>	<u>3,225</u>
Taxation	15	-	-
Net income for the year after taxation		<u><u>5,759</u></u>	<u><u>3,225</u></u>
Earnings per unit	16		

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	----- (Rupees in '000) -----	
Net income for the year after taxation	5,759	3,225
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>5,759</u>	<u>3,225</u>

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	----- (Rupees in '000) -----	
Net assets at the beginning of the year	34,576	-
Issuance of units (312,802)	9,589	31,351
	9,589	31,351
Unrealised appreciation on re-measurement of investments classified at fair value through profit or loss'- net	(7)	482
Other income for the period - net	5,764	2,743
Total comprehensive income for the year	5,757	3,225
Net assets at the end of the year	49,922	34,576

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	------(Rupees in '000)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the year before taxation	5,759	3,225
Adjustments for:		
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	(7)	(482)
	5,752	2,743
(Increase)/Decrease in current assets		
Investments	(15,151)	(32,136)
Dividend and profit receivable	569	(800)
	(14,582)	(32,936)
Increase/(Decrease) in current liabilities		
Payable to Habib Asset Management Limited - Management Company	11	7
Payable to Central Depository Company of Pakistan Limited - Trustee	11	3
Payable to Securities and Exchange Commission of Pakistan	10	7
Payable against purchase of securities	-	
Accrued expenses and other liabilities	50	65
	82	82
Net cash used in operating activities	(8,748)	(30,111)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issuance of units	9,589	31,351
Net cash generating from financing activities	9,589	31,351
Cash and cash equivalents at beginning of the year	1,240	-
Cash and cash equivalents at the end of the year	2,081	1,240

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib GOKP Pension Fund is established under a Trust deed executed between AL Habib Asset Management Company Limited as a Pension Fund Manager and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed is approved by the Securities and Exchange Commission of Pakistan (SECP) on June 27, 2023 under the Voluntary Pension System (VPS) Rules, 2005. Central Depository Company of Pakistan Limited was appointed as a trustee for the Fund by SECP on June 27, 2023. The Fund is registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021 and was launched on January 04, 2024.
- 1.2** The Pension Fund Manager is a Non-Banking Finance Company licensed by the Commission under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through and Non-Banking Finance Companies and Notified Entities Regulations 2008 ("Regulations") through license No. SECP/LRD/2/AMC/AHML/2022/98 dated April 18, 2023 to carry out Asset Management Services and is registered with the Commission under the Voluntary Pension System Rules, 2005 under Certificate of Registration No. 44/SEC/PRDD/VPS/ALHAML/2022 dated May 16, 2022 as a Pension Fund Manager and is a designated fund manager appointed by the Government of Khyber Pakhtunkhwa (the "KPK Government") through the Secretary to the Government Finance Department through an Agreement dated December 22, 2022 pursuant to Khyber Pakhtunkhwa Contributory Provident Fund Rules, 2022 (the "KPK Rules" as amended from time to time). The registered office of the Pension Fund Manager is situated at 3rd Floor Mackinnon's Building I, I Chundrigar Road Karachi.
- 1.3** All Employees of KPK Government appointed/recruited under the Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 or an employee of the KPK Government, regularized as civil servant through any legal instrument, issued after coming into force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 irrespective of the effective date of regularization shall be eligible to contribute to the Pension Fund.
- 1.4** The objective of Fund is to provide participants with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to invest their pensions as per their desired asset allocations.
- 1.5** 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.
- 1.6** The Fund consists of four sub-funds namely, AL Habib GoKP - Equity Sub Fund (the Equity Sub Fund) , AL Habib GoKP - Debt Sub Fund (the Debt Sub Fund), AL Habib GoKP - Money Market Sub Fund (the Money Market Sub Fund) and AL Habib GoKP - Equity Index Sub Fund (the Equity Index Sub Fund) (collectively the "Sub-Funds"). Investment policy for each of the sub-funds is as follows:
- 1.7 AL Habib GOKP Pension Fund - Money Market Sub-Fund**
- The objective of Fund is to provide Participants with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to invest their pensions as per their desired asset allocations.
- 1.8** The Fund offers four types of allocation schemes, as prescribed by the SECP under VPS Rules 2005 vide its Circular no. 36 of 2009 dated December 10, 2009, to the participants of the Fund, namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has an option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the Funds are allocated to the above stated Sub-Funds. The allocation to the sub-funds has to be done at the date of the opening of the participant's pension account and on an anniversary date thereafter.
- 1.9** The Management Company has been assigned a rating of 'AM1' by Pakistan Credit Rating Agency (PACRA) dated December 12, 2024.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of judgements and estimates

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the Management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates, judgement and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 the revision and future year if the revision affects both current and future year.

Estimates and Judgments that have significant effect on the financial statements relates to classification and revaluation and impairment of financial assets are as follows:

2.4.1 Classification and valuation of investment

For details please refer notes 4.2.1.1 and 6 to these financial statements.

2.4.2 Impairment of investment

For details please refer note 4.2.2 to these financial statements.

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
AAmendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - 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 IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

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

4.2 Financial instruments

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

4.2.1 Financial assets

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

4.2.1.1 Classification**4.2.1.1.1 Debt Instruments****Amortized cost**

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

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

Financial assets not classified as measured at amortised cost as are measured at FVTPL.

Fair value through profit or loss

A financial asset at FVTPL is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition.

Subsequent, the financial measured at:

Debt investments at amortised cost

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

Debt investments at FVOCI

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

Debt investments at FVTPL

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

4.2.1.2 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.

4.2.1.3 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 Impairment (other than debt securities)

The Fund assesses on a forward-looking basis the expected credit losses (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 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 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.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012 dated October 24, 2012 in relation to impairment of debt securities.

Impairment loss on debt securities

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

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

4.2.3 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the income statement.

4.2.4 Offsetting of financial assets and liabilities

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

4.3 Provisions

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

4.4 Taxation

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

4.5 Proposed distributions

Distributions declared subsequent to the reporting date are subject to the approval of board of director of the management company and are considered as non-adjusting events and are not recognised before the reporting date.

4.6 Issuance and redemption of units

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

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 represents the net assets value per unit as of the close of the business day less any duties. Charge on redemption as provision for transaction cost if applicable.

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

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized using the effective interest method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.

4.9 Expenses

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

		2025	2024
	Note	------(Rupees in '000)-----	
5 BANK BALANCES			
Saving accounts	5.1	<u>2,081</u>	<u>1,240</u>

5.1 This represent saving accounts held with various commercial banks carrying profits rates ranging from 10.00% to 11.05% (2024: 19.5% to 21.50%) per annum.

6 INVESTMENTS

Financial assets at fair value through profit or loss

Government securities

- Government of Pakistan (GoP) Ijara Sukuk	6.1	-	3,503
- Pakistan investment Bond	6.2	-	8,976
- Market Treasury Bills	6.3	<u>47,770</u>	<u>20,139</u>
		<u>47,770</u>	<u>32,618</u>

6.1 Government of Pakistan (GoP) Ijara Sukuk

Description					As at June 30, 2025				
	As at July 1, 2024	Purchased during the period	Sold / matured during the period	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation/ (diminution)	Market value	
								Market value as a percentage of net assets	Market value as a percentage of total investments
	----- (Number of Units) -----				----- (Rupees in '000) -----			----- % -----	
GOP IJARA SUKUK - 01 YEAR VVR (17-04-2023)	95	-	95	-	-	-	-	-	-
GOP IJARA SUKUK - 01 YEAR VVR (08-03-2023)	50	-	50	-	-	-	-	-	-
GOP IJARA SUKUK - 01 YEAR VVR (07-08-2023)	35	-	35	-	-	-	-	0.00%	0.00%
					-	-	-		
					3,236	3,503	262		

6.1.1 These carries markup at the rate 18.40% (2024: from 22.68% to 25.54%) per annum.

6.2 Pakistan Investment Bonds

Description					As at June 30, 2025				
	As at July 1, 2024	Purchased during the period	Sold / matured during the period	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation/ (diminution)	Market value	
								Market value as a percentage of net assets	Market value as a percentage of total investments
PIB 03 YEAR (07-10-2021) - FLOATER	90	120	210	-	-	-	-	0.00%	0.00%
					<u>-</u>	<u>-</u>	<u>-</u>		

6.2.1 These carries markup at the rate 19.75% (2024: 21.6%) per annum.

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6.3 Market Treasury Bills

Description					As at June 30, 2025				
	As at July 1, 2024	Purchased during the period	Sold / matured during the period	As at June 30, 2025	Carrying value	Market value	Unrealised appreciation/ (diminution)	Market value	
								Market value as a percentage of net assets	Market value as a percentage of total investments
T- BILL 06 MONTHS (11-07-2024)	-	24,900	24,900	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (16-11-2023)	50,000	-	50,000	-	-	-	-	0.00%	0.00%
T-BILL 01 MONTHS (26-06-2025)	-	150,000	-	150,000	14,897	14,895	(2)	29.84%	31.18%
T-BILL 01 MONTHS (29-05-2025)	-	20,000	20,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTH (18-04-2024)	100,000	-	-	100,000	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (06-02-2025)	-	110,000	110,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (06-03-2025)	-	120,000	-	120,000	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (12-06-2025)	-	110,000	-	110,000	10,791	10,787	(4)	21.61%	22.58%
T-BILL 03 MONTHS (12-12-2024)	-	260,000	250,000	10,000	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (14-11-2024)	-	250,000	250,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (15-05-2025)	-	70,000	70,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (17-10-2024)	-	360,000	360,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (20-02-2025)	-	150,000	150,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (22-08-2024)	-	21,000	21,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (23-01-2025)	-	130,000	130,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (29-05-2025)	-	100,000	100,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (31-10-2024)	-	300,000	300,000	-	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (06-03-2025)	-	30,000	-	30,000	2,941	2,942	1	5.89%	6.16%
T-BILL 06 MONTHS (08-08-2024)	-	30,000	30,000	-	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (09-01-2025)	-	40,000	40,000	-	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (12-12-2024)	-	30,000	30,000	-	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (14-11-2024)	-	50,000	10,000	40,000	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (15-05-2025)	-	60,000	60,000	-	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (17-04-2025)	-	110,000	110,000	-	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (22-08-2024)	-	70,000	50,000	20,000	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (26-12-2024)	-	50,000	50,000	-	-	-	-	0.00%	0.00%
T-BILL 12 MONTHS (11-01-2024)	-	214,000	214,000	-	-	-	-	0.00%	0.00%
T-BILL 12 MONTHS (28-11-2024)	-	200,000	-	200,000	19,134	19,146	12	38.35%	40.08%
T-BILL 12 MONTHS (30-11-2023)	60,000	-	60,000	-	-	-	-	0.00%	0.00%
					47,763	47,770	7		
					20,137	20,139	2		

6.3.1 These carries markup ranging from 10.87% to 20.3% (2024: 20.1% to 21.64%) per annum.

7	PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT	Note	2025	2024
			------(Rupees in '000)-----	-----
	Managenent remuneration	7.1	15	6
	Sales Tax payable	7.2	2	1
			<u>17</u>	<u>7</u>

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

Based on offering document, the fee is being charged at the rate of 1% of the average annual net assets accordingly. The fee is payable monthly in arrears.

7.2 The Sindh Sales Tax at the rate of 15% was charged on the management company's remuneration during the year (2024: 13%).

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

		2025	2024
	Note	------(Rupees in '000)-----	
Trustee Remuneration	8.1	11	3
Sales Tax payable on Trustee Remuneration	8.2	2	-
		<u>13</u>	<u>3</u>

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

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2025 is as follows:

Net Assets (Rupees)	Tariff
Up to 1 billion	Rs.0.3 million or 0.15% p.a. of Net Assets, whichever is higher.
1 billion to 3 billion	Rs.1.5 million plus 0.10% p.a. of Net Assets, on amount exceeding Rs.1 billion
3 billion to 6 billion	Rs.3.5 million plus 0.08% p.a. of Net Assets, on amount exceeding Rs.3 billion.
Over 6 billion	Rs.5.9 million plus 0.06% p.a. of Net Assets on amount exceeding Rs.6 billion.

- 8.2** The Sindh Sales Tax at the rate of 15% was charged on trustee remuneration during the year (2024: 13%).

9 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		2025	2024
	Note	------(Rupees in '000)-----	
Fee payable	9.1	17	7
		<u>17</u>	<u>7</u>

- 9.1** This represents annual fee payable to Securities And Exchange Commission of Pakistan in accordance with the Rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one twenty-fifth (1/25) of 1% of average annual net asset value of each of the sub-fund.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	96	49
Other payable	8	6
Formation cost payable	10	10
	<u>114</u>	<u>65</u>

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2025 (2024: Nil).

12 NUMBER OF UNITS IN ISSUE

Issue of units during the period	393,194	312,802
Total units in issue at the end of the period	<u>393,194</u>	<u>312,802</u>

13 PROFIT ON BANK DEPOSIT

Profit on saving account	441	380
	<u>441</u>	<u>380</u>

- 13.1** This includes profit on bank deposits with Bank AL Habib Limited, a related party of Rs. 0.441 million (2024: 0.380 million).

14 AUDITOR'S REMUNERATION

Audit Fee	96	49
	<u>96</u>	<u>49</u>

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15 TAXATION

The income of the Fund is exempt from tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Further through Finance Act, 2011, effective from July 01, 2011, pension funds are included in the list of entities on which the provisions of section 113 regarding minimum tax shall not apply.

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 weighted average unit for calculating EPU is not practicable.

17 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2025		As at June 30, 2024	
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
----- (Rupees in '000) -----				
Financial Assets				
Bank balances	-	2,081	-	1,240
Investments	47,770	32,618		
Profit receivable	-	232	-	800
	<u>47,770</u>	<u>2,313</u>	<u>32,618</u>	<u>2,040</u>
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	-	17	-	7
Payable to Central Depository Company of Pakistan Limited - Trustee	-	13	-	3
Payable to the Securities and Exchange Commission of Pakistan	-	17	-	7
Accrued expenses and other liabilities	-	114	-	65
	<u>-</u>	<u>161</u>	<u>-</u>	<u>82</u>

18 TRANSACTIONS AND BALANCES WITH RELATED/CONNECTED PERSONS

Related parties/ Connected persons include AL Habib Asset Management Limited being the Management Company, Bank AL Habib Limited being the Sponsor, Central Depository Company of Pakistan Limited being the Trustee of the Fund, other Collective Investment Schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having ten percent or more beneficial ownership of the units of the Fund.

The transactions with connected persons are 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 the NBFC Regulations and the Trust Deed respectively.

The detail of significant transaction carried out by the fund with connected persons and the balances with them at the end of reporting year are as follows:

Connected persons / related parties include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of AL Habib Management Company.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Currency Exchange Ltd	Subsidiary of Bank AL Habib Limited
5	AL Habib Cash Fund Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited

S.No	Company Name	Relationship
11	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
19	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
20	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Limited
21	Central Depository Company	Trustee

Connected person includes directors and officers of the above entities as at June 30, 2025 and staff retirement benefit funds of the above companies.

	2025	2024
	----- (Rupees in '000) -----	
18.1 Details of transactions with connected persons / related parties during the period are as follows:		
AL Habib Asset Management Limited - Management Company		
Remuneration of the management company	97	6
Sindh Sales Tax on remuneration of the management company	15	1
	<u>112</u>	<u>7</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	65	23
Sindh Sales Tax on remuneration of the Trustee	10	3
	<u>75</u>	<u>26</u>
Bank AL Habib Limited		
Bank charges	-	-
Profit on savings account	441	380
	<u>441</u>	<u>380</u>
18.2 Details of balances with connected persons / related parties as at period end are as follows:		
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable (Inclusive of Sindh sales tax)	13	3
	<u>13</u>	<u>3</u>
Bank AL Habib Limited		
Bank Balance	2,081	1,240
Profit receivable on savings account	57	380
	<u>2,138</u>	<u>1,620</u>
Units held by:		
Management Company		
AL Habib Asset Management Company Limited - Pension Fund Manager	30,000	30,000
	<u>30,000</u>	<u>30,000</u>

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.

19.1.1 Currency risk

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

19.1.2 Interest rate risk

Interest rate risk is 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) 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 is 10.00%

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to 11.05% per annum, and against investments in GOP Ijara Sukuk, Pakistan Investment Bonds and Market Treasury Bills, the interest rate on which range between 18.40% , 19.75% and 10.87% to 20.3% respectively.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 60,790 (2024: Rs. 33,270).

b) Sensitivity analysis for fixed rate instruments

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

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs 53,610 (2024: Rs. 29,470).

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

Particulars	As at June 30, 2025					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	11.05	2,081	-	-	-	2,081
Investments						
Government of Pakistan (GOP) Ijara Sukuk	18.40	-	-	-	-	-
Pakistan investment Bond	19.75	-	-	-	-	-
Market Treasury Bills	10.87-20.3	-	-	47,770	-	47,770
Other receivable		-	-	-	232	232
Sub total		2,081	-	47,770	232	50,083
Financial liabilities						
Payable to AL Habib Asset Management Limited Management Company		-	-	-	17	17
Payable to Central Depository Company of Pakistan Limited- Trustee Fee		-	-	-	13	13
Payable to the Securities and Exchange Commission of Pakistan		-	-	-	17	17
Accrued expenses and other liabilities		-	-	-	114	114
Sub total		-	-	-	161	161
On-balance sheet gap (a)		2,081	-	47,770	71	49,922
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-

Particulars	As at June 30, 2024					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	21.50	1,240	-	-	-	1,240
Investments						
Governmnet of Pakistan (GOP) Ijara Sukuk	22.68 - 25.54	-	-	3,503	-	3,503
Pakistan investment Bond	21.6	-	-	8,976	-	8,976
Market Treasury Bills	20.1 - 21.64	9,945		10,194	-	20,139
Profit Receivable		-	-	-	800	800
Sub total		11,185	-	22,673	800	34,658

Particulars	As at June 30, 2024					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%					Rupees in '000
Financial liabilities						
Payable to AL Habib Asset Management Limited Management Company		-	-	-	7	7
Payable to Central Depository Company of Pakistan Limited- Trustee Fee		-	-	-	3	3
Payable to the Securities and Exchange Commission of Pakistan		-	-	-	7	7
Accrued expenses and other liabilities		-	-	-	65	65
Sub total		-	-	-	82	82
On-balance sheet gap (a)		11,185	-	22,673	718	34,576
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-

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 bank balances and other receivables.

Management of credit risk

The Fund keeps deposits with reputed financial institutions. All transactions in units are settled / paid for upon delivery using the system of Trustee. 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.

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

Name of Banks	Balances held as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
	Rupees in '000		
Balances with banks by rating category			
Bank Al Habib Limited	2,081	AAA	PACRA
Rating by rating category			2025
AAA			100%
			100%
Name of Banks	Balances held as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency
	Rupees in '000		
Balances with banks by rating category			
Bank Al Habib Limited	1,240	AAA	PACRA
Rating by rating category			2024
AAA			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 and bank balances, having satisfactory credit rating, therefore the fund is not exposed to any concentration of credit risk.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligation will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

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

Particulars	As at June 30, 2025			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				
Financial liabilities				
Payable to AL Habib Asset Management Limited Management Company	17	-	-	17
Payable to Central Depository Company of Pakistan Limited - Management Fees	13	-	-	13
Payable to the Securities and Exchange Commission of Pakistan	17	-	-	17
Accrued expenses and other liabilities	114	-	-	114
	161	-	-	161

Particulars	As at June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				
Financial liabilities				
Payable to AL Habib Asset Management Limited Management Company	7	-	-	7
Payable to Central Depository Company of Pakistan Limited - Management Fees	3	-	-	3
Payable to the Securities and Exchange Commission of Pakistan	7	-	-	7
Accrued expenses and other liabilities	65	-	-	65
	82	-	-	82

20 UNITS HOLDERS' FUND RISK MANAGEMENT

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

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

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

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

- Level 1 Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 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) ; and
- Level 3 Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

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	30-Jun-25						
	Carrying amount			Fair value			
	At fair value through profit or loss	Amortised	Total	Level 1	Level 2	Level 3	Total
Note ----- (Rupees in '000) -----							

On-balance sheet financial instruments

Financial assets - not measured at fair value	21.1						
GOP Ijara Sukuk		-	-	-	-	-	-
Pakistan Investment Bonds		-	-	-	-	-	-
Market Treasury Bills		47,770	47,770		47,770		
		<u>47,770</u>	<u>47,770</u>	<u>-</u>	<u>47,770</u>	<u>-</u>	<u>-</u>

Particulars	30-Jun-24						
	Carrying amount			Fair value			
	At fair value through profit or loss	Amortised	Total	Level 1	Level 2	Level 3	Total
Note ----- (Rupees in '000) -----							

On-balance sheet financial instruments

Financial assets - not measured at fair value	21.1						
GOP Ijara Sukuk		3,503	-	3,503	-	3,503	-
Pakistan Investment Bonds		8,976	-	8,976	-	8,976	-
Market Treasury Bills		20,139	20,139		20,139		
		<u>32,618</u>	<u>32,618</u>	<u>-</u>	<u>32,618</u>	<u>-</u>	<u>-</u>

21.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in respect of Treasury Bills, Pakistan Investment Bonds and GOP Ijarah Sukuks, Fund uses the rates which are derived from PKRV, PKFRV and PKISRV rates at reporting date per certificate multiplied by the number of certificates held as at period end.

- 21.2 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.

AL HABIB ISLAMIC GOKP PENSION FUND

22 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

Name	Designation	Qualifications	Experience in years
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24 years
Mr. Zahid Hussain Vasanani	Chief Operating Officer & Company Secretary	CA- Affiliate	25 years
Mr. Faran ul Haq	Head of Equity	CFA	14.5 years
Mr. Fawad Javaid	Head of Fixed Income	CMA	14.5 years
Mr. Ahmed Abbas	Fund Manager	MBA	17 years
Mr. Hamza Abdur Rehman Siddiqui	Fund Manager - Equity	Msc (Hons)	7 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS ECO, FMVA	7 years

22.1 Mr. Ahmed Abbas is also Fund Manager of AL Habib Cash Fund, AL Islamic Cash Fund, AL Habib Income Fund, AL Habib Islamic Savings Funds, AL Habib Islamic Income Fund, AL Habib Fixed Return Fund & AL Habib Islamic Munafa Fund.

23 PATTERN OF UNITHOLDING

Unit holding pattern of the Fund as at 30 June 2025 is as follows:

Category	2025			
	Number of unit holders	Number of units	Investment amount (Rupees in '000)	Percentage of total investment
Associated Companies	1	300,000	38,090	76.30%
Individuals	168	93,194	11,832	23.70%
	169	393,194	49,922	100.00%

Category	2024			
	Number of unit holders	Number of units	Investment amount (Rupees in '000)	Percentage of total investment
Associated Companies	1	300,000	33,159	95.91%
Individuals	49	12,802	1,415	4.09%
	50	312,802	34,574	100.00%

24 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 1, 2024 and October 17, 2024 , January 23, 2025, April 25, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Particular	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
Name of Director					
1	Mr. Abbas D.Habib	4	4	-	-
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	103rd, 104th and 105th Meeting
5	Mr. Imran Azim	4	2	2	100 th Meeting
6	Mr. Kashif Rafi	4	4	-	-

25 TOTAL EXPENSE RATIO

In accordance with the S.R.O 1068 (I) / 2021 dated August 23, 2021 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the money market sub fund for the period ended June 30, 2025 is 0.76 % which includes 0.10% representing Government Levy and SECP fee.

26 CORRESPONDING FIGURES

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

27 GENERAL

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

28 DATE OF AUTHORIZATION FOR ISSUE

28.1 These financial statements were authorised for issue on August 25, 2025 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective:

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

Strategies and Policies Employed during the period under review:

The AHGOKP maintained its strategy of reaping maximum benefits emanating from volatility experienced in debt markets. The selection criterion for equity securities is based upon hybrid investment approach with companies having sound financial history backed by strong fundamentals. The exposure in debt portion was also in line with the investment objectives with preference given to highly rated and liquid debt securities.

Fund Description

Fund Type & Category	Open Ended - Voluntary Pension Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	Jan 04, 2024	Management Fee	Up to 1.5% p.a. on average Net Assets of each Sub-Fund.
Pricing Mechanism	Forward Pricing	Sales Load	Up to 3% on all Contributions
Dealing Days/Timings	Monday to Thursday 9:00 am to 3:30 pm Friday 9:00 am to 4:30 pm	Minimum Investment	Initial investment of Rs. 1,000/- Subsequently Rs. 1,000/- per transaction
AMC Rating	"AM1" by PACRA (December 12, 2024)	Risk Profile	Allocation Dependent
Trustee	Central Depository Company of Pakistan Limited.		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Asset Allocation of Fund (as a % of total assets)

AHGOKP	30-Jun-25	30-Jun-24
Cash	4.16%	3.58%
GOP Ijarah	-	10.11%
PIBs	-	25.90%
TBills	95.38%	58.11%
Others	0.46%	2.31%

Unit Holding Pattern

Money Market Sub Fund:

Size of Unit Holding (Units)	# of Unit Holders
1-1000	129
1001-5000	39
100001-500000	1
Grand Total	169

Sales and Redemptions of Units

During the year, 80,392 units valued Rs. 9.5 million were sold, while none units were redeemed resulting in to a net sale of 80,391 units valued Rs. 9.5 million during the year.

During the period under question:

There has been no significant change in the state of affairs of the Fund. Furthermore, the fund does not have any soft commission arrangement with any broker in the industry.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 23 of the Annual Accounts 2024.

Fund Performance at a Glance

	2025	2024
Net Assets as at June 30 (Rs. in Million)	49.92	34.57
NAV per unit as at June 30 (Rs.)	126.9656	100.4454
Annual ReturnA	14.87%	21.47%

**AL HABIB ISLAMIC GOKP
PENSION FUND
Annual Report
For the year ended June 30, 2025**

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.

Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200
Karachi.

Trustee

Central Depository Company of Pakistan Limited
Quality
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.

Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton,

Rating

AM1 Management Company

Rating Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Bank Alfalah Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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

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

Fax: (92-21) 34326021 - 23

URL: www.cdcPakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

AL HABIB ISLAMIC GOKP PENSION FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Islamic GoKP Pension Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund, during the year ended June 30, 2025 in accordance with the provisions of the Constitutive Documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.

Abdul Samad
Chief Operating Officer
Central Depository Company of Pakistan Limited

Karachi, September 26, 2025



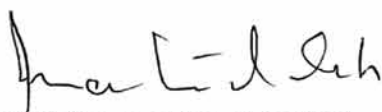
REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Advisor of the **AL Habib Islamic GOKP Money Market Sub-Fund**, I am issuing this report. The scope of the report is to express an opinion on the Shariah compliance of the fund's activities.

It is the responsibility of the management of aforesaid fund to establish and maintain a system of internal control to ensure compliance with Shariah guidelines. My responsibility is to express an opinion, based on my review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, I hereby certify that:

- The modes of investments, transactions, relevant documentations, operations and the procedures adopted have been in accordance with the Shariah principles and rules.
- The provisions of the scheme, investments and affairs have been carried out in accordance with Shariah principles, rules and relevant Shariah opinions issued from time to time.
- The earnings that have been realized from sources and means prohibited by Shariah have been credited to the charity account.



Dr. Mufti Ismatullah Hamdullah

Shariah Advisor

Date: June 30, 2025



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

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

TO THE BOARD OF DIRECTORS OF AL HABIB ASSET MANAGEMENT LIMITED

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of Al Habib Islamic GoKP Pension Fund (the Fund) managed by Al Habib Asset Management Limited (the Management Company) for assessing compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended June 30, 2025. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended June 30, 2025) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations and reproduced as under;

- 1) Essentials, Regulations, Instructions and Guidelines issued by the SECP;
- 2) The rulings of Central Shariah Board as notified by the SECP;
- 3) Requirements of the applicable Islamic Financial Accounting Standards as notified by the SECP;
- 4) Approvals and rulings given by the Shariah Board (SB) directives, regulations, instructions and guidelines issued in accordance with the rulings of SECP's Shariah Board.

The above criteria were evaluated, for their implications on the financial statements of the Fund for the year ended June 30, 2025.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Fund with its unitholders, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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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.



4. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management (ISQM) 1 "Quality Management for firms that perform Audit or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended June 30, 2025 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depend on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund internal control. We have designed and performed necessary verification procedures on various financial arrangements, transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

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BDO Ebrahim & Co. Chartered Accountants

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6. Conclusion

Based on our reasonable assurance engagement we report that in our opinion, the Fund overall financial arrangements, contracts, transactions for the year ended June 30, 2025, are in compliance with the Shariah rules and principles, in all material respects.

Engagement Partner
Tariq Feroz Khan


BDO EBRAHIM & CO.
CHARTERED Accountants

Date: 29 SEP 2025
Place: Karachi



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Karachi-74200
Pakistan

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF FINANCIAL STATEMENTS TO THE UNITHOLDERS
OF AL HABIB ISLAMIC GOKP PENSION FUND**

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Al Habib Islamic GOKP Pension Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements gives a true and fair view of the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

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

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 the Management and its Board of Directors for the Financial Statements

Management of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and for such internal control as the management determines 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.



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



Report on other legal and regulatory requirements

Based on our audit, in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking 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: 29 SEP 2025

UDIN: AR202510166Tk0asXo5j


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2025

		2025	2024
	Note	----- Rupees in '000' -----	
ASSETS			
Balances with bank	5	2,951	1,792
Investments	6	43,592	30,220
Profit Receivable	7	1,591	2,803
TOTAL ASSETS		48,134	34,815
LIABILITIES			
Payable to AL Habib Asset Management Limited - Management Company	8	51	1
Payable to Central Depository Company of Pakistan Limited - Trustee	9	13	3
Payable to Securities and Exchange Commission of Pakistan	10	17	7
Accrued expenses and other liabilities	11	113	65
TOTAL LIABILITIES		194	76
NET ASSETS		47,940	34,739
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		47,940	34,739
CONTINGENCIES AND COMMITMENTS			
	12		
		-----Number of units-----	
Number of units in issue	13	385,107	314,711
		-----Rupees-----	
Net assets value per unit		124.48	110.38

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 ----- Rupees in '000' -----	2024
Income			
Realised gain on sale of investments - net		106	2
Profit on Government Ijarah Sukuks		4,700	2,726
Profit on bank deposits		612	533
		<u>5,418</u>	<u>3,261</u>
Unrealised (diminution) / appreciation on re-measurement of investments classified at 'fair value through profit or loss' - net		(116)	20
		<u>5,302</u>	<u>3,281</u>
Expenses			
Remuneration of AL Habib Asset Management Limited - Management Company	8.1	95	1
Sindh sales tax on Management Company's remuneration	8.2	14	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	64	23
Sindh Sales Tax on remuneration of Trustee	9.2	10	3
Annual fee to the Securities and Exchange Commission of Pakistan	10	17	7
Auditors' remuneration		102	49
Bank charges		3	3
Other expense		11	5
		<u>316</u>	<u>91</u>
Net income for the year before taxation		4,986	3,190
Taxation	14	-	-
Net income for the year after taxation		<u>4,986</u>	<u>3,190</u>
Earnings per unit	15		

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	----- Rupees in '000' -----	
Net income for the year	4,986	3,190
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,986</u>	<u>3,190</u>

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	---Rupees in '000---	
Net assets at the beginning of the period	34,739	-
Issuance of units (385,107 units)	8,216	31,549
Gain on sale of investments - net	106	2
Unrealised (diminution) / appreciation on re-measurement of investments	(116)	20
Other income for the year - net	(4,764)	3,168
Total comprehensive income for the year	4,986	3,190
Net assets at the end of the year	47,940	34,739

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

Note	2025	2024
	-----Rupees in '000'-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the year before taxation	4,986	3,190
Adjustments for:		
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	116	(20)
	5,102	3,170
(Increase) / decrease in assets		
Investments	(13,488)	(30,200)
Profit receivable	1,212	(2,803)
	(12,276)	(33,003)
Increase in liabilities		
Payable to Habib Asset Management Limited - Management Company	50	1
Payable to Central Depository Company of Pakistan Limited - Trustee	10	3
Payable to Securities and Exchange Commission of Pakistan	10	7
Accrued expenses and other liabilities	48	65
	118	76
Net cash used in operating activities	(7,056)	(29,757)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	8,216	31,549
Net cash generated from financing activities	8,216	31,549
Net increase in cash and cash equivalents	1,160	1,792
Cash and cash equivalents at the beginning of the year	1,792	-
Cash and cash equivalents at the end of the year	5 2,952	1,792

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025****1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** AL Habib Islamic GOKP Pension Fund (the Fund) was established under a Trust deed executed between AL Habib Asset Management Company Limited as a Pension Fund Manager and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed is approved by the Securities and Exchange Commission of Pakistan (SECP) on June 27, 2023 under the Voluntary Pension System (VPS) Rules, 2005. Central Depository Company of Pakistan Limited was appointed as a trustee for the Fund by SECP on June 27, 2023. The Fund is registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021 and was launched on January 04, 2024.
- 1.2** The Pension Fund Manager is a Non-Banking Finance Company licensed by the Commission under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through and Non-Banking Finance Companies and Notified Entities Regulations 2008 ("Regulations") through license No. SECP/LRD/2/AMC/AHML/2022/98 dated April 18, 2023 to carry out Asset Management Services and is registered with the Commission under the Voluntary Pension System Rules, 2005 under Certificate of Registration No. 44/SEC/PRDD/VPS/ALHAML/2022 dated May 16, 2022 as a Pension Fund Manager and is a designated fund manager appointed by the Government of Khyber Pakhtunkhwa (the "KPK Government") through the Secretary to the Government Finance Department through an Agreement dated December 22, 2022 pursuant to Khyber Pakhtunkhwa Contributory Provident Fund Rules, 2022 (the "KPK Rules" as amended from time to time).
- 1.3** The Pension Fund Manager of the Fund has been licensed to act as a Pension Fund Manager under the Voluntary Pension Scheme Rules, 2005 (the VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 3rd Floor Mackinnon's Building I, I Chundrigar Road Karachi.
- 1.4** All Employees of KPK Government appointed/recruited under the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 or an employee of the KPK Government, regularized as civil servant through any legal instrument, issued after coming into force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 irrespective of the effective date of regularization shall be eligible to contribute to the Pension Fund.
- 1.5** The objective of the Fund is to provide a secure source of retirement savings and regular income after retirement to the Employee(s)
- 1.6** The objective of AL Habib Islamic GOKP Pension Fund is to provide participants with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to invest their pensions as per their desired asset allocations.
- 1.7** The Fund offers four types of allocation schemes, as prescribed by the SECP under VPS Rules 2005 vide its Circular no. 36 of 2009 dated December 10, 2009, to the participants of the Fund, namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has an option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the Funds are allocated to the above stated Sub-Funds. The allocation to the sub-funds has to be done at the date of the opening of the participant's pension account and on an anniversary date thereafter.
- 1.8** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION**2.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The requirements of the Constitutive Documents, Voluntary Pension System Rules, 2005 (VPS Rules), The NBFC Rules, The Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

Wherever the requirements of the Constitutive Documents, the VPS Rules, NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the VPS Rules (2005) or the requirements of the said directives prevail.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates judgements and associated assumptions are based on historical experience and various other factors including expectation of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. 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 the revision and future year if the revision affects both current and future years.

Estimates and judgments that have significant effect on the financial statements relates to classification, valuation and impairment of financial assets are as follows:

2.4.1 Classification and measurement of financial assets and financial liabilities

For details please refer notes 4.2.1.1 and 6 to these financial statements.

2.4.2 Impairment of financial assets

For details please refer notes 4.2.2 to these financial statements.

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
AAmendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the 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 IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 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 revised timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

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

4.2 Financial instruments

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

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss. The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.1.1 Classification

4.2.1.1.1 Debt Instruments

Amortized cost

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

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

Fair value through profit or loss

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. These are initially measured at fair value and transaction costs that are directly attributable to its acquisition are charged to income statement.

Subsequent, the financial measured at:

Debt investments at amortised cost

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

Debt investments at FVTPL

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

4.2.1.2 Regular way purchase and sale of financial asset

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.

4.2.1.3 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 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.3 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.2.4 Offsetting of financial assets and liabilities

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

4.3 Provisions

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

4.4 Taxation

The income of the Fund is exempt from income tax under clause 57(3)(viii) of part I of second schedule to the income Tax Ordinance, 2001.

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

4.5 Proposed distributions

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements in the year in which such distributions are declared.

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours 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 is payable to the Management Company / Distributors as processing fee.

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 represents the net assets value per unit as of the close of the business day less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

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

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized using the effective interest method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.

4.9 Expenses

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

4.10 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

AL HABIB ISLAMIC GOKP PENSION FUND

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

		2025	2024
	Note	----- Rupees in '000' -----	
5. BALANCES WITH BANK			
Savings accounts	5.1	2,951	1,792
		<u>2,951</u>	<u>1,792</u>

5.1 This carry mark-up at the rates ranging between 8.31% to 10.75% per annum. This represent balances held with Bank AL Habib Limited, a related party.

6. INVESTMENTS

Financial assets classified at fair value through profit or loss

GOP Ijarah Sukuks (GIS)	6.1	43,592	30,220
		<u>43,592</u>	<u>30,220</u>

6.1 GOP Ijarah Sukuks (GIS)

Particulars	As at July 01, 2024	Purchased during the period	Sold/ matured during the period	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised (diminution) / appreciation as at June 30, 2024	Market Value as a percentage of Net Asset	Market Value as a percentage of Investment
	----- No. of instruments -----			(Rupees in '000)			----- (%) -----		
GOP Ijarah Sukuks									
GOP IJARA SUKUK - VRR (26-10-2022)	-	115	-	115	11,769	11,673	(97)	24%	27%
GOP IJARA SUKUK - 01 YEAR VRR (04-12-2023)	-	360	360	-	-	-	-	-	-
GOP IJARA SUKUK - 01 YEAR VRR (17-04-2023)	-	185	185	-	-	-	-	-	-
GOP IJARA SUKUK - 01 YEAR VRR (20-09-2023)	-	300	300	-	-	-	-	-	-
GOP IJARA SUKUK - 05 YEAR VRR (29-05-2020)	-	210	210	-	-	-	-	-	-
GOP IJARA SUKUK - 05 YEAR VRR (30-04-2020)	-	80	80	-	-	-	-	-	-
GOP IJARA SUKUK - 01 YEAR VRR (12-07-2023)	52	-	52	-	-	-	-	-	-
GOP IJARA SUKUK - 05 YEAR FRR (29-07-2020)	-	253	-	253	25,242	25,219	(22)	53%	58%
GOP IJARA SUKUK - 01 YEAR VRR (07-08-2023)	250	-	250	-	-	-	-	-	-
GOP IJARA SUKUK - 01 YEAR VRR (08-03-2023)	-	50	50	-	-	-	-	-	-
GOP IJARA SUKUK - 01 YEAR FRR (09-10-2023)	-	650	650	-	-	-	-	-	-
GOP IJARA SUKUK - 05 YEAR VRR (29-07-2020)	-	67	-	67	6,698	6,701	3	14%	15%
Total as at June 30, 2025	302	2,270	2,137	435	43,709	43,592	(116)	91%	100%
Total as at June 30, 2024	-	-	-	302	30,200	30,220	20	87%	100%

		2025	2024
	Note	----- Rupees in '000' -----	
7. PROFIT RECEIVABLE			
Government Ijarah Sukuks		1,575	2,689
Savings accounts		<u>16</u>	<u>114</u>
		<u>1,591</u>	<u>2,803</u>

8. PAYABLE TO AL HABIB ASSET MANAGEMENT

Remuneration payable to Management Company	8.1	44	1
Sindh Sales Tax on Management Company's remuneration	8.2	<u>7</u>	<u>-</u>
		<u>51</u>	<u>1</u>

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

Based on offering document, the fee is being charged at the rate of 0.25% of the average annual net assets accordingly. The fee is payable monthly in arrears.

8.2 The Sindh Government has levied Sindh Sales Tax at the rate of 15% (2024: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

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

		2025	2024
	Note	----- (Rupees in '000) -----	
Trustee Remuneration	8.1	11	3
Sales Tax payable on Trustee Remuneration	8.2	<u>2</u>	<u>-</u>
		<u>13</u>	<u>3</u>

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

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2025 is as follows:

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

- 9.2** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% (2024: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2025 ------(Rupees in '000)-----	2024
Annual fee payable	10.1	17	7
		<u>17</u>	<u>7</u>

- 10.1** This represents annual fee payable to Securities And Exchange Commission of Pakistan in accordance with the Rule 36 of the VPS Rules whereby the Fund is required to pay SECP an annual fee amount of 0.04% (2024: 0.04%) of average annual net asset value. The fee is payable in arrears.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable	96	49
Other payable	17	6
	<u>113</u>	<u>65</u>

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the reporting date. (2024: Nil)

13. NUMBER OF UNITS IN ISSUE

Total units issue at the beginning of the year	314,711	-
Add: Units issued during the year	70,396	314,711
Less: Units redeemed during the year	-	-
Total units at the end of the year	<u>385,107</u>	<u>314,711</u>

14. TAXATION

The income of the Fund is exempt from income tax under clause 57(3)(viii) of part I of second schedule to the income Tax Ordinance, 2001. The Fund is also exempt from section 113 (minimum tax) provision under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15. 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

Particulars	June 30, 2025		
	At fair value through profit or loss	Amortised cost	Total
----- Rupees in '000' -----			
Financial assets			
Bank balances	-	2,951	2,951
Investments	43,592	-	43,592
Other Receivable	-	1,591	1,591
	<u>43,592</u>	<u>4,542</u>	<u>48,134</u>

AL HABIB ISLAMIC GOKP PENSION FUND

Particulars	June 30, 2025		
	At fair value through profit or loss	Amortised cost	Total
----- Rupees in '000' -----			
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	44	44
Payable to Central Depository Company of Pakistan Limited - Trustee	-	11	11
Payable to Securities and Exchange Commission of Pakistan	-	17	17
Accrued expenses and other liabilities	-	113	113
	-	185	185
----- Rupees in '000' -----			
Particulars	June 30, 2024		
	At fair value through profit or loss	Amortised cost	Total
----- Rupees in '000' -----			
Financial assets			
Bank balances	-	1,792	1,792
Investments	30,220	-	30,220
Profit receivable	-	2,803	2,803
	30,220	4,595	34,815
----- Rupees in '000' -----			
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	1	1
Payable to Central Depository Company of Pakistan Limited - Trustee	-	3	3
Payable to Securities and Exchange Commission of Pakistan	-	7	7
Accrued expenses and other liabilities	-	65	65
	-	76	76

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES/ CONNECTED PARTIES

Related parties/ Connected persons include Al Habib Fund Managers Limited being the Management Company, Bank Al Habib Limited being the Sponsor, Central Depository Company of Pakistan Limited being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

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

Related parties/connected persons include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of AL Habib Management Company.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Currency Exchange Ltd	Subsidiary of Bank AL Habib Limited
5	AL Habib Cash Fund Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited

S.No	Company Name	Relationship
11	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
19	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
20	AL Habib Sovereign Income Fund	Managed by AL Habib Asset Management Limited
21	Central Depository Company	Trustee

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

	2025	2024
	---Rupees in '000---	
17.1 Transactions during the year		
AL Habib Asset Management Limited - Management Company		
Remuneration of Management company	95	1
Sindh Sales Tax	14	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	64	23
Sindh Sales Tax	10	3
Bank Al Habib Limited - Sponsor		
Profit on bank deposits	612	533
Bank charges	3	3
17.2 Details of balances with connected persons at period end are as follows:		
AL Habib Asset Management Limited - Management Company		
Management company fee payable (Inclusive of Sindh Sales Tax)	51	1
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable (Inclusive of Sindh Sales Tax)	13	3
Bank Al Habib Limited - Sponsor		
Bank balances	2,951	1,792
Profit Receivable on savings account	16	114

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

18.1 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.

AL HABIB ISLAMIC GOKP PENSION FUND

18.1.1 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.

18.1.2 Interest rate risk

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

a) Cash flow interest rate risk

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 8.31% to 10.75% per annum, and against investments in GOP Ijara Sukuks, the interest rate on which range between 8.37% to 22.49% respectively.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 0.03 million (2024: Rs. 0.02 million).

b) Fair value interest rate risk

The Fund's investment in GOP Ijara Sukuk exposes it to fair value interest rate risk.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 0.436 million. (2024: 0.302 million).

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

Particulars	Effective yield / interest rate	June 30, 2025				
		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

Financial assets

Bank balances	8.31% to 10.75%	2,951	-	-	-	2,951
Investments	8.37%-22.49%	-	-	43,592	-	43,592
Profit Receivable			-	-	1,591	1,591
		2,951	-	43,592	1,591	48,134

Financial liabilities

Payable to AL Habib Asset Management Limited - Management Company		-	-	-	51	51
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	13	13
Payable to Securities and Exchange Commission of Pakistan		-	-	-	17	17
Accrued expenses and other liabilities		-	-	-	113	113
Sub total		-	-	-	194	194

On-balance sheet gap (a)

Off-balance sheet financial instruments

Off-balance sheet gap (b)

Total interest rate sensitivity gap (a) + (b)

Cumulative interest rate sensitivity gap

	2,951	-	43,592	1,397	47,940
	-	-	-	-	-
	-	-	-	-	-
	2,951	-	43,592	1,397	47,940
	2,951	-	43,592		

Particulars	Effective yield / interest rate	June 30, 2024				Total
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
%						
On-balance sheet financial instruments						
Financial assets						
Bank balances	9%-10.75%	1,792	-	-	-	1,792
Investments	20.94%-25.54%	-	-	30,220	-	30,220
Profit Receivable		-	-	-	2,803	2,803
		1,792	-	30,220	2,803	34,815
Financial liabilities						
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	1	1
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	3	3
Payable to Securities and Exchange Commission of Pakistan		-	-	-	7	7
Accrued expenses and other liabilities		-	-	-	65	65
		-	-	-	76	76
On-balance sheet gap (a)		1,792	-	30,220	2,727	34,739
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		1,792	-	30,220	2,727	34,739
Cumulative interest rate sensitivity gap		1,792	-	30,220		

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 debt securities such as GOP Ijara Sukuks and Bank balances. Bank balances are maintained with balance with a reasonably high credit rating. The risk of default is considered minimal due to inherent systematic measures taken therein.

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

Bank	Amount	Latest available published rating as at June 30, 2025	Rating agency
---Rupees in '000---			
Bank Al Habib Limited	2,951	A1+	PACRA
	2,951		
Bank	Amount	Latest available published rating as at June 30, 2024	Rating agency
---Rupees in '000---			
Bank Al Habib Limited	1,792	A1+	PACRA
	1,792		

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

	2025	2024
Rating by rating category	----- (Percentage) -----	
A1+	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, while the remaining transactions are entered into with diverse credit-worthy counterparties, thereby mitigating any significant concentration of credit risk to counterparties. The fund is not exposed to a concentration of credit risk.

18.3 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.

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 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 (2024: None).

The table below summarizes the maturity profile for the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including balances with bank have been included in the maturity.

Particulars	June 30, 2025			
	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----				
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	51	-	-	51
Payable to Central Depository Company of Pakistan Limited - Trustee	13	-	-	13
Payable to Securities and Exchange Commission of Pakistan	17	-	-	17
Accrued expenses and other liabilities	113	-	-	113
Total liabilities	194	-	-	194
Particulars	June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	1	-	-	1
Payable to Central Depository Company of Pakistan Limited - Trustee	3	-	-	3
Payable to Securities and Exchange Commission of Pakistan	7	-	-	7
Accrued expenses and other liabilities	65	-	-	65
Total liabilities	76	-	-	76

19 UNITHOLDERS' FUND RISK MANAGEMENT

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

- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

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

20 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

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

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

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

Particulars	June 30, 2025						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)						
On balance sheet financial instruments							
Financial assets measured at fair value 23.1							
GoP Ijarah Sukuk Certificates	43,592	-	43,592	-	43,592	-	43,592
	43,592	-	43,592	-	43,592	-	43,592

Particulars	June 30, 2024						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)						
On balance sheet financial instruments							
Financial assets measured at fair value 23.1							
GoP Ijarah Sukuk Certificates	30,220	-	30,220	-	30,220	-	30,220
	30,220	-	30,220	-	30,220	-	30,220

20.1 Valuation techniques

20.1.1 For level 1 investments at fair value through profit or loss, Fund uses daily quotations which are taken from PSX, for the purpose of computation of Market value at the reporting date.

20.1.2 For level 2 investments at fair value through profit or loss, Fund uses PKISRV rates which are taken from MUFAP, for the purpose of computation of Market value at the reporting date.

AL HABIB ISLAMIC GOKP PENSION FUND

20.1.3 The Fund has not disclosed the fair values of 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.

20.2 Transfers during the year

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

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

	2025	2024
	----- Percentage -----	
Top brokers during the year		
Invest One Markets Limited	<u>100%</u>	<u>100%</u>

22. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

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

Name	Designation	Qualifications	Experience in years
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	24 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	25 years
Mr. Faran ul Haq	Head of Equity	CFA	14.5 years
Mr. Fawad Javaid	Head of Fixed Income	CMA	14.5 years
Mr. Ahmed Abbas	Fund Manager	MBA	17 years
Mr. Hamza Abdur Rehman Siddiqui	Fund Manager - Equity	Msc (Hons)	7 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS ECO, FMVA	7 years

23. PATTERN OF HOLDING

	June 30, 2025			
	Number of unit holders	Number of units held	Investment amount	Percentage
	-- Rupees in '000 --			
Associated Companies	1	300,000	37,345	77.90%
Others	124	85,107	10,594	22.10%
	125	385,107	47,940	100%

24 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 01, 2024 and October 17, 2024, January 23, 2025, April 25, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Particular	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
	Name of Director				
1	Mr. Abbas D.Habib	4	4	-	-
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	103rd, 104th and 105th Meeting
5	Mr. Imran Azim	4	2	2	103rd and 106th Meeting
6	Mr. Kashif Rafi	4	4	-	-

25. TOTAL EXPENSE RATIO

Total expense ratio of the Fund for the year ended June 30, 2025 is 0.75% (2024: 0.28%) which includes 0.10% (2024: 0.03%) representing Government levies and SECP fee. This ratio is within the maximum limit of 2.0% prescribed under the NBFC Regulations 60(5) for a Collective Investment Scheme (CIS) categorised as a Money Market Scheme.

26. CORRESPONDING FIGURES

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

27. GENERAL

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

28. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2025 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2025

Fund Objective:

The objective of AHIGOKPPF is to provide Participants with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to invest their pensions as per their desired asset allocations Strategies and Policies Employed during the period under review:

The AHGOKP maintained its strategy of reaping maximum benefits emanating from volatility experienced in debt markets. The selection criterion for equity securities is based upon hybrid investment approach with companies having sound financial history backed by strong fundamentals. The exposure in debt portion was also in line with the investment objectives with preference given to highly rated and liquid debt securities.

Fund Description

Fund Type & Category	Open Ended - Voluntary Pension Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	Jan 04, 2024	Management Fee	Up to 1.5% p.a. on average Net Assets of each Sub-Fund.
Pricing Mechanism	Forward Pricing	Sales Load	Up to 3% on all Contributions
Dealing Days/Timings	Monday to Thursday 9:00 am to 3:30 pm Friday 9:00 am to 4:30 pm	Minimum Investment	Initial investment of Rs. 1,000/- Subsequently Rs. 1,000/- per transaction
AMC Rating	"AM1" by PACRA (December 12, 2024)	Risk Profile	Allocation Dependent
Trustee	Central Depository Company of Pakistan Limited.		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2025	As at June 30, 2024	Change (Bps)
3 Months	11.01	19.97	-897
6 Months	10.89	19.91	-902
12 Months	10.85	18.62	-777
3 Years	11.15	16.65	-550
5 Years	11.40	15.37	-397

Policy Rate		
Date	Policy Rate	Change (Bps)
30-Jul-24	19.5	100
13-Sep-24	17.5	200
05-Nov-24	15	250
17-Dec-24	13	200
28-Jan-25	12	100
06-May-25	11	100

Asset Allocation of Fund (as a % of total assets)

AHIGOKP	30-Jun-25	30-Jun-24
Cash	6.13%	5.18%
GOP Ijarah	90.56%	86.85%
Others	3.31%	8%

Unit Holding Pattern
Money Market Sub Fund:

Size of Unit Holding (Units)	# of Unit Holders
1-1000	86
1001-5000	38
100001-500000	1
Grand Total	125

Sales and Redemptions of Units

During the year, 70,396 units valued Rs. 8.2 million were sold, while 0 units were redeemed resulting in to a net sale of 70,396 units valued Rs. 8.2 million during the year.

During the period under question:

There has been no significant change in the state of affairs of the Fund. Furthermore, the fund does not have any soft commission arrangement with any broker in the industry.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2025, please refer to note 23 of the Annual Accounts 2025.

Fund Performance at a Glance

	2025	2024
Net Assets as at June 30 (Rs. in Million)	47.94	34.74
NAV per unit as at June 30 (Rs.)	124.4846	110.3827
Annual ReturnA	12.78%	20.38%

DISCLOSURE OF PROXY VOTING FOR THE YEAR ENDED JUNE 30, 2025

Regulation 38 A "Responsibilities towards Corporate Governance and Proxy Voting";

AL Habib Stock Fund

The Management Company on behalf of the Fund did not participate in 46 shareholder meetings of the Investee Companies. Moreover, details of the proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	-	-	-	-	-
%	-	-	-	-	-

AL Habib Islamic Stock Fund

The Management Company on behalf of the Fund did not participate in 36 shareholder meetings of the Investee Companies. Moreover, details of the proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	-	-	-	-	-
%	-	-	-	-	-

AL Habib Asset Allocation Fund

The Management Company on behalf of the Fund did not participate in 35 shareholder meetings of the Investee Companies. Moreover, details of the proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	-	-	-	-	-
%	-	-	-	-	-

AL Habib Islamic Pension Fund

The Management Company on behalf of the Fund did not participate in 31 shareholder meetings of the Investee Companies. Moreover, details of the proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	-	-	-	-	-
%	-	-	-	-	-

AL Habib Pension Fund

The Management Company on behalf of the Fund did not participate in 42 shareholder meetings of the Investee Companies. Moreover, details of the proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	-	-	-	-	-
%	-	-	-	-	-

الحبيب اسلامک اینیشن فنڈ نے 30 جون 2025 کو ختم ہونے والے سال کے لیے منی مارکیٹ اور ڈیٹ سب فنڈ کے لیے بالترتیب 12.25 فیصد اور 12.25 فیصد کا خالص سالانہ منافع اور ایکویٹی سب فنڈ نے 78.02 فیصد کا حقیقی منافع حاصل کیا۔ منی مارکیٹ اور ڈیٹ سب فنڈ کی مجموعی آمدنی بالترتیب 20.80 ملین روپے اور 19.97 ملین روپے رہی جو بینک ڈپازٹس، ڈیٹ انسٹرومنٹس اور سرکاری سیکورٹیز سے حاصل آمدنی پر مشتمل ہے۔ ایکویٹی سب فنڈ کی مجموعی آمدنی 84.46 ملین روپے رہی جس میں بنیادی طور پر منقسمہ آمدنی سے 7.98 ملین روپے کی آمدنی، بینک ڈپازٹس سے 0.95 ملین روپے کی آمدنی اور ایکویٹی سرمایہ کاری پر 75.53 ملین روپے کی (حقیقی اور غیر حقیقی) کیپٹل گین کی مد میں آمدنی شامل ہے۔

الحبيب جی او کے پی اینیشن فنڈ نے 30 جون 2025 کو ختم ہونے والے سال میں منی مارکیٹ سب فنڈ سے 14.87 فیصد کا سالانہ خالص منافع حاصل کیا۔ منی مارکیٹ سب فنڈ کی مجموعی آمدنی 6.08 ملین روپے رہی جو بینک ڈپازٹس اور سرکاری سیکورٹیز سے حاصل آمدنی پر مشتمل ہے۔

الحبيب اسلامک جی او کے پی اینیشن فنڈ نے 30 جون 2025 کو ختم ہونے والے سال میں منی مارکیٹ سب فنڈ سے 12.78 فیصد کا سالانہ خالص منافع حاصل کیا۔ منی مارکیٹ سب فنڈ کی مجموعی آمدنی 5.30 ملین روپے رہی جو بینک ڈپازٹس اور سرکاری سیکورٹیز سے حاصل آمدنی پر مشتمل ہے۔

ہم اپنے یونٹ ہولڈرز کا مستقل اعتماد اور تعاون پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی رہنمائی اور سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کی معاونت کا شکریہ ادا کرتے ہیں۔ ہم اپنے تمام اسٹاف ممبران کی محنت، خلوص اور لگن کے لیے بھی شکر گزار ہیں۔

عباس ڈی۔ حبیب
چیرمین

کاشف رفیع
چیف ایگزیکٹو

کراچی:
۱۲ اگست ۲۰۲۵ء

الحیب اسلامک سیونگز فنڈ نے 30 جون 2025 کو ختم ہونے والے سال میں 14.05 فیصد کا خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 3,069.31 ملین روپے رہی جس میں بنیادی طور پر 1,549.86 ملین روپے سکوٹ میں سرمایہ کاری، 1,369.08 ملین روپے کے بینک ڈپازٹس اور 150.37 ملین روپے کے ٹرم ڈپازٹس ریکس سے حاصل ہونے والی آمدنی شامل ہے۔ سال کے دوران فنڈ نے 14.05 روپے فی یونٹ کا منافع منقسمہ تقسیم کیا۔ PACRA نے 22 اپریل 2025 کو فنڈ اسٹیبلشمنٹ ریٹنگ کے تحت الحیب اسلامک سیونگز فنڈ کو AA(f) ریٹنگ پر برقرار رکھا۔

الحیب اسلامک منافع فنڈ سال کے دوران پلان 3 اور پلان 4 میچورڈ ہوئے۔ فنڈ کی مجموعی آمدنی 42.26 ملین روپے رہی جس میں بنیادی طور پر 41.60 ملین روپے سکوٹ میں سرمایہ کاری اور 0.66 ملین روپے بینک ڈپازٹس سے حاصل ہونے والی آمدنی شامل ہیں۔ سال کے دوران پلان 4 کے فنڈ نے 7.9393 روپے فی یونٹ کا منافع منقسمہ تقسیم کیا۔

الحیب ایسیٹ ایلوکیشن فنڈ نے 30 جون 2025 کو ختم ہونے والے سال میں 69.40 فیصد کا خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 141.29 ملین روپے رہی جس میں بنیادی طور پر 6.30 ملین روپے بینک ڈپازٹس، 23.22 ملین روپے منقسمہ آمدنی اور 111.77 ملین روپے کی سرمایہ کاری میں (حقیقی اور غیر حقیقی) کیپٹل گین کی مد میں آمدنی شامل ہیں۔ سال کے دوران فنڈ نے 67.86 روپے فی یونٹ کا منافع منقسمہ تقسیم کیا۔

الحیب اسٹاک فنڈ نے 30 جون 2025 کو ختم ہونے والے سال میں 81.17 فیصد کا خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 1,766.27 ملین روپے رہی جس میں بنیادی طور پر 241.47 ملین روپے منقسمہ آمدنی، 21.79 ملین روپے کے بینک ڈپازٹس اور 1,503.01 ملین روپے کی ایکویٹی سرمایہ کاری میں (حقیقی اور غیر حقیقی) کیپٹل گین کی مد میں آمدنی شامل ہیں۔ سال کے دوران فنڈ نے 52.00 روپے فی یونٹ کا منافع منقسمہ تقسیم کیا۔

الحیب اسلامک اسٹاک فنڈ نے 30 جون 2025 کو ختم ہونے والے سال میں 72.85 فیصد کا خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 2,593.71 ملین روپے رہی جس میں بنیادی طور پر منقسمہ آمدنی سے حاصل ہونے والی 200.97 ملین روپے کی آمدنی، بینک ڈپازٹس سے حاصل 1.46 ملین روپے کی آمدنی اور ایکویٹی سرمایہ کاریوں پر 2,391.28 ملین روپے کے (حقیقی اور غیر حقیقی) کیپٹل گین کی مد میں آمدنی شامل ہیں۔ سال کے دوران فنڈ نے 27.00 روپے فی یونٹ کا منافع منقسمہ تقسیم کیا۔

الحیب پیٹرن فنڈ نے 30 جون 2025 کو ختم ہونے والے سال کیلئے منی مارکیٹ اور ڈیٹ سب فنڈ کیلئے بالترتیب 14.87 فیصد اور 16.97 فیصد کا خالص سالانہ منافع اور ایکویٹی سب فنڈ نے 80.64 فیصد کا حقیقی منافع حاصل کیا۔ منی مارکیٹ اور ڈیٹ سب فنڈ کی مجموعی آمدنی بالترتیب 48.30 ملین روپے اور 36.68 ملین روپے رہی، جو بینک ڈپازٹس اور سرکاری سیکورٹیز سے حاصل آمدنی پر مشتمل ہے۔ ایکویٹی سب فنڈ کا مجموعی منافع 138.59 ملین روپے رہا، جس میں بنیادی طور پر منقسمہ آمدنی سے 18.88 ملین روپے کی آمدنی، بینک ڈپازٹس سے 2.14 ملین روپے کی آمدنی اور ایکویٹی سرمایہ کاری پر 117.57 ملین روپے کی (حقیقی اور غیر حقیقی) کیپٹل گین کی مد میں آمدنی شامل ہے۔

الحیب اسلامک کیش فنڈ نے 30 جون 2025 کو ختم ہونے والے سال میں 13.48 فیصد کا سالانہ خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 2,599.52 ملین روپے رہی جس میں بنیادی طور پر 1,169.42 ملین روپے کی سرکاری سکیورٹیز، 1,183.43 ملین روپے کے بینک ڈپازٹس اور 246.67 ملین روپے کی ٹرم ڈپازٹس رسٹس سے حاصل ہونے والی آمدنی شامل ہے۔ سال کے دوران فنڈ نے 13.19 روپے فی یونٹ کا منافع منقسمہ تقسیم کیا۔ PACRA نے 22 اپریل 2025 کو فنڈ اسٹیبلشمنٹی ریٹنگ کے تحت الحیب اسلامک کیش فنڈ کو (f) AA+ ریٹنگ پر برقرار رکھا۔

الحیب انکم فنڈ نے 30 جون 2025 کو ختم ہونے والے سال میں 15.43 فیصد کا سالانہ خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 1,875.78 ملین روپے رہی جس میں بنیادی طور پر 1,814.98 ملین روپے کی سرکاری سکیورٹیز میں سرمایہ کاری، ٹی ایف سیز اور سکوک، اور 60.80 ملین روپے کے بینک ڈپازٹس سے حاصل ہونے والی آمدنی شامل ہے۔ سال کے دوران فنڈ نے 15.11 روپے فی یونٹ کا منافع منقسمہ تقسیم کیا۔ PACRA نے 22 اپریل 2025 کو فنڈ اسٹیبلشمنٹی ریٹنگ کے تحت الحیب انکم فنڈ کو (f) AA ریٹنگ پر برقرار رکھا۔

الحیب گورنمنٹ سکیورٹیز فنڈ نے 30 جون 2025 کو ختم ہونے والے سال میں 15.69 فیصد کا سالانہ خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 4,436.75 ملین روپے رہی جس میں بنیادی طور پر 4,364.94 ملین روپے کی سرکاری سکیورٹیز میں سرمایہ کاری اور 71.81 ملین روپے کے بینک ڈپازٹس سے حاصل ہونے والی آمدنی شامل ہے۔ سال کے دوران فنڈ نے 15.67 روپے فی یونٹ کا منافع منقسمہ تقسیم کیا۔ PACRA نے 3 جون 2025 کو فنڈ اسٹیبلشمنٹی ریٹنگ کے تحت الحیب گورنمنٹ سکیورٹیز فنڈ کو (f) AAA ریٹنگ تفویض کی ہے۔

الحیب سوران انکم فنڈ نے سال کے دوران پلان 1، پلان 2 اور پلان 3 متعارف کرائے۔ فنڈ کی مجموعی آمدنی 2.66 ملین روپے رہی جس میں بنیادی طور پر 2.36 ملین روپے کی سرکاری سکیورٹیز میں سرمایہ کاری اور 0.29 ملین روپے کے بینک ڈپازٹس سے حاصل ہونے والی آمدنی شامل ہے۔ سال کے دوران پلانز 1، 2 اور 3 نے بالترتیب 0.8756، 0.3319 اور 0.3319 روپے فی یونٹ کا منافع منقسمہ تقسیم کیا۔

الحیب فکسڈ ریٹرن فنڈ پلان 12، پلان 14، پلان 15، پلان 16، پلان 18، پلان 19، پلان 20، پلان 21 اور پلان 22 متعارف کرائے جبکہ پلان 6، پلان 8، پلان 9، پلان 10، پلان 11، پلان 12، پلان 13، پلان 14، پلان 15، پلان 16 اور پلان 18 سال کے دوران میچورڈ ہوئے۔ فنڈ کی مجموعی آمدنی 2,701.78 ملین روپے رہی جس میں بنیادی طور پر سرکاری سکیورٹیز سے 2,684.13 ملین روپے اور 36.96 ملین روپے بینک ڈپازٹس سے حاصل ہونے والی آمدنی شامل ہے۔ سال کے دوران پلانز 15، 16، 18، 19، 20، 21 اور 22 نے 38.95 روپے فی یونٹ کا مجموعی عبوری منافع منقسمہ تقسیم کیا۔

الحیب اسلامک انکم فنڈ نے 30 جون 2025 کو ختم ہونے والے سال میں 14.14 فیصد کا سالانہ خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 2,252.98 ملین روپے رہی جس میں بنیادی طور پر 1,226.96 ملین روپے سکوک میں سرمایہ کاری، 985.28 ملین روپے کے بینک ڈپازٹس اور 40.74 ملین روپے کے ٹرم ڈپازٹس رسٹس سے حاصل ہونے والی آمدنی شامل ہیں۔ سال کے دوران فنڈ نے 13.94 روپے فی یونٹ کا منافع منقسمہ تقسیم کیا۔ PACRA نے 22 اپریل 2025 کو فنڈ اسٹیبلشمنٹی ریٹنگ کے تحت الحیب اسلامک انکم فنڈ کو (f) AA ریٹنگ پر برقرار رکھا۔

ڈائریکٹران کی جائزہ رپورٹ

الحیب ایسیٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بمسرت 30 جون 2025 کو ختم ہونے والے سال کے لیے اپنے زیر انتظام فنڈز کے آڈٹ شدہ مالیاتی حسابات پیش کر رہے ہیں۔

مالی سال 2025 کے دوران پاکستان کی معیشت نے بحالی کے اشارے ظاہر کئے جسے کلیدی میکرو اکنامک اشاریوں میں مثبت پیش رفت کی معاونت حاصل رہی۔ مرکزی مہنگائی کی شرح میں نمایاں کمی دیکھی گئی جو مالی سال 2024 کی 23.4 فیصد کے مقابلے میں 4.5 فیصد رہ گئی۔ بیرونی اکاؤنٹ بھی بہتر ہوا اور اس کے ساتھ بلند تر زر ترسیلات کی آمد نے کرنٹ اکاؤنٹ سرپلس کو 2.1 بلین امریکی ڈالر تک پہنچانے میں مدد دی جو اس کے مقابلے میں گزشتہ سال 2.1 بلین امریکی ڈالر کے خسارے میں تھا۔ اسٹیٹ بینک آف پاکستان کے غیر ملکی زرمبادلہ کے ذخائر جون 2025 کے مطابق 14.50 بلین امریکی ڈالر پر موجود تھے۔

مہنگائی اور افراط زر میں کمی کے پیش نظر ایس بی پی نے مالی سال کے دوران شرح سود میں 950 بیس پوائنٹس تک کم کر کے 11 فیصد تک کمی کردی۔ کیپٹل مارکیٹ نے بھی بہتر ہوتے ہوئے معاشی رجحان کیلئے مثبت اثرات ظاہر کئے اور KSE-100 انڈیکس 125,627 تک جا پہنچا جس سے مالی سال 2025 میں 60.15 فیصد کا منافع حاصل ہوا۔

آگے بڑھتے ہوئے مالی سال 2026 میں معیشت بتدریج بہتری کی راہ پر گامزن دکھائی دیتی ہے اس کے ساتھ جی ڈی پی گروتھ کا تخمینہ 3.25 فیصد تا 4.25 فیصد کی رینج میں لگایا گیا ہے اور اوسط مہنگائی کی شرح 5 فیصد تا 7 فیصد کے اندر برقرار رہنے کا امکان ہے۔ تاہم تجارتی خسارہ بڑھنے کی توقع ہے جس کی وجہ بڑھتی ہوئی درآمدی طلب ہے۔ بہتر ہوتی مقامی معاشی سرگرمی کے ساتھ عالمی طلب کم ہو سکتی ہے اور غیر موزوں درآمدی نرخوں بالخصوص چاول میں کمی آ سکتی ہے۔

الحیب کیش فنڈ نے 30 جون 2025 کو ختم ہونے والے سال میں 14.55 فیصد کا سالانہ خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 10,928.84 ملین روپے رہی جس میں بنیادی طور پر 10,726.32 ملین روپے کی سرکاری سیکیورٹیز اور 202.52 ملین روپے کی بینک ڈپازٹس سے حاصل ہونے والی آمدنی شامل ہے۔ سال کے دوران فنڈ نے 14.95 روپے فی یونٹ کا منافع منقسمہ تقسیم کیا۔ VIS نے 27 دسمبر 2024 کو فنڈ اسٹیٹیبلٹی ریٹنگ کے تحت الحیب کیش فنڈ کو AAA(f) ریٹنگ پر آپ گریڈ کر دیا ہے۔

الحیب منی مارکیٹ فنڈ نے 30 جون 2025 کو ختم ہونے والے سال میں 14.39 فیصد کا سالانہ خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 4,696.61 ملین روپے رہی جس میں بنیادی طور پر 4,524.99 ملین روپے کی سرکاری سیکیورٹیز اور 171.62 ملین روپے کے بینک ڈپازٹس سے حاصل ہونے والی آمدنی شامل ہے۔ سال کے دوران فنڈ نے 13.85 روپے فی یونٹ کا منافع منقسمہ تقسیم کیا۔ VIS نے 27 دسمبر 2024 کو فنڈ اسٹیٹیبلٹی ریٹنگ کے تحت الحیب منی مارکیٹ فنڈ کو AAA(f) ریٹنگ پر آپ گریڈ کر دیا ہے۔

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