



**Bachat** ka Doosra Naam

# Quarterly Report

March 31, 2013  
(Unaudited)



Funds Under Management  
of  
Arif Habib Investments Limited

**PAKISTAN  
ISLAMIC PENSION FUND**

## CONTENTS

---

Fund's Information	280
Report of the Directors of the Pension Fund Manager	281
Condensed Interim Balance Sheet	283
Condensed Interim Income Statement	284
Condensed Interim Cash Flow Statement	286
Condensed Interim Statement of Movement in Participants' Sub-funds	288
Condensed Interim Statement of Investments by Category	290
Condensed Interim Statement of Investment Portfolio	291
Condensed Interim Statement of Other Investments	293
Condensed Interim Contribution Table	294
Condensed Interim Statement of Number of Units in Issue	296
Notes to and forming part of the Condensed Interim Financial Informations (Un-audited)	298

## FUND'S INFORMATION

---

<b>Pension Fund Manager</b>	Arif Habib Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
<b>Board of Directors</b>	Mian Mohammad Mansha Mr. Nasim Beg Mr. Yasir Qadri Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Mahmood Ahmad	Chairman(subject to the approval of SECP) Executive Vice Chairman Chief Executive Officer (subject to the approval of SECP) Director (subject to the approval of SECP) Director (subject to the approval of SECP) Director (subject to the approval of SECP) Director Director (subject to the approval of SECP)
<b>Audit Committee</b>	Mr. Haroun Rashid Mr. Nasim Beg Mr. Samad A. Habib Mr. Ali Munir	Chairman Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Yasir Qadri	Chairman Member Member Member Member
<b>Company Secretary &amp; Chief Operating Officer</b>	Mr. Muhammad Saqib Saleem, ACA	
<b>Chief Financial Officer</b>	Mr. Umair Ahmed, ACA	
<b>Trustee</b>	Habib Metropolitan Bank Limited 8th Floor, HBZ Building I.I. Chundrigar Road, Karachi.	
<b>Bankers</b>	Habib Metropolitan Bank Limited Bank Al-Falah Limited	
<b>Auditors</b>	M. Yousuf Adil Saleem & Co. Chartered Accountant Cavish Court, 8-35 Block 7-8 KUSHU, Shara-e-Faisal Karachi	
<b>Legal Advisor</b>	Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

---

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Islamic Pension Fund's** accounts review for the nine months ended March 31st 2013.

## ECONOMY AND MONEY MARKET OVERVIEW

On the macroeconomic front, Mar'13 YoY CPI inflation of 6.57% was lowest since Aug'07, with 9M FY13 average CPI at 7.98%. CPI inflation may dip further in April and remain in the lower range for the next few months. However, with the base effect neutralizing CPI would start rising again expectedly towards the later part of the year. On the other hand, external current account had witnessed significant pressures during the past few months and changed its course during Feb'13 by posting a CA Deficit of US\$ 596 million - taking the 8M FY13 CAB to a deficit of US\$ 700 million. FX reserves continued to remain under pressure amid weaker financial account flows and heavy debt repayments including that of IMF during Mar'13- touching US\$ 12.37 billion mark, as of Mar' 22 2013. On the fiscal front, the government's reliance on domestic sources for fiscal funding has continued with YTD borrowing from banking system stood at an alarming level of PKR 937 billion by Mar'22 2013. With stressing its concerns on the external and fiscal accounts, the State Bank of Pakistan took comfort from declining inflationary trend and lowered its policy discount rate cumulatively by 250 bps to 9.5% during the period under review.

The short term money market rates remained in the higher range during most part of the period owing to relatively tight liquidity position in the system with few exceptions where the market witnessed floors also. SBP continued to inject sizeable amount through Open Market Operations to provide needed liquidity in the market. Given a downward trajectory in YoY CPI inflation coupled with SBP monetary easing stance, the yield curve has adjusted significantly downwards during the period. 1 year PKRV adjusted downwards by 246 bps to 9.51%, while longer tenure 10 year PKRV adjusted downwards by 139 bps to 11.89% during the period under review.

## EQUITIES MARKET OVERVIEW

Positive start of stock market at the beginning of FY13 proved to be a sustainable bullish trend which is still prevailing in the market on the back of positive sentiments generated by timely dissolution of assembly and smooth transition of power to the interim set up. KSE 100 index made new historical high of 18185.19 and posted an outstanding return of 30.7% during the period. Improvement in market activity was also observed and average daily volume turnover remained around 170m shares. Foreign investment continued to flow in the market at a regular pace and resulted in a net inflow of around \$227.7m during 9 months.

Major interest during the period remained in Construction & Materials, Consumer, Oil and Gas and Electricity Sectors where strong inherent bottom line growth, healthy payouts and favorable projected impact of fall in interest rates thrived investor interest. Highly levered companies were also remained in the limelight during the period amid aggressive policy rate cut of cumulative 250 bps by the SBP during the period. Fertilizer manufactures also came in strong demand on the resolution of gas supply issue in later part of the period. Strong corporate results as well as healthy payouts by key companies served to keep the positive momentum intact in the market despite of major concerns on macroeconomic imbalances.

## FUND PERFORMANCE

### Equity Fund

The Equity sub-fund generated a return of 25.3% while the KSE-100 posted a return of 30.7%. The sub-fund changed its overall equity and sector allocations many times during the period in response to varying investment scenarios and to manage risk. Equity allocation at the end of the period was 79.5% as compared to beginning allocation of 83.7%. The sub-fund reduced its exposure significantly from Pharma & Bio Tech, General Industries and Electricity while increased its exposure towards Construction and Materials, Chemicals, Oil & Gas and Commercial Banks.

The Net Asset of the Fund as at March 31, 2013 stood at Rs. 68.314 million as compared to Rs 54.068 million as at June 30 2012 registering an increase of 26.35%.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

---

The Net Asset Value (NAV) per unit as at March 31, 2013 was Rs. 170.28 as compared to opening NAV of Rs. 135.91 per unit as at June 30, 2012 registering an increase of Rs. 34.37 per unit.

### Debt Fund

The debt sub-fund generated an annualized return of 7.1% during the period under review. The sub-funds exposure towards GoP Ijarah Sukuk increased to 95.3% from 88.1% while the exposure towards Corporate Sukuk was reduced from 1.4% to 0.3% during the period.

The Net Asset of the Fund as at March 31, 2013 stood at Rs. 68.137 million as compared to Rs 60.427 million as at June 30 2012 registering an increase of 12.76%.

The Net Asset Value (NAV) per unit as at March 31, 2013 was Rs. 154.98 as compared to opening NAV of Rs. 147.11 per unit as at June 30, 2012 registering an increase of Rs. 7.87 per unit

### Money Market Fund

The money market sub-fund generated an annualized return of 8.1% during the period under review. Fund's exposure towards GoP Ijara Sukuk was increased to 82.9% from 76.5% during the period.

The Net Asset of the Fund as at March 31, 2013 stood at Rs. 51.329 million as compared to Rs 46.831 million as at June 30 2012 registering an increase of 9.60%.

The Net Asset Value (NAV) per unit as at March 31, 2013 was Rs. 144.07 as compared to opening NAV of Rs. 135.81 per unit as at June 30, 2012 registering an increase of Rs. 8.26 per unit.

### FUTURE OUTLOOK

Going forward despite continued lower range of CPI inflation, further rate cut seems a distant possibility given deteriorating fiscal and external accounts, significant IMF repayments ahead and alarming monetary growth - while the potential return to the IMF may result in a cycle of monetary tightening by end of 2Q CY13. Government bond market, which remained active for last few months on the back of soft inflation numbers and expected monetary easing, has started to become relatively less active, especially on the longer end, with the anticipation of no rate cut and possible rate hikes in the next 2-4 months. In this backdrop, the activities are expected to be concentrated at short-end Treasury Bills going forward.

On equity front severe pressure on external account, reversal of monetary expansion cycle resulting in interest rate hike and reduction in subsidies going forward would be challenging and high volatility might be observed in the stock market. However in short run attractive valuations, positive earnings outlook of major companies, liquidity inflows on both local and foreign fronts are expected to keep the market get going while positive sentiments generated by smooth transfer of power to the new elected Government is expected to provide the much needed support. Prudence requires us to be cautious and extra vigilant to the unfolding macro situation while keep responding to strong fundamentals based stimuli.

### ACKNOWLEDGMENT

The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,

**Yasir Qadri**

Chief Executive Officer

Dated: April 24, 2013

# CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2013

Note	-----Un-audited-----				Audited June 30, 2012	
	March 31, 2013					
	PIPF Equity Sub-Fund	PIPF Debt Sub- Fund	PIPF Money Market Sub-Fund	Total		
----- Rupees -----						
ASSETS						
Balances with banks	5	6,116,650	1,209,723	7,361,586	14,687,960	15,035,972
Investments (as per condensed interim statement of investments by category)		54,683,902	65,501,228	42,734,690	162,919,820	137,631,020
Dividend receivable		1,760,242	-	-	1,760,242	422,818
Profit receivable		15,100	1,603,433	1,368,579	2,987,112	1,946,039
Deposits and other receivables	6	6,246,860	201,443	101,001	6,549,303	9,310,907
TOTAL ASSETS		68,822,754	68,515,828	51,565,856	188,904,437	164,346,756
LIABILITIES						
Payable against redemption of units		-	-	-	0	45,664
Payable to Arif Habib Investments Limited - Pension Fund Manager		101,382	101,079	77,590	280,051	221,354
Payable to Habib Metro Bank Limited - Trustee		11,364	11,692	8,862	31,918	24,990
Payable to Auditors		142,597	134,339	110,226	387,162	325,076
Annual fee payable to the Securities and Exchange Commission of Pakistan		15,813	16,036	12,396	44,246	45,355
Accrued expenses and other liabilities	7	237,533	115,996	27,471	381,001	2,357,873
TOTAL LIABILITIES		508,689	379,143	236,546	1,124,377	3,020,312
NET ASSETS		68,314,065	68,136,685	51,329,310	187,780,060	161,326,444
Participants' Sub-Funds (as per condensed interim Statement of Movement in Participants' sub-funds)		68,314,065	68,136,685	51,329,310		
CONTINGENCY						
	8					
----- Number of units -----						
Number of Units in issue		401,196	439,655	356,277		
----- Amount in Rupees -----						
Net Asset Value per unit		170.28	154.98	144.07		

The annexed notes form an integral part of this condensed interim financial information.

  
\_\_\_\_\_  
Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

## FOR THE NINE MONTHS ENDED MARCH 31, 2013

Note	Nine months ended March 31, 2013				Nine months ended March 31, 2012
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
----- Rupees -----					
<b>INCOME</b>					
Capital gain on sale of investments	9,423,802	78,750	83,700	9,586,252	2,993,835
Dividend income	3,868,842	-	-	3,868,842	2,696,511
Income from Government Ijarah Sukuk	-	2,290,462	2,989,811	5,280,272	6,250,744
Income from Sukuk Certificates	-	2,428,461	-	2,428,461	60,516
Profit on bank and other deposits	74,617	232,964	735,185	1,042,766	683,963
Income from Term Deposit Receipts	-	-	-	-	610,058
Unrealised gain / (loss) on revaluation of investments classified as 'at fair value through profit or loss' - net	1,995,961	(6,190)	(77,810)	1,911,961	166,772
Element of income / (loss) and capital gain / (losses) included in prices of units issued less those in units redeemed	76,276	103,771	27,983	208,030	188,929
<b>Total Income</b>	15,439,497	5,128,218	3,758,868	24,326,584	13,651,328
Reversal of provision / (provision) against investments classified as 'available for sale'	9	43,350	(612,861)	(569,511)	(371,355)
<b>Total Income - net of impairment / (provision ) against investments</b>	15,482,847	4,515,357	3,758,868	23,757,073	13,279,973
<b>EXPENSES</b>					
Remuneration of the Arif Habib Investments Limited - Pesnion Fund Manager	10	711,550	726,629	1,996,047	1,471,048
Sales tax on remuneration of Pension Fund Manager		113,849	116,261	319,369	236,168
Remuneration of Habib Metro Bank Limited - Trustee		92,785	94,791	260,316	194,473
Annual fee - Securities and Exchange Commission of Pakistan (SECP)		15,813	16,037	44,246	32,801
Auditors' remuneration		126,631	115,843	337,086	319,759
Securities transaction cost		408,326	1,075	410,626	123,201
Legal professional and other charges		32,945	107,535	155,174	75,885
Bank charges		1,210	5,413	11,212	9,048
Donation and charity expense		99,594	-	99,594	-
<b>Total Expenses</b>		1,602,703	1,183,584	3,633,671	2,462,383
<b>Net income before taxation</b>		13,880,145	3,331,773	20,123,402	10,817,590
Provision for taxation - current	11	-	-	-	-
<b>Net income after taxation</b>		13,880,145	3,331,773	20,123,402	10,817,590
<b>Other comprehensive income for the period</b>					
Unrealised (loss) / gain on re-valuation of investments classified as 'available for sale' - net	9	(118,926)	60,150	(58,776)	4,021,582
<b>Total comprehensive income for the period</b>		13,761,219	3,391,923	20,064,626	14,839,172
<b>Earnings per unit</b>	12	34.75	7.83	8.25	

The annexed notes form an integral part of this condensed interim financial information.

For Arif Habib Investment Limited  
(Management Company)



Chief Executive Officer



Director



# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2013

Note	Quarter ended March 31, 2013				Quarter ended March 31, 2012
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
----- Rupees -----					
<b>INCOME</b>					
Capital gain on sale of investments	3,606,123	-	-	3,606,123	2,710,714
Dividend income	1,267,779	-	-	1,267,779	1,144,494
Income from Government Ijarah Sukuk	-	(869,416)	893,114	23,698	2,172,885
Income from Sukuk Certificates	-	2,347,025	-	2,347,025	-
Profit on bank and other deposits	30,813	76,051	275,809	382,672	165,774
Income from Term Deposit Receipts	-	-	-	-	171,078
Unrealised gain(loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - net	(2,061,418)	(191,490)	(188,260)	(2,441,168)	166,772
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	48,891	70,265	9,898	129,053	205,807
<b>Total Income</b>	2,892,187	1,432,435	990,560	5,315,183	6,737,524
Reversal of provision / (provision) against investments classified as 'available for sale'	13,769	-	-	13,769	-
<b>Total Income - net of impairment / (provision) against investments</b>	2,905,956	1,432,435	990,560	5,328,952	6,737,524
Remuneration of the Arif Habib Investments Limited - Pesnion Fund Manager	10248,652	247,560	188,494	684,706	498,257
Sales tax on remuneration of Pension Fund Manager	39,787	39,610	30,161	109,557	80,522
Remuneration of Habib Metropolitan Bank Limited - Trustee	32,372	32,268	24,533	89,173	66,224
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	5,522	5,505	4,185	15,211	11,184
Auditors' remuneration	40,278	40,150	30,532	110,960	102,844
Securities transaction cost	123,077	325	325	123,727	93,340
Legal, professional and other charges	13,962	2,434	4,750	21,146	17,347
Bank charges	73	219	1,554	1,846	949
Donation and charity expense	60,282	-	-	60,282	-
<b>Total Expenses</b>	564,005	368,071	284,533	1,216,609	875,384
<b>Net income before taxation</b>	2,341,952	1,064,364	706,027	4,112,343	5,862,140
Provision for taxation - current	11-	-	-	-	-
<b>Net income after taxation</b>	2,341,952	1,064,364	706,027	4,112,343	5,862,140
<b>Other comprehensive income for the period</b>					
Unrealised (loss) on re-valuation of investments classified as 'available for sale' - net	(263,868)	(119,750)	-	(383,618)	5,847,557
<b>Total comprehensive income for the period</b>	2,078,084	944,614	706,027	3,728,725	11,709,697
<b>Earnings per unit</b>	125.84	2.44	1.98		

The annexed notes form an integral part of this condensed interim financial information.

For Arif Habib Investment Limited  
(Management Company)

  
Chief Executive Officer

  
Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

## FOR THE NINE MONTHS ENDED MARCH 31, 2013

	Nine months ended March 31, 2013				Nine months ended March 31, 2012
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
	Rupees				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net income before taxation	13,880,145	3,331,773	2,911,484	20,123,402	10,817,590
<b>Adjustments for non cash items:</b>					
Capital gain on sale of investments	(9,423,802)	(78,750)	(83,700)	(9,586,252)	-
Unrealised (gain) / loss on revaluation of investments classified as 'at fair value through profit or loss' - net	(1,995,961)	6,190	77,810	(1,911,961)	(166,772)
(Reversal) of / provision against investments classified as 'available for sale'	(43,350)	612,861	-	569,511	371,355
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(76,276)	(103,771)	(27,983)	(208,030)	(188,929)
	(11,539,389)	436,530	(33,873)	(11,136,732)	15,654
<b>Decrease/ (increase) in assets</b>					
Investments-net	3,924,127	(11,631,000)	(6,712,000)	(14,418,873)	(23,557,555)
Dividend receivable	(1,337,424)	-	-	(1,337,424)	(767,554)
Profit receivable	2,265	(476,522)	(566,816)	(1,041,073)	589,567
Deposits and other receivables	(2,011,943)	3,344,382	1,429,164	2,761,604	(379,131)
	577,025	(8,763,140)	(5,849,651)	(14,035,767)	(24,114,673)
<b>(Decrease)/ increase in liabilities</b>					
Payable against redemption of units	(37,093)	(8,571)	-	(45,664)	(1,914,352)
Payable to Arif Habib Investments Limited - Pension Fund Manager	25,683	19,974	13,040	58,697	43,504
Payable to Habib Metropolitan Bank Limited - Trustee	2,819	2,535	1,574	6,928	2,588
Payable to Auditors	36,948	13,915	11,223	62,086	4,761
Annual fee payable to the Securities and Exchange Commission of Pakistan	1,020	(746)	(1,384)	(1,109)	(6,573)
Accrued expenses and other liabilities	(1,954,214)	19,650	(42,309)	(1,976,872)	14,227
	(1,924,837)	46,758	(17,855)	(1,895,935)	(1,855,845)
<b>Cash generated from / (used in) operating activities</b>	992,944	(4,948,080)	(2,989,895)	(6,945,031)	(15,137,274)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Receipt of contribution	2,717,991	6,478,541	2,804,841	12,001,373	6,870,866
Payment against redemptions	(2,156,942)	(2,056,942)	(1,190,471)	(5,404,355)	(5,367,371)
<b>Cash generated from financing activities</b>	561,050	4,421,599	1,614,369	6,597,018	1,503,495
Net increase/ (decrease) in cash and cash equivalent	1,553,994	(526,481)	(1,375,526)	(348,013)	(13,633,779)
Cash and cash equivalent at beginning of the period	4,562,656	1,736,204	8,737,112	15,035,972	24,519,836
Cash and cash equivalent at end of the period	6,116,650	1,209,723	7,361,586	14,687,959	10,886,057

The annexed notes form an integral part of this condensed interim financial information.

For Arif Habib Investment Limited  
(Management Company)

  
Chief Executive Officer

  
Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2013

	Quarter ended March 31, 2013				Quarter ended March 31, 2012
	PIPF Equity Sub-Fund	PIPF Debt Sub- Fund	PIPF Money Market Sub-Fund	Total	
	Rupees				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net income before taxation	2,341,952	1,064,364	706,027	4,112,343	5,862,140
<b>Adjustments for non cash items:</b>					
Capital gain on sale of investments	(3,606,123)	-	-	(3,606,123)	-
Unrealised gain on revaluation of investment 'at fair value through profit or loss'	2,061,418	191,490	188,260	2,441,168	(166,772)
(Reversal) of / provision against investments classified as 'available for sale'	(13,769)	-	-	(13,769)	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(48,891)	(70,265)	(9,898)	(129,053)	(205,807)
	(1,607,365)	121,225	178,362	(1,307,777)	(372,579)
<b>Decrease/ (increase) in assets</b>					
Investments-net	9,424,230	(3,106,250)	(5,106,250)	1,211,730	(7,778,962)
Dividend receivable	(1,207,980)	0	-	(2,189,556)	(923,608)
Profit receivable	10,931	(477,848)	(662,724)	(1,129,641)	98,905
Deposits and other receivables	(2,809,515)	873,105	347,304	(1,589,105)	353,003
	5,417,666	(2,710,993)	(5,421,669)	(3,696,573)	(8,250,662)
<b>(Decrease)/ increase in liabilities</b>					
Payable against redemption of units	(204,414)	(128,333)	(6,864)	(339,611)	(814,452)
Payable to Arif Habib Investments Limited - Pension Fund Manager	(85,332)	(86,772)	(73,080)	(245,184)	8,884
Payable to Habib Metropolitan Bank Limited - Trustee	(9,937)	(9,753)	(7,782)	(27,472)	1,518
Payable to Auditors	40,277	40,150	30,531	110,958	102,846
Annual fee payable to the Securities and Exchange Commission of Pakistan	5,522	5,504	4,185	15,212	11,184
Accrued expenses and other liabilities	(163,461)	(102,711)	(63,198)	(329,369)	(219,577)
	(417,345)	(281,914)	(116,207)	(815,467)	(909,597)
<b>Cash used in / (generated from) operating activities</b>	5,734,908	(1,807,319)	(4,653,487)	(1,707,474)	(3,670,698)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Receipt of contribution	1,478,008	3,325,652	1,340,215	6,143,875	4,067,040
Payment against redemptions	(1,189,787)	(1,347,904)	(1,035,707)	(3,573,398)	(379,109)
<b>Cash generated from financing activities</b>	288,222	1,977,748	304,507	2,570,477	3,687,931
Net decrease in cash and cash equivalent	6,023,130	170,429	(4,348,980)	863,003	17,234
Cash and cash equivalent at beginning of the period	93,520	1,039,294	11,710,566	12,843,380	10,868,823
Cash and cash equivalent at end of the period	6,116,650	1,209,723	7,361,586	13,706,383	10,886,057

The annexed notes form an integral part of this condensed interim financial information.

For Arif Habib Investment Limited  
(Management Company)

  
Chief Executive Officer

  
Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	Nine months ended March 31, 2013				Nine months ended March 31, 2012
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
	Rupees				
Net assets at the beginning of the period	54,068,071	60,426,934	46,831,439	161,326,444	127,380,123
Amount received on issue of units	2,717,991	6,478,541	2,804,841	12,001,373	6,870,866
Amount paid on redemption of units	(2,156,942)	(2,056,942)	(1,190,471)	(5,404,355)	(5,367,371)
	561,050	4,421,599	1,614,369	6,597,018	1,503,495
Element of (income) / loss and capital losses / (gains) included in prices of units issued less those in units redeemed - net					
- amount representing (income) / loss and realised (capital gains) / losses -net	(76,276)	(103,771)	(27,983)	(208,030)	(188,929)
- amount representing unrealised diminution / (appreciation) in fair value of investments	126,815	1,368,288	409,494	1,904,597	(181,277)
	50,539	1,264,517	381,511	1,696,568	(370,206)
Net unrealized gain / (loss) during the period in the market value of investments classified as 'available-for-sale'	(118,926)	60,150	-	(58,776)	4,021,582
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing unrealised (diminution) / appreciation - net	(126,815)	(1,368,288)	(409,494)	(1,904,597)	181,277
Net income after taxation for the period	13,880,145	3,331,773	2,911,484	20,123,402	10,817,590
Net assets at the end of the period	68,314,065	68,136,685	51,329,310	187,780,059	143,533,861

The annexed notes form an integral part of this condensed interim financial information.

  
\_\_\_\_\_  
Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)

  
\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2013**

	Quarter ended March 31, 2013				Quarter ended March 31, 2012
	PIPF Equity Sub-Fund	PIPF Debt Sub- Fund	PIPF Money Market Sub-Fund	Total	
	Rupees				
Net assets at the beginning of the period	65,996,649	65,284,588	50,328,673	181,609,910	128,342,034
Amount received on issue of units	1,478,009	3,325,652	1,340,215	6,143,876	4,067,045
Amount paid on redemption of units	(1,189,787)	(1,347,904)	(1,035,707)	(3,573,398)	(379,109)
	288,223	1,977,748	304,507	2,570,478	3,687,936
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net					
- amount representing (income) / loss and realised (capital gains) / losses -net	(48,891)	(70,265)	(9,898)	(129,054)	(205,807)
- amount representing unrealised diminution / (appreciation) in fair value of investments	60,746	580,463	61,285	702,494	(648,418)
	11,855	510,198	51,387	573,441	(854,225)
Net unrealized (loss) / gain during the period in the market value of investments classified as available-for-sale	(263,868)	(119,750)	-	(383,618)	5,847,557
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing unrealised (diminution) / appreciation - net	(60,746)	(580,463)	(61,285)	(702,494)	648,418
Net income after taxation for the period	2,341,952	1,064,364	706,027	4,112,343	5,862,140
Net assets at the end of the period	68,314,065	68,136,685	51,329,310	187,780,059	143,533,861

The annexed notes form an integral part of this condensed interim financial information.

  
\_\_\_\_\_  
Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM STATEMENT OF INVESTMENTS BY CATEGORY AS AT MARCH 31, 2013

-----Un-audited-----				Audited June 30, 2012
March 31, 2013				
PIPF Equity Sub-Fund	PIPF Debt Sub- Fund	PIPF Money Market Sub-Fund	Total	
----- Rupees -----				

## Investments 'At fair value through profit or loss'

- Listed equity securities	42,148,989	-	-	42,148,989	29,249,490
- Government Ijarah Sukuks		43,707,810	42,734,690	86,442,500	20,510,250
	42,148,989	43,707,810	42,734,690	128,591,489	49,759,740

## 'Available for sale investments'

- Listed equity securities	12,534,738	-	-	12,534,738	18,014,351
- Government Ijarah Sukuks	-	21,581,275	-	21,581,275	69,031,925
- Sukuk Certificates	-	212,143	-	212,143	825,004
	12,534,738	21,793,418	-	34,328,156	87,871,280

54,683,727	65,501,228	42,734,690	162,919,645	137,631,020
------------	------------	------------	-------------	-------------

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)



Director

**INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT OR LOSS'**  
**PIPF EQUITY SUB- FUND**  
**LISTED EQUITY SECURITIES**

Name of the Investee company						--- As at March 31, 2013---			Market value as a % of net assets of the sub fund	Percentage of issued capital of the investee company
	As at July 01, 2012	Purchases during the period	Bonus / Right issue during the period	Sales during the period	As at March 31, 2013	Carrying value	Market value	Appreciation / (Diminution)		
	Number of shares					Rupees			%	%
<b>OIL &amp; GAS PRODUCERS</b>										
Pakistan State Oil Company Limited	6,504	18,500	5,500	11,300	19,204	3,744,778	3,900,909	156,130	5.71	0.0078
Pakistan Oilfields Limited	8,870	3,000	-	1,500	10,370	4,021,348	4,704,143	682,795	6.89	0.0044
Oil & Gas Development Company Limited	11,000	32,700	-	27,600	16,100	2,892,288	3,283,434	391,146	4.81	0.0004
Attock Petroleum Limited	-	11,000	-	2,600	8,400	4,165,100	4,099,200	(65,900)	6.00	0.0122
Pakistan Petroleum Limited	1,750	2,500	1,062	-	5,312	823,004	930,716	107,711	1.36	0.0003
Shell Pakistan Limited	-	5,000	-	-	5,000	699,809	720,450	20,641	1.05	0.0058
National Refinery Limited	-	5,000	-	5,000	-	-	-	-	-	-
						<b>16,346,327</b>	<b>17,638,851</b>	<b>1,292,524</b>	<b>25.82</b>	
<b>CHEMICALS</b>										
Fauji Fertilizer Company Limited	34,000	74,700	-	108,500	200	22,814	21,980	(834)	0.03	0.0000
ICI Pakistan Limited	-	14,300	-	14,300	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	125,500	-	105,000	20,500	785,150	771,005	(14,145)	0.0022	-
Clariant Pakistan Limited	-	8,700	-	1,300	7,400	1,872,072	1,671,142	(200,930)	2.45	0.0217
						<b>2,680,037</b>	<b>2,464,127</b>	<b>(215,910)</b>	<b>2.48</b>	
<b>FORESTRY AND PAPER</b>										
Pakistan Paper Products Limited	25,417	-	5,083	-	30,500	1,232,216	1,289,235	57,019	1.89	0.5083
Century Paper & Board Mills Limited	-	500	-	-	500	11,700	10,210	(1,490)	0.01	0.0006
						<b>1,243,916</b>	<b>1,299,445</b>	<b>55,529</b>	<b>1.90</b>	
<b>CONSTRUCTION AND MATERIALS</b>										
Attock Cement Pakistan Limited	32,000	16,000	3,750	32,000	19,750	1,860,325	2,234,120	373,795	3.27	0.0198
Lucky Cement Limited	-	5,000	-	-	5,000	648,030	837,950	189,920	1.23	0.0015
Kohat Cement Limited	-	56,000	-	36,000	20,000	1,152,393	1,559,400	407,007	2.28	0.0155
Fecto Cement Limited	-	89,000	-	30,500	58,500	2,096,620	2,073,825	(22,795)	3.04	-
Cherat Cement Company Limited	-	40,000	-	-	40,000	1,910,000	2,067,200	157,200	3.03	-
DG Khan Cement Limited	-	8,000	-	8,000	-	-	-	-	-	-
						<b>7,667,368</b>	<b>8,772,495</b>	<b>1,105,127</b>	<b>12.84</b>	
<b>GENERAL INDUSTRIES</b>										
Ghani Glass Limited	-	1,500	150	1,650	-	-	-	-	-	-
Thal Limited	27,000	-	2,700	29,700	-	-	-	-	-	-
Packages Limited	-	7,000	-	7,000	-	-	-	-	-	-
						<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>INDUSTRIAL ENGINEERING</b>										
Millat Tractors Limited	7,050	1,000	5	8,000	55	26,746	28,328	1,582	0.04	0.0001
Al Ghazi Tractors Limited	-	7,100	-	7,100	-	-	-	-	-	-
						<b>26,746</b>	<b>28,328</b>			

	-----Total-----	
Unaudited March 31, 2013	Audited 30, 2012	June
	-----Rupees-----	
42,148,989		29,249,490

The annexed notes form an integral part of this condensed interim financial information.

  
Chief Executive Officer

## Pakistan Islamic Pension Fund





# CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED) AS AT MARCH 31, 2013

INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT OR LOSS'

Page 3 of 3

Name of Investments	Face value			As at March 31, 2013			Market value as % of net assets of the sub-fund
	As at July 1, 2012	Purchases during the period	Sales during the period	As at March 31, 2013	Carrying Value	Market value	Appreciation
-----Rupees-----							%
<b>Government Ijarah Sukuk (3 years)</b>							
Debt Sub-Fund	8,500,000	35,100,000	-	43,600,000	43,714,000	43,707,810	(6,189.77)
Money Market Sub-Fund	12,000,000	30,600,000	-	42,600,000	42,812,500	42,734,690	(77,810.00)
	20,500,000	65,700,000	-	86,200,000	86,526,500	86,442,500	(83,999.77)

Un-audited  
March 31, 2013      Audited  
June 30, 2012

----- Rupees -----

**Market value of Government Ijarah Sukuk (3 years)**

Debt Sub-Fund	43,707,810	8,504,250
Money Market Sub-Fund	42,734,690	12,006,000
<b>Total Market Value</b>	<b>86,442,500</b>	<b>20,510,250</b>

'AVAILABLE FOR SALE' INVESTMENTS

Name of Investments	Face value			As at March 31, 2013			Market value as % of net assets of the sub-fund	Market value as % of total Investments	Percentage in relation to the size of the issue
	As at July 1, 2012	Purchases during the period	Sales / matured during the period	As at March 31, 2013	Cost	Market value	(Diminution)		
-----Rupees-----							%		
<b>Government Ijarah Sukuk (3 years)</b>									
Debt Sub-Fund	45,000,000	-	23,500,000	21,500,000	21,735,325	21,581,275	(154,050)	31.67	-
Money Market Sub-Fund	24,000,000	-	24,000,000	-	-	-	-	-	-
	69,000,000	-	47,500,000	21,500,000	21,735,325	21,581,275	(154,050)		

**SUKUK CERTIFICATES**

Debt Sub-Fund

Pak Electron Limited - SUKUK (28-09-2007)	550	-	-	550	1,011,220	212,143	(799,077)	0.31	0.32	0.08
	69,000,550	-	47,500,000	21,500,550	22,746,545	21,793,418	(953,127)			

Un-audited  
March 31, 2013      Audited  
June 30, 2012

----- Rupees -----

**Market value of Government Ijarah Sukuk (3 years)**

Debt Sub-Fund	21,581,275	45,021,125
Money Market Sub-Fund	-	24,010,800

**Market value of Sukuk Certificate**

Debt Sub-Fund	212,143	825,004
<b>Total Market Value</b>	<b>21,793,418</b>	<b>69,856,929</b>

The annexed notes form an integral part of this condensed interim financial information.

For Arif Habib Investment Limited  
(Management Company)



Chief Executive Officer



Director

**CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

Contributions net of front end fee	Nine months ended March 31, 2013							Nine months ended March 31, 2012
	PIPF Equity Sub-Fund		PIPF Debt Sub-Fund		PIPF Money Market Sub-fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
----- Rupees -----								
Opening balance	397,822	40,039,639	410,753	44,950,900	344,835	35,713,220	120,703,759	104,299,672
Individuals - issue of units	10,805	2,717,991	42,330	6,478,541	19,761	2,804,841	12,001,373	6,870,683
- redemption of units	(7,431)	(2,156,942)	(13,428)	(2,056,942)	(8,319)	(1,190,471)	(5,404,355)	(5,367,371)
	3,374	561,050	28,902	4,421,599	11,442	1,614,369	6,597,018	1,503,312
Closing balance	401,196	40,600,689	439,655	49,372,499	356,277	37,327,589	127,300,777	105,802,984

The annexed notes form an integral part of this condensed interim financial information.

  
\_\_\_\_\_  
Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)

  
\_\_\_\_\_  
Director

**CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2013**

Contributions net of front end fee	Quarter ended March 31, 2013							Quarter ended March 31, 2012
	PIPF Equity Sub-fund		PIPF Debt Sub-fund		PIPF Money Market Sub-fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
----- Rupees -----								
Opening balance	399,621	40,312,467	427,411	47,394,751	354,559	37,023,082	124,730,300	102,115,236
Individuals - issue of units	3,974	1,478,008	20,979	3,325,652	8,931	1,340,215	6,143,875	4,066,857
- redemption of units	(2,399)	(1,189,787)	(8,735)	(1,347,904)	(7,213)	(1,035,707)	(3,573,398)	(379,109)
	1,575	288,222	12,244	1,977,748	1,718	304,507	2,570,477	3,687,748
Closing balance	401,196	40,600,689	439,655	49,372,499	356,277	37,327,589	127,300,777	105,802,984

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)



Director

**CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	Nine months ended March 31, 2013		
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub- Fund
	----- Number of units -----		
Total units outstanding at the beginning of the period	397,822	410,753	344,835
Add: Units issued during the period	10,805	42,330	19,761
Less: Units redeemed during the period	(7,431)	(13,428)	(8,319)
Total units in issue at the end of the period	<u>401,196</u>	<u>439,655</u>	<u>356,277</u>

The annexed notes form an integral part of this condensed interim financial information.

  
\_\_\_\_\_  
Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)

  
\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2013**

	Quarter ended March 31, 2013		
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub- Fund
	----- Number of units -----		
Total units outstanding at the beginning of the period	399,621	427,411	354,559
Add: Units issued during the period	3,974	20,979	8,931
Less: Units redeemed during the period	(2,399)	(8,735)	(7,213)
Total units in issue at the end of the period	<u>401,196</u>	<u>439,655</u>	<u>356,277</u>

The annexed notes form an integral part of this condensed interim financial information.

  
\_\_\_\_\_  
Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)

  
\_\_\_\_\_  
Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

---

## 1. LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Islamic Pension Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (AHIL) as Pension Fund Manager and Muslim Commercial Financial Services (Private) Limited (MCFSL) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 24, 2007 and was executed on September 5, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). Habib Metropolitan Bank Limited was appointed as the new Trustee in place of MCFSL through a revised Trust Deed dated June 16, 2011 which was approved by SECP on July 7, 2011. The Fund is an open-ended pension fund consisting of three sub-funds namely PIPF Equity Sub-Fund, PIPF Debt Sub-Fund and PIPF Money Market Sub-Fund. Units are offered for public subscription on a continuous basis. The number of units of any sub-fund purchased out of contributions depends on the Allocation Scheme selected by the respective Participant out of the allocation schemes offered by the Pension Fund Manager.

Based on shareholders' resolutions of MCB Asset Management Company Limited and Arif Habib Investments Limited the two companies have merged as of 27 June 2011 through operation of an order from the SECP issued under Section 282L of the Companies Ordinance 1984 (through letter no.SCD/NBFC-II/MCBAMCL & AHIL/271/2011 dated 10 June 2011). Arif Habib Investments Limited being a listed company is the surviving entity and in compliance of SBP's approval, it is a subsidiary of MCB Bank. However subsequent to the completion of the merger, the SECP issued an order postponing the effective date of the merger to July 30, 2011 (through letter no. SCD/PR & DD/AMCW/MCB-AMCL & AHI/348/2011 dated June 27, 2011). Since the merger had already taken place and the subsequent order of the SECP could not be complied with, the Company has sought a ruling by the honorable Sindh High Court (SHC). The honorable Sindh High Court (SHC) has held the SECP's subsequent order in abeyance and instructed SECP to treat the companies as merged pending a final ruling. Fund's assets and NAV remains unaffected, irrespective of the final ruling.

Arif Habib Investments Limited has been licensed to act as a Pension Fund Manager under VPS Rules through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at Technocity Corporate Tower, Hasrat Mohani Road, Karachi, Pakistan.

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund and figures have been rounded off to the nearest rupee.

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

## 2. STATEMENT OF COMPLIANCE

**2.1** This condensed interim financial information have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Trust Deed, the VPS Rules and the directives issued by SECP. Wherever, the requirements of the Trust Deed, the VPS Rules or the said directives differ with the requirements of IFRS, the requirements of the Trust Deed, the VPS Rules or the said directives take precedence.

**2.2** This condensed interim financial information comprise of the condensed interim balance sheet as at March 31, 2013 and the condensed interim income statement, condensed interim cash flow statement, condensed interim statement of movement in participants' sub funds, condensed interim statement of investments by category, condensed interim statement of investment portfolio, condensed interim contribution table, condensed interim statement of number of units in issue and notes forming part thereof. The disclosures made in this condensed interim financial report have, however, been limited based on the requirements of the IAS 34: 'Interim Financial Reporting' and guidelines issued by the SECP for the preparation of the quarterly reports of a pension fund. It does not include all the information and disclosures made in the annual published financial statements and should be read in conjunction with the financial statements for the year ended June 30, 2012. Comparative information of the condensed interim income statement, condensed interim cash flow statement, condensed interim statement of movement in participants' sub funds and condensed interim contribution table for the nine months ended March 31, 2013 and the quarter ended March 31, 2013 are un-audited and have been included to facilitate comparison.

**2.3** This condensed interim financial information is un-audited.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013**

---

**3. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

**3.1** The accounting policies and the methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements of the Fund for the year ended June 30, 2012 except for:

**a) Basis of valuation of debt securities**

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 1 dated January 6, 2009 as amended by Circular No. 33 dated October 24, 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

**b) Impairment of financial assets**

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the income statement.

Provision for non-performing debt securities and other exposures is made in accordance with the criteria specified in Circular No. 1 dated January 6, 2009 as amended by Circular No. 13 dated May 4, 2009 and Circular No. 33 dated October 24, 2012 and issued by SECP. The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company.

**3.2** The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2012.

**3.3** Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the fund except where changes affected presentation and disclosures in this condensed interim financial information.

**4. FINANCIAL RISK MANAGEMENT**

The Fund's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Fund as at and for the year ended 30 June 2012.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013**

-----Un-audited-----				Audited As at June 30, 2012
As at March 31, 2013				
PIPF Equity Sub-Fund	PIPF Debt Sub- Fund	PIPF Money Market Sub-Fund	Total	

----- Rupees -----

**5. BALANCES WITH BANKS**

Current accounts	4,129,090	-	-	4,129,090	3,676,331
Saving accounts	1,987,560	1,209,723	7,361,586	10,558,870	11,359,641
	<u>6,116,650</u>	<u>1,209,723</u>	<u>7,361,586</u>	<u>14,687,960</u>	<u>15,035,972</u>

Saving accounts carry a rate of return ranging from 5.05% to 8.7%. (June 2012: 5.05% to 11.6%) per annum.

**6. DEPOSITS AND OTHER RECEIVABLES**

Security deposits	2,701,000	200,000	100,000	3,001,000	3,001,000
Other receivable	1,000	1,000	1,000	3,001	3,000
Receivable against sale of investment	3,544,860	443	-	3,545,303	-
Receivable against issue of units	-	-	-	-	5,135,177
Receivable from sub-funds	-	-	-	-	1,171,730
	<u>6,246,860</u>	<u>201,443</u>	<u>101,001</u>	<u>6,549,303</u>	<u>9,310,907</u>

**7. ACCRUED EXPENSES AND OTHER LIABILITIES**

Professional fee payable	29,048	31,821	26,916	87,784	99,992
Donation / charity payable	162,570	-	-	162,570	68,886
Payable against purchase of investments	-	-	-	-	868,700
Payable to sub-funds	-	-	-	-	1,171,730
Tax Payable	-	-	-	-	-
Others	45,916	84,175	556	130,647	148,565
	<u>237,533</u>	<u>115,996</u>	<u>27,471</u>	<u>381,001</u>	<u>2,357,873</u>

**8. CONTINGENCY**

**8.1 Contribution to Workers Welfare Fund**

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending for adjudication.

Subsequent to the year ended 30 June 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on 14 December 2010, the Ministry filed its response against the Constitutional Petition requesting the court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

Subsequent to the year ended June 30, 2011, the Honourable Lahore High Court (LHC) in a constitutional petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. In March 2013 a larger bench of the Sindh High Court (SHC) in various constitutional petitions declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, do not suffer from any constitutional or legal infirmity.



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013**

However, as per our legal counsel the stay granted to Voluntary Pension Schemes (VPS) remains intact and the constitution petitions filed by the VPS to challenge the Workers Welfare Fund contribution have not been affected SHC judgment and hence no provision has been recognised by the Management Company in this condensed interim financial information. The aggregate unrecorded amount of WWF as at March 31, 2013 amounted to Rs. 0.608 million, Rs. 0.341 million and Rs. 0.237 million for equity sub-fund, debt sub-fund and money market sub-fund respectively (June 2012: Rs. 0.330 million, Rs. 0.274 million and Rs. 0.179 million).

**9. NET UNREALISED (DIMINUTION) / APPRECIATION IN MARKET VALUE OF INVESTMENTS CLASSIFIED AS 'AVAILABLE-FOR-SALE'**

-----Un-audited-----					Audited
As at March 31, 2013					As at June 30, 2012
PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total		
----- Rupees -----					
Market Value	12,534,738	21,793,418	-	34,328,156	87,871,280
Average Cost	(7,100,533)	(22,746,545)	-	(29,847,078)	(82,901,440)
	5,434,205	(953,127)	-	4,481,078	4,969,840
Impairment loss					
Opening	107,772	-	-	107,772	4,941,738
Charged during the period	-	-	-	-	371,355
Reversal/Derecognised	(43,350)	-	-	(43,350)	(5,205,321)
	64,422	-	-	64,422	107,772
Surplus/(deficit) net of impairment loss	5,498,627	(953,127)	-	4,545,500	5,077,612
Provision against debt securities					
Opening	-	268,597	-	268,597	-
Charged during the period	-	612,861	-	612,861	268,597
Reversal/Derecognised	-	-	-	-	-
	-	881,458	-	881,458	268,597
Reversal during the period			(139,525)	(139,525)	-
Less: Net unrealised (appreciation) in value of investment at the beginning of the year	(5,617,553)	131,819	139,525	(5,346,209)	(5,260,937)
Net (Deficit)/ surplus	(118,926)	60,150	-	(58,776)	85,272

**9.1** As at March 31, 2013, the management carried out a scrip wise analysis of impairment in respect of equity securities classified as 'available-for-sale'.

**10. REMUNERATION OF PENSION FUND MANAGER**

This represents remuneration of the Pension Fund Manager at the rate of 1.5 percent of the average amount of net assets of each sub-fund calculated during the year for determining the prices of units of the sub-funds.

**11. 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.

**12. EARNINGS PER UNIT**

Earnings per unit (EPU) for the Nine months ended and quarter ended March 31, 2013 in respect of each sub-fund has been calculated by dividing the net income after taxation of a sub-fund by the weighted average number of units of the sub-fund in circulation during the period, which are given below:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013**

<b>Nine months ended March 31, 2013</b>			
	<b>PIPF Equity Sub-Fund</b>	<b>PIPF Debt Sub-Fund</b>	<b>PIPF Money Market Sub-Fund</b>
Weighted average number of units	399,444	425,501	352,763
Net income after taxation (Rupees)	13,880,145	3,331,773	2,911,484
Earnings per unit (Rupees)	<u>34.75</u>	<u>7.83</u>	<u>8.25</u>

<b>Quarter ended March 31, 2013</b>			
	<b>PIPF Equity Sub-Fund</b>	<b>PIPF Debt Sub-Fund</b>	<b>PIPF Money Market Sub-Fund</b>
Weighted average number of units	400,766	435,446	356,210
Net income after taxation (Rupees)	2,341,952	1,064,364	706,027
Earnings per unit (Rupees)	<u>5.84</u>	<u>2.44</u>	<u>1.98</u>

**13. TRANSACTIONS WITH CONNECTED PERSONS**

Connected persons include the Pension Fund Manager and MCB Bank Limited being the holding company of the Pension Fund Manager, Habib Metropolitan Bank Limited being the Trustee, other collective investment schemes managed by the Pension Fund Manager as Management Company and directors and key management personnel of the Pension Fund Manager.

Remuneration to the Pension Fund Manager and Trustee are determined in accordance with the provisions of VPS Rules, 2005 and the Trust Deed of the Fund. All other transactions with connected persons are in the normal course of business and are carried out on agreed terms.

Detail of transactions with connected persons during the period and balances with them at period end are as follows:

**13.1 Transactions during the period**

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013**

**13.1 Transactions during the period**

-----Un-audited-----				
Nine months ended March 31, 2013				Nine months ended March 31, 2012
PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
-----Rupees-----				

**Arif Habib Investments Ltd - Pension Fund Manager**

Remuneration	711,550	726,629	557,868	1,996,047	1,471,048
Sales load	480	43,320	28,800	72,600	32,558

**Habib Metropolitan Bank Limited -Trustee**

Remuneration	92,785	94,791	72,740	260,316	194,473
Profit earned on saving bank accounts during the period	64,581	190,185	196,755	451,521	424,487
Bank charges	1,210	5,413	4,589	11,212	-
Investment in Term Deposit Receipt (TDR)	-	-	-	-	20,900,000
Profit earned on TDR	-	-	-	-	610,058

**MCB Bank Limited**

Profit earned on saving bank accounts during the period	-	-	385	385	77,152
Investment in TDR	-	-	-	-	7,900,000
Profit earned on TDR	-	-	-	-	216,654

**Next Capital Limited**

Brokerage *	2,268	-	-	-	-
-------------	-------	---	---	---	---

**Directors and Officers**

Issue of PIPF Equity sub - fund 1,187 units (2012: 7,935 units)	191,136	-	-	191,136	922,214
Issue of PIPF Debt sub - fund 6,209 units (2012: 6,608 units)	-	954,659	-	954,659	940,670
Issue of PIPF Money Market sub - fund 4,592 units (2012: 6,024 units)	-	-	659,165	659,165	889,629
Redemption of PIPF Equity sub - fund 5,944 units (2012: Nil units)	952,650	-	-	952,650	-
Redemption of PIPF Debt sub - fund 6,563 units (2012: Nil units)	-	1,003,716.02	-	1,003,716	-
Redemption of PIPF Money Market sub - fund 4,726 units (2012: Nil units)	-	-	676,994	676,994	-

\* The amount disclosed represents the amount of brokerage paid to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter-parties are not connected persons.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013**

-----Un-audited-----				
Quarter ended March 31, 2013				Quarter ended March 31, 2012
PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
-----Rupees-----				

**Arif Habib Investments Ltd - Pension Fund Manager**

Remuneration	248,652	247,560	188,494	684,706	498,257
Sales load	-	-	-	-	22,620

**Habib Metropolitan Bank Limited -Trustee**

Remuneration	32,372	32,268	24,533	89,173	66,224
Profit earned on saving bank accounts during the period	43,895	106,692	104,482	255,069	246,362
Bank Charges	1,210	4,584	3,863	9,657	-
Investment in Term Deposit Receipt	-	-	-	-	13,200,000
Profit earned on TDR	-	-	-	-	600,535

**MCB Bank Limited**

Profit earned on saving bank accounts during the period	-	-	143	143	503
Investment in Term Deposit Receipt	-	-	-	-	200,000
Profit earned on TDR	-	-	-	-	207,131

**Next Capital Limited**

Brokerage *	-	-	-	-	-
-------------	---	---	---	---	---

**Directors and Officers**

Issue of PIPF Equity sub - fund 626 units (2012: 6,635 units)	104,536	-	-	104,536	780,921
Issue of PIPF Debt sub - fund 5,954 units (2012: 4,161 units)	-	915,819	-	915,819	600,537
Issue of PIPF Money Market sub - fund 4,548 units (2012: 1,119 units)	-	-	653,045	653,045	147,384
Redemption of PIPF Equity sub - fund 2,551 units (2012: Nil units)	423,782	-	-	423,782	-
Redemption of PIPF Debt sub - fund 4,068 units (2012: Nil units)	-	627,158.02	-	627,158	-
Redemption of PIPF Money Market sub - fund 4,050 units (2012: Nil units)	-	-	582,420	582,420	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013**

**13.2 Amounts outstanding as at the period / year end**

-----Un-audited-----				Audited June 30, 2012
As at March 31, 2013				
PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
-----Rupees-----				

----- Rupees -----

**Arif Habib Investments Ltd - Pension Fund Manager**

Remuneration payable	87,398	87,114	66,965	241,477	190,820
Sales load payable	-	-	-	-	112,573
Investment in seed capital 300,000 units (June 2012: 300,000 units)	51,082,847	46,493,304	43,221,420	140,797,571	125,649,047

**Habib Metropolitan Bank Limited**

Remuneration payable	11,364	11,692	8,862	31,918	24,990
Balances with banks	6,116,650	534,918	779,456	7,431,024	13,875,787
Profit receivable on saving bank accounts	15,100	15,298	196,315	226,713	93,272

**MCB Bank Limited**

Bank balance	-	-	-	-	99,201
--------------	---	---	---	---	--------

**Next Capital Limited**

Brokerage payable	0	-	-	-	-
-------------------	---	---	---	---	---

**Directors and Officers**


Balance as at March 31, 2013

Investment in PIPF Equity sub - fund 3,884 units (June 2012: 8,640.72 units)	661,353	-	-	661,353	1,212,516
Investment in PIPF Debt sub - fund 5,990 units (2012: 6,343.59 units)	-	928,316	-	928,316	1,562,633
Investment in PIPF Money Market sub - fund 1,751 units (2012: 1,886.2 units)	-	-	252,269	252,269	669,698

**14. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information has been authorised for issue in the meeting of the Board of Directors of the Management Company held on April 24, 2013.

**For Arif Habib Investment Limited  
(Management Company)**



Chief Executive Officer



Director

Please find us on



by typing: **Bachat Ka Doosra Naam**

## **Arif Habib Investments Limited**

8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi.

UAN: (+92-21) 11-11-622-24 (11-11-MCB-AH), 111-468378 (111-INVEST), Peshawar 091-5852961,  
Bachat Center: 0800-622-24 (0800-MCB-AH), Fax: (+92-21)32276898, 32276908, URL: [www.mcbah.com](http://www.mcbah.com)