



# Bachat ka Doosra Naam

Asset Manager Rating (By PACRA): **AM2+** (AM Two Plus)

## Quarterly Report March 31, 2015 (Unaudited)



Funds Under Management  
of  
MCB-Arif Habib Savings and Investments Limited

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## **Vision**

To become synonymous with Savings.

## **Mission**

To become a preferred Savings and Investment Manager in the domestic and regional markets, while maximizing stakeholder's value.

## **Core Values**

The Company takes pride in its orientation towards client service. It believes that its key success factors include continuous investment in staff, systems and capacity building, and its insistence on universal best practices at all times.

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## FUND'S INFORMATION

<b>Management Company</b>	MCB-Arif Habib Savings and 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 Dr. Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Mahmood Ahmad	Chairman Executive Vice Chairman Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Dr. 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 Financial Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Trustee</b>	Habib Metropolitan Bank Limited 8th Floor, HBZ Plaza, Building I.I.Chundrighar Road, Karachi.	
<b>Bankers</b>	Habib Metropolitan Bank Limited Habib Bank Limited	
<b>Auditors</b>	Ernts & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road, P.O. Box 15541, Karachi, Sindh-75530, Pakistan	
<b>Legal Advisor</b>	Akhund Forbes D-21, Block-4, Scheme-5, Clifton, Karachi.  Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
<b>Transfer Agent</b>	MCB-Arif Habib Savings Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
<b>Rating</b>	Asset Manager: "AM2+" (PACRA) Entity Ratings : "AA-" (PACRA)	

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS ENDED MARCH 31, 2015

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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 2015.

### **Economy & Money Market Review**

In the wake of lower oil prices, macro-environment has stabilized with strengthening outlook. With oil prices hovering around \$55 per barrels at the end of March, 2015 in the international market, the crude has fallen by more than 50% from its peak level of around \$114 per barrel touched in June, 2014, largely benefiting the country in the shape of soft inflation and lower oil import bill.

Hence, on the heels of stable food prices and cut in fuel prices in the domestic market, Consumer Price Inflation averaged around 5.14% during the first nine months of the current fiscal year. If oil prices stabilize below \$60 per barrel, CPI is expected to persist in lower range during the last quarter of the current fiscal year.

While the country's current account deficit summed to \$1.64 billion during the first eight months of the current fiscal year (as per latest available data) as opposed to deficit of \$ 2.4 billion during the corresponding period last year. With trade deficit largely unchanged compared to the previous year, improvement in the current account balance came from larger Collation Support Fund proceeds and higher remittances.

Import bill remained close to the last year's level, as benefit of lower oil bill was eroded by volumetric increase in imports of other segments. Whereas exports have slightly weakened in consideration of lower cotton prices, disruptive power supplies and the loss of competitiveness due to real exchange rate appreciation. With oil imports accounting for one-third of the country's total import bill, trade deficit is forecasted to narrow down in the coming months reflecting significant drop in oil prices.

Workers' Remittances summed to \$ 13.33 billion during the nine months period, marking a growth of 15 percent as compared to the corresponding period last year.

At the same time, financial account registered a surplus of \$ 2.5 billion as compared to a surplus of \$ 0.61 billion recorded during the same period last year. This is mainly due to increase in portfolio investments after the government successfully raised \$ 1 billion through Sukuk auction.

The country's FX reserves got an impetus from multilateral and bilateral disbursements, privatization proceeds, \$ 1 billion Sukuk auction, lower oil bill and SBP interventions. The reserves stood at around \$ 16 billion at the end of March, higher by around \$2 billion since the start of the current fiscal year. Out of total financing of around \$ 2.2 billion scheduled for FY15 under IMF Extended Fund Facility (EFF), the country has received two tranches of around \$ 540 million each during 9MFY15.

Keeping in view lower inflationary pressure along with improving outlook on the balance of payment, the government had announced cut in the discount rate in the monetary policy held in November, January and March, bringing the discount rate to 8 percent from 10 percent at the start of the year.

M2 has expanded by 4.87 percent during the 9MFY15 (till 27th March) as opposed to expansion of 5.21 percent during the same period last year. At the same time, the net borrowing from the banking system increased by Rs 521.62 billion as opposed to Rs 505.86 billion raised during the same period last year.

Money market remained quite active during the 9MFY15, largely due to declining interest rate scenario stemming from sharp decline in oil prices. Participation largely remained concentrated in longer tenure paper causing strain on short term liquidity as the government sold a total of Rs 850 billion worth of PIBs against a target of Rs 600 billion during the first three quarters.

## **REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS ENDED MARCH 31, 2015**

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### **Equities Market Review**

Stock market remained highly volatile during the year. The benchmark KSE-100 index which had surged by 8.4 percent during 1HFY15 fell by 6 percent during the 3QFY15.

Weak fundamentals in Index heavy weights i.e. Banking and Oil & Gas Sectors, liquidity outflow from foreign investor accounts and certain steps from regulators aimed at improvement in market transparency unnerved few investor segments which triggered sharp correction in the market in the 3QFY15. This can be gauged from the fact that offshore investors remained net sellers, with total outflow of around \$135 million in 3QFY15, as opposed to a net inflow of around \$121.5 million recorded during the 1HFY15.

Oil and Gas and Banking sectors remained the main contributors of dismal market performance during the third quarter. Declining trend with high volatility in oil prices didn't allowed Oil and Gas sector to perform while attractiveness of Banking sector was marred by regular reductions in discount rates. Monetary easing and low interest rate outlook on the back of lower expected inflation kept leveraged and high yielding sectors like Fertilizer and Electricity in the lime light. Cement sector was the beneficiary of both lower raw material and lower interest rate costs while Fertilizer and Electricity performed on the back of attractive yields.

The average turnover stood at around 197 million shares during the 9MFY15 as opposed to average volume of 214 million shares during the same period last year.

### **FUND PERFORMANCE**

#### **Equity Fund**

During the period under review, the Equity sub-fund generated a return of 20.88% while the KSE-100 posted a return of 1.96%. 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 85.1% as compared to beginning allocation of 86.4%. The sub-fund decreased exposure from Constructions & Material, Electricity and Oil and Gas sectors while exposure towards General Industrials and Chemicals sectors was increased.

The Net Assets of the Fund as at March 31, 2015 stood at Rs. 188.63 million as compared to Rs. 133.29 million as at June 30, 2014 registering an increase of 41.52%.

The Net Asset Value (NAV) per unit as at March 31, 2015 was Rs. 331.12 as compared to opening NAV of Rs. 273.92 per unit as at June 30, 2014 registering an increase of Rs. 57.2 per unit.

#### **Debt Fund**

The debt sub-fund generated an annualized return of 4.43% during the period under review. The sub-funds exposure towards GoP Ijarah Sukuk increased to 95.3% from 90.5%.

The Net Assets of the Fund as at March 31, 2015 stood at Rs.131.53 million as compared to Rs. 118.91 million as at June 30, 2014 registering an increase of 10.61%.

The Net Asset Value (NAV) per unit as at March 31, 2015 was Rs. 175.73 as compared to opening NAV of Rs. 170.07 per unit as at June 30, 2014 registering an increase of Rs. 5.66 per unit.



## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS ENDED MARCH 31, 2015

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### Money Market Fund

The money market sub-fund generated an annualized return of 4.53% during the period under review. Fund's exposure towards GoP Ijara Sukuk was increased to 95.2% from 81.3% during the period.

The Net Assets of the Fund as at March 31, 2015 stood at Rs. 67.22 million as compared to Rs. 69.06 million as at June 30, 2014 registering a decrease of 2.66%.

The Net Asset Value (NAV) per unit as at March 31, 2015 was Rs. 161.62 as compared to opening NAV of Rs. 156.31 per unit as at June 30, 2014 registering an increase of Rs.5.31 per unit.

### MARKET & ECONOMY - FUTURE OUTLOOK

The government expects reserve position to improve further towards the end of the ongoing fiscal year on the back of significant improvement in foreign direct investments and pledges made by multilateral agencies. The government is eyeing to raise foreign inflows through offloading its stake in HBL and the country is also expected to receive next tranche of US\$ 550 million from IMF in April. Remittances are expected to grow further, however, political distraction in the Middle Eastern region and lower oil prices pose risk to the ongoing northward trend.

Due to subsiding cost pressure, we expect manufacturing sectors, primarily, Auto, Cement and Consumer sectors to outperform the broader market. Moreover, continuation of expansionary environment suggests high-dividend yield companies to stay in the limelight.

### 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,



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**Yasir Qadri**

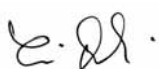
Chief Executive Officer

April 24, 2015

# CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

		(Un-Audited)				(Audited)
		March 31, 2015				
		Equity	Debt	Money		
		Sub Fund	Sub Fund	Market Sub	Total	June 30, 2014
Note		(Rupees)				
<b>Assets</b>						
Balances with banks	5	18,439,372	3,869,635	1,874,157	24,183,164	38,618,632
Investments (as per condensed interim statement of investments by category)		165,724,767	126,513,856	64,608,471	356,847,094	287,355,221
Dividend receivable		2,273,425	-	-	2,273,425	-
Profit receivable		11,199	2,096,403	1,281,231	3,388,833	2,134,872
Receivable against sale of investments		5,598,625	-	-	5,598,625	-
Deposits and other receivables	6	2,716,371	210,000	110,000	3,036,371	3,006,371
<b>Total assets</b>		<b>194,763,759</b>	<b>132,689,894</b>	<b>67,873,859</b>	<b>395,327,512</b>	<b>331,115,096</b>
<b>Liabilities</b>						
Payable to Pension Fund Manager	7	289,906	191,799	98,461	580,166	435,774
Payable to the Central Depository Company Limited - Trustee		25,210	16,679	8,559	50,448	46,198
Annual fee payable to the Securities and Exchange Commission of Pakistan		40,866	30,863	17,067	88,796	85,363
Payable against purchase of investments		2,731,935	-	-	2,731,935	6,680,310
Accrued expenses and other liabilities	8	3,049,911	918,905	525,780	4,494,596	2,610,360
<b>Total liabilities</b>		<b>6,137,828</b>	<b>1,158,246</b>	<b>649,867</b>	<b>7,945,941</b>	<b>9,858,005</b>
<b>Net assets</b>		<b>188,625,931</b>	<b>131,531,648</b>	<b>67,223,992</b>	<b>387,381,571</b>	<b>321,257,091</b>
Participants' Sub-Funds (as per condensed interim Statement of Movement in Participants' sub-funds)		<b>188,625,931</b>	<b>131,531,648</b>	<b>67,223,992</b>		-
<b>Number of units</b>						
<b>Number of units in issue</b>		<b>569,669</b>	<b>748,486</b>	<b>415,948</b>		
<b>(Rupees)</b>						
<b>Net assets value per unit</b>		<b>331.12</b>	<b>175.73</b>	<b>161.62</b>		
<b>Contingency</b>	9					

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

  
Chief Executive Officer

MCB-Arif Habib Savings and Investments Limited  
(Management Company)

  
Director



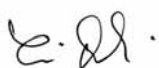
# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

## FOR THE NINE MONTHS ENDED MARCH 31, 2015

Nine months ended March 31, 2015					
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Nine months ended March 31, 2014
Note	(Rupees)				
<b>Income</b>					
Capital gain on sale of investments	25,044,266	-	(11,300)	25,032,966	11,862,096
Dividend income	6,852,860	-	-	6,852,860	4,736,463
Income from Government Securities	-	7,979,308	4,209,050	12,188,358	8,608,004
Income from Term Finance Certificates and sukuk bonds	-	105,816	-	105,816	98,384
Profit on bank and other deposits	166,127	276,586	303,186	745,899	1,158,809
Unrealised gain / (loss) on revaluation of investments designated at fair value through profit or loss' - net	6,540,065	(1,973,480)	(990,800)	3,575,785	19,139,785
<b>Total income</b>	<b>38,603,318</b>	<b>6,388,230</b>	<b>3,510,136</b>	<b>48,501,684</b>	<b>45,603,541</b>
Reversal of / (provision) against investments classified as 'available for sale'	-	-	-	-	-
<b>Total Income - net of provision against investments</b>	<b>38,603,318</b>	<b>6,388,230</b>	<b>3,510,136</b>	<b>48,501,684</b>	<b>45,603,541</b>
<b>Expenses</b>					
11 Remuneration of Pension Fund Manager	1,838,926	1,388,846	767,955	3,995,727	2,732,607
Sindh sales tax and federal excise duty on remuneration of Pension Fund Manager	614,201	463,875	256,497	1,334,573	944,388
Remuneration of Central Depository Company Limited - Trustee	193,651	147,464	81,759	422,874	349,460
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	40,865	30,863	17,066	88,794	60,725
Auditors' Remuneration	180,014	139,369	78,386	397,769	397,579
Custody and settlement charges	819,207	20,261	1,550	841,018	604,508
Legal and professional charges	-	14,163	-	14,163	46,603
Provision for Workers' Welfare Fund	774,441	86,552	45,018	906,011	840,810
Bank charges	3,286	4,824	16,590	24,700	10,011
Donation and charity expense	106,906	-	-	106,906	77,064
<b>Total expenses</b>	<b>4,571,497</b>	<b>2,296,217</b>	<b>1,264,821</b>	<b>8,132,534</b>	<b>6,063,754</b>
<b>Net income from operating activities</b>	<b>34,031,821</b>	<b>4,092,013</b>	<b>2,245,315</b>	<b>40,369,150</b>	<b>39,539,787</b>
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those redeemed	3,915,799	149,044	(39,449)	4,025,394	1,702,397
<b>Net income for the period before taxation</b>	<b>37,947,620</b>	<b>4,241,057</b>	<b>2,205,866</b>	<b>44,394,544</b>	<b>41,242,184</b>
12 Taxation	-	-	-	-	-
<b>Net income for the period after taxation</b>	<b>37,947,620</b>	<b>4,241,057</b>	<b>2,205,866</b>	<b>44,394,544</b>	<b>41,242,184</b>
<b>Other comprehensive (loss) / income for the period to be reclassified to profit and loss</b>					
10 Unrealised (loss) / gain on re-valuation of investments classified as 'available-for-sale' - net	(5,412,548)	14,163	-	(5,398,385)	(4,956,589)
<b>Total comprehensive income for the period</b>	<b>32,535,072</b>	<b>4,255,220</b>	<b>2,205,866</b>	<b>38,996,159</b>	<b>36,285,595</b>
<b>Earnings per unit</b>	<b>73.01</b>	<b>5.92</b>	<b>5.12</b>		

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

MCB-Arif Habib Savings and Investments Limited  
(Management Company)

  
Chief Executive Officer

  
Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

## FOR THE QUARTER ENDED MARCH 31, 2015

	Note	Quarter ended March 31, 2015			Quarter ended March 31, 2014
		Equity sub fund	Debt sub fund	Money market sub fund	
				Total	
		(Rupees)			
<b>Income</b>					
Capital gain on sale of investments		13,522,205	-	(11,300)	3,698,253
Dividend income		2,625,978	-	-	1,821,489
Income from Government Securities		-	2,676,820	1,397,446	2,902,939
Income from Term Finance Certificates and sukuk bonds		-	35,055	-	64,964
Profit on bank and other deposits		28,073	54,248	13,776	470,943
Unrealised gain on revaluation of investments at fair value through profit or loss - net		(7,235,845)	652,230	383,060	7,361,416
<b>Total income</b>		<b>8,940,411</b>	<b>3,418,353</b>	<b>1,782,982</b>	<b>16,320,004</b>
Reversal of / (provision) against investments classified as 'available for sale'		-	-	-	-
<b>Total Income - net of provision against investments</b>		<b>8,940,411</b>	<b>3,418,353</b>	<b>1,782,982</b>	<b>16,320,004</b>
<b>Expenses</b>					
Remuneration of Pension Fund Manager	10	723,905	472,991	246,292	970,839
Sindh sales tax and federal excise duty on remuneration of Pension Fund Manager		241,784	157,979	82,261	335,520
Remuneration of Central Depository Company Limited - Trustee		72,391	47,299	24,629	122,974
Annual fee - Securities and Exchange Commission of Pakistan (SECP)		16,087	10,511	5,472	21,574
Auditors' remuneration		64,549	43,350	22,927	128,209
Custody and settlement charges		238,992	12,525	650	214,257
Legal and professional charges		-	14,163	-	11,313
Provision against Debt Securities		-	-	-	-
Provision for Workers' Welfare Fund		194,647	55,946	27,818	312,082
Bank charges		1,230	2,279	2,081	(8)
Donation and charity expense		41,820	-	-	35,149
<b>Total expenses</b>		<b>1,595,405</b>	<b>817,043</b>	<b>412,130</b>	<b>2,151,909</b>
<b>Net income from operating activities</b>		<b>7,345,006</b>	<b>2,601,310</b>	<b>1,370,852</b>	<b>14,168,095</b>
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those redeemed		2,192,673	125,895	(7,787)	1,138,057
<b>Net income for the period before taxation</b>		<b>9,537,679</b>	<b>2,727,205</b>	<b>1,363,065</b>	<b>15,306,152</b>
Taxation	11	-	-	-	-
<b>Net income for the period after taxation</b>		<b>9,537,679</b>	<b>2,727,205</b>	<b>1,363,065</b>	<b>15,306,152</b>
<b>Other comprehensive (loss) / income for the period</b>					
Unrealised (loss) / gain on re-valuation of investments classified as 'available for sale' - net		(6,589,855)	14,163	-	(319,957)
<b>Total comprehensive income for the period</b>		<b>2,947,824</b>	<b>2,741,368</b>	<b>1,363,065</b>	<b>14,986,195</b>
<b>Earnings per unit</b>	12	<b>17.23</b>	<b>3.71</b>	<b>3.28</b>	

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

MCB-Arif Habib Savings and Investments Limited  
(Management Company)

Chief Executive Officer

Director

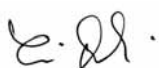
# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

## FOR THE NINE MONTHS ENDED MARCH 31, 2015

	Nine months ended March 31, 2015				Nine months ended March 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	(Rupees)				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income before taxation	37,947,620	4,241,057	2,205,866	44,394,543	41,242,183
<b>Adjustments for non cash items:</b>					
Capital (gain) / loss on sale of investments	(25,044,266)	-	(11,300)	(25,055,566)	(11,862,096)
Unrealised (gain) / loss on revaluation of investments at fair value through profit or loss' - net	(6,540,065)	1,973,480	990,800	(3,575,785)	(19,139,785)
Impairment loss on Investment as 'available-for-sale'	-	-	-	-	-
Element of income/(loss) and capital gains/(losses) included in prices of units issued less those redeemed	(3,915,799)	(149,044)	39,449	(4,025,394)	(1,702,397)
	(35,500,130)	1,824,436	1,018,949	(32,656,745)	(32,704,278)
<b>(Increase) / decrease in assets</b>					
Investments - net	(17,050,677)	(20,140,137)	(9,068,100)	(46,258,914)	(12,131,878)
Dividend receivable	(2,273,425)	-	-	(2,273,425)	(673,474)
Profit receivable	9,046	(708,709)	(554,298)	(1,253,961)	(1,011,698)
Receivable against sale of investments	(5,598,625)	-	-	(5,598,625)	-
Deposits and other receivables	(10,000)	(10,000)	(10,000)	(30,000)	4,417,984
	(24,923,681)	(20,858,846)	(9,632,398)	(55,414,925)	(9,399,066)
<b>Increase / (decrease) in liabilities</b>					
Payable against redemption of units	-	-	-	-	-
Payable to Pension Fund Manager	108,462	33,871	2,059	144,392	64,616
Payable to the Trustee	5,975	(64)	(1,661)	4,250	9,311
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	6,812	(245)	(3,134)	3,433	(255)
Payable against purchase of investments	(3,948,375)	-	-	-	-
Accrued and other liabilities	1,391,986	325,219	167,031	1,884,236	(902,813)
	(2,435,140)	358,781	164,295	2,036,311	(829,141)
<b>Cash (used in) / generated from operating activities</b>	(24,911,331)	(14,434,572)	(6,243,288)	(41,640,816)	(1,690,302)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Receipt of contribution	32,850,111	27,661,718	6,423,726	66,935,555	34,098,231
Payment against redemptions	(6,132,204)	(19,142,096)	(10,507,532)	(35,781,832)	(9,561,659)
<b>Net cash (used in) / generated from financing activities</b>	26,717,907	8,519,622	(4,083,806)	31,153,723	24,536,572
<b>Net (decrease) / increase in cash and cash equivalent during the period</b>	1,806,576	(5,914,950)	(10,327,094)	(10,487,093)	22,846,270
Cash and cash equivalents at beginning of the period	16,632,796	9,784,585	12,201,251	38,618,632	15,353,802
<b>Cash and cash equivalents at end of the period</b>	18,439,372	3,869,635	1,874,157	28,131,539	38,200,072

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

MCB-Arif Habib Savings and Investments Limited  
(Management Company)

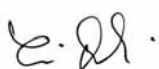
  
Chief Executive Officer

  
Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2015

	Quarter ended March 31, 2015				Quarter ended March 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income before taxation	9,537,679	2,727,205	1,363,065	13,627,949	15,306,153
<b>Adjustments for non cash items:</b>					
Capital (gain) / loss on sale of investments	(13,522,205)	-	(11,300)	(13,533,505)	(3,698,253)
Unrealised (gain) / loss on revaluation of investments 'at fair value through profit or loss' - net	7,235,845	(652,230)	(383,060)	6,200,555	(7,361,416)
Impairment loss on Investment as 'available-for-sale'	-	-	-	-	-
Element of income and capital gains included in prices of units issued less those redeemed	(2,192,673)	(125,895)	7,787	(2,310,781)	(1,138,057)
	(8,479,033)	(778,125)	(386,573)	(9,643,731)	(12,197,726)
<b>(Increase) / decrease in assets</b>					
Investments - net	(2,676,169)	(11,059,137)	17,400	(13,717,906)	(2,685,704)
Dividend receivable	(2,273,425)	-	-	(2,273,425)	(789,446)
Profit receivable	2,774	(435,150)	(322,271)	(754,647)	(861,475)
Receivable against sale of investments	3,535,875	-	-	3,535,875	-
Deposits and other receivables	100,001	100,000	-	200,001	(1,325,001)
	(1,310,944)	(11,394,287)	(304,871)	(13,010,102)	(5,661,626)
<b>Increase / (decrease) in liabilities</b>					
Payable against purchase of securities	455,010	-	-	455,010	-
Payable to Pension Fund Manager	40,064	11,407	150	51,621	27,618
Payable to the Trustee	3,484	992	12	4,488	2,415
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	-	-	-	-	-
	16,093	10,511	5,474	32,078	21,574
Payable against purchase of investments	(3,948,375)	-	-	(3,948,375)	-
Accrued and other liabilities	312,911	134,876	64,956	512,743	494,304
	(3,120,813)	157,786	70,592	(2,892,435)	545,911
<b>Cash (used in) / generated from operating activities</b>	(3,373,111)	(9,287,421)	742,213	(11,918,319)	(2,007,288)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Receipt of contribution	12,935,157	10,181,370	2,699,945	25,816,472	12,726,196
Payment against redemptions	(2,497,853)	(4,091,020)	(3,637,200)	(10,226,073)	(3,294,939)
<b>Net cash generated / (used in) from financing activities</b>	10,437,304	6,090,350	(937,255)	15,590,399	9,431,257
<b>Net increase / (decrease) in cash and cash equivalent during the period</b>	7,064,193	(3,197,071)	(195,042)	3,672,080	7,423,969
Cash and cash equivalents at beginning of the period	11,375,179	7,066,706	2,069,199	20,511,084	30,776,103
<b>Cash and cash equivalents at end of the period</b>	18,439,372	3,869,635	1,874,157	24,183,164	38,200,072

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

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

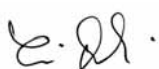
MCB-Arif Habib Savings and Investments Limited  
(Management Company)

  
\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2015**

	Nine months ended March 31, 2015				Nine months ended March 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	(Rupees)				
Net assets at the beginning of the period	133,288,758	118,905,850	69,062,483	321,257,091	218,311,134
Amount received on issue of units	32,850,111	27,661,718	6,423,726	66,935,555	34,098,231
Amount paid on redemption of units	(6,132,204)	(19,142,096)	(10,507,532)	(35,781,832)	(9,561,659)
	26,717,907	8,519,622	(4,083,806)	31,153,723	24,536,572
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net					
Amount representing (income) / loss and realised capital (gains) / losses - net	(3,915,798)	(149,044)	39,449	(4,025,393)	(1,702,397)
Amount representing unrealised appreciation / (diminution) in fair value of investments	14,494,919	(3,439,146)	1,457,476	12,513,249	8,206,939
	10,579,121	(3,588,190)	1,496,925	8,487,856	6,504,542
Net unrealised (loss) / gain during the period in the market value of investments classified as available-for-sale	(5,412,548)	14,163	-	(5,398,385)	(4,956,589)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - amount representing unrealised appreciation / (diminution) - net	(14,494,919)	3,439,146	(1,457,476)	(12,513,249)	(8,206,939)
Net income after taxation for the period	37,947,612	4,241,057	2,205,866	44,394,535	41,242,183
Net assets at the end of the period	188,625,931	131,531,648	67,223,992	387,381,571	277,430,903

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

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

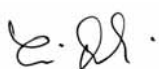
MCB-Arif Habib Savings and Investments Limited  
(Management Company)

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2015

	Quarter ended March 31, 2015				Quarter ended March 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	(Rupees)				
Net assets at the beginning of the period	177,433,483	122,825,825	66,790,395	367,049,703	254,151,507
Amount received on issue of units	12,935,157	10,181,370	2,699,945	25,816,472	12,726,196
Amount paid on redemption of units	(2,497,853)	(4,091,020)	(3,637,200)	(10,226,073)	(3,294,939)
	10,437,304	6,090,350	(937,255)	15,590,399	9,431,257
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net					
Amount representing (income) / loss and realised capital (gains) / losses - net	(2,192,673)	(125,895)	7,788	(2,310,780)	(1,138,056)
Amount representing unrealised (appreciation) / diminution in fair value of investments	5,307,034	(4,420,484)	2,580,115	3,466,665	3,113,621
	3,114,361	(4,546,379)	2,587,903	1,155,885	1,975,565
Net unrealised (loss) / gain / during the period in the market value of investments classified as available-for-sale	(6,589,855)	14,163	-	(6,575,692)	(319,957)
Element of (loss) / income and capital (gains) / losses included in prices of units issued less those in units redeemed - amount representing unrealised (appreciation) / diminution - net	(5,307,041)	4,420,484	(2,580,116)	(3,466,673)	(3,113,621)
Net income after taxation for the period	9,537,679	2,727,205	1,363,065	13,627,949	15,306,152
Net assets at the end of the period	188,625,931	131,531,648	67,223,992	387,381,571	277,430,903

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

  
Chief Executive Officer

MCB-Arif Habib Savings and Investments Limited  
(Management Company)

  
Director

# CONDENSED INTERIM STATEMENT OF INVESTMENTS BY CATEGORY AS AT MARCH 31, 2015

	(Un-Audited)			(Audited)
	March 31, 2015			June 30, 2014
	Equity sub fund	Debt sub fund	Money market sub fund  (Rupees)	
			Total	
Investment ' designated at fair value through profit or loss'				
Listed equity securities	64,573,956	-	-	119,565,314
Government Ijarah Sukuks	-	126,513,856	64,608,471	164,852,907
	64,573,956	126,513,856	255,696,283	284,418,221
'Available-for-sale' investments				
Listed equity securities	101,150,811	-	-	2,937,000
Government Ijara Sukuk	-	-	-	-
Sukuk Certificates	-	-	-	-
	101,150,811	-	-	2,937,000
	165,724,767	126,513,856	64,608,471	287,355,221

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

  
Chief Executive Officer

MCB-Arif Habib Savings and Investments Limited  
(Management Company)

  
Director



\_\_\_\_\_

**LISTED SHARES-INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT OR LOSS'**

-----	Total	-----
(Un-Audited)		(Audited)
March 31, 2015		June 30, 2014
-----	(Rupees)	-----
64,573,956		119,565,314

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

Director

# CONDENSED INTERIM STATEMENT OF INVESTMENTS PORTFOLIO AS AT MARCH 31, 2015

## EQUITY SUB FUND

### LISTED SHARES 'AVAILABLE FOR SALE' INVESTMENTS

Name of the Investee Company	Number of shares					As at March 31, 2015			Market value as a % of net assets of the sub-fund	% of the issued capital of the investee company
	As at July 01, 2014	Purchases during the period	Bonus / Right issue during the period	Sales during the period	As at March 31, 2015	Cost	Market value	Appreciation / (Diminution)		
						(Rupees)			%	%
<b>Oil and Gas</b>										
Pakistan Petroleum Limited	-	12,000	-	-	12,000	1,875,389	1,856,040	(19,349)	0.98%	0.00%
Mari Petroleum Company	-	26,000	-	3,900	22,100	11,890,635	11,400,948	(489,687)	6.04%	0.02%
Pakistan Oilfields Limited	-	26,000	-	8,000	18,000	6,441,538	5,876,280	(565,258)	3.12%	0.01%
Shell Pakistan	-	26,000	-	-	26,000	5,780,003	5,742,360	(37,643)	3.04%	0.02%
Pakistan State Oil Company Limited	-	35,000	-	-	35,000	14,107,415	12,054,000	(2,053,415)	6.39%	0.01%
						40,094,980	36,929,628	(3,165,352)	19.57%	
<b>Construction and Materials</b>										
Maple Leaf Cement Factory Limited	-	60,000	-	-	60,000	3,120,588	2,882,400	(238,188)	1.53%	0.01%
Pioneer Cement Limited	-	89,000	-	89,000	-	-	-	-	0.00%	0.00%
						3,120,588	2,882,400	(238,188)	1.53%	
<b>Pharma and Bio Tech</b>										
IBL HealthCare Limited	-	3,100	-	-	3,100	456,752	327,794	(128,958)	0.17%	0.01%
						456,752	327,794	(128,958)	0.17%	
<b>Chemicals</b>										
Fauji Fertilizer Bin Qasim Limited	-	238,000	-	154,000	84,000	4,046,591	3,904,320	(142,271)	2.07%	0.01%
Fauji Fertilizer Bin Company Limited	-	153,000	-	10,800	142,200	18,378,852	18,946,728	567,876	10.04%	0.01%
Linde Pakistan	-	27,800	-	-	27,800	5,674,661	4,454,950	(1,219,711)	2.36%	0.11%
Engro Corporation Limited	-	27,000	-	6,000	21,000	4,759,234	5,394,900	635,666	2.86%	0.00%
						32,859,338	32,700,898	(158,440)	17.33%	
<b>Electricity</b>										
Hub Power Company Limited	50,000	41,500	-	-	91,500	6,384,870	7,812,270	1,427,400	4.14%	0.01%
Kot Addu Power Company Limited	-	40,000	-	-	40,000	3,159,004	3,111,200	(47,804)	1.65%	0.00%
						9,543,874	10,923,470	1,379,596	5.79%	
<b>Engineering</b>										
Hino Pak Motors	-	3,500	-	-	3,500	3,098,616	2,977,555	(121,061)	1.58%	0.03%
						3,098,616	2,977,555	(121,061)	1.58%	
<b>Household Goods</b>										
Pak Elektron	-	87,000	-	-	87,000	4,643,956	3,866,280	(777,676)	2.05%	0.02%
						4,643,956	3,866,280	(777,676)	2.05%	
<b>Personal Goods (Textile)</b>										
Treet Corporation	-	25,000	-	25,000	-	-	-	-	0.00%	0.00%
						-	-	-	0.00%	
<b>Automobile and Parts</b>										
Indus Motors Company Limited	-	5,000	-	5,000	-	-	-	-	0.00%	0.00%
Pak Suzuki Motor Company	-	2,000	-	-	2,000	815,050	693,000	(122,050)	0.37%	0.00%
						815,050	693,000	(122,050)	0.37%	
<b>General Industrials</b>										
Cherat Packaging	-	30,000	-	-	30,000	6,159,240	5,060,400	(1,098,840)	2.68%	0.11%
Ghani Glass Limited	-	24,500	-	23,500	1,000	68,121	71,760	3,639	0.04%	0.00%
Packages Limited	-	8,500	-	-	8,500	5,596,003	4,717,626	(878,377)	2.50%	0.01%
						11,823,364	9,849,786	(1,973,578)	5.22%	
<b>Total for Equity Sub-Fund</b>						106,456,518	101,150,811	(5,305,707)	54%	

----- Total -----  
(Un-Audited) (Audited)  
  
March 31, 2015 June 30, 2014  
----- (Rupees) -----

Market value

101,150,811 2,937,000

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

MCB-Arif Habib Savings and Investments Limited  
(Management Company)

Chief Executive Officer

Director

# CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS AS AT MARCH 31, 2015

PIPF DEBT SUB-FUND  
GOVERNMENT IJARAH SUKUK

Name of Investments	Face value				As at March 31, 2015			Market value as a % of net asset of the sub - fund
	As at July 01, 2014	Purchases during the period	Sales/ maturities during the period	As at March 31, 2015	Carrying value	Market value	Appreciation	

(Rupees)

'At fair value through profit or loss'

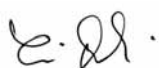
Government Ijarah Sukuk (3 years)	105,850,000	20,000,000	-	125,850,000	128,487,335	126,513,856	(1,973,479)	0.50
	105,850,000	20,000,000	-	125,850,000	128,487,335	126,513,856	(1,973,479)	

----- Total -----  
(Un-Audited) (Audited)  
March 31,  
2015 June 30, 2014  
----- (Rupees) -----

Market value

126,513,856 108,333,036

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

  
Chief Executive Officer

MCB-Arif Habib Savings and Investments Limited  
(Management Company)

  
Director

# CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED) AS AT MARCH 31, 2015

PIPF DEBT SUB-FUND  
SUKUK CERTIFICATES

Name of Investment	Issue Date	Number of Certificates				As at March 31, 2015			Market value as a percentage of net asset of the sub - fund	Market value as a percentage of total investments	Percentage in relation to the total size of the issue
		As at July 01, 2014	Purchases during the period	Sales/ matured during the period	As at March 31, 2015	Cost	Market value	Appreciation / (Diminution)			

'Available-for-sale' investments'

Pak Elektron Limited - SUKUK (28-09-2007)	8-May-08	550	-	-	550	1,011,223	-	(1,011,223)	-	-	0.229%
		550	-	-	550	1,011,223	-	(1,011,223)			

589,285

----- Total -----  
(Un-Audited) (Audited)  
March 31,  
2015 June 30, 2014  
----- (Rupees) -----

Market value

----- - -----

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

MCB-Arif Habib Savings and Investments Limited  
(Management Company)

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

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED) AS AT DECEMBER 31, 2015

PIPF MONEY MARKET SUB-FUND  
GOVERNMENT IJARAH SUKUK

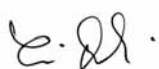
Name of Investments	Face value				As at March 31, 2015			Market value as a % of net asset of the sub - fund
	As at July 01, 2014	Purchases during the period	Sales/ maturities during the period	As at March 31, 2015	Carrying value	Market value	Appreciation	
(Rupees)								
'At fair value through profit or loss'								
Government Ijarah Sukuk (3 years)	55,200,000	9,000,000	-	64,200,000	56,120,249	56,519,870	399,621	0.43
	55,200,000	9,000,000	-	64,200,000	56,120,249	56,519,870	399,621	

Total  
(Un-Audited) (Audited)  
March 31, 2015 June 30, 2014  
(Rupees)

Market value

56,519,870 56,519,871

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

  
Chief Executive Officer

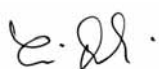
MCB-Arif Habib Savings and Investments Limited  
(Management Company)

  
Director

**CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2015**

Contributions net of front end fee	Nine months ended March 31, 2015							Nine months ended March 31, 2014
	Equity sub fund		Debt sub fund		Money market sub fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
	----- (Rupees) -----							
Opening balance	486,596	60,269,559	699,171	91,723,265	441,817	50,237,237	202,230,061	146,823,142
Individuals - issue of units	102,125	32,850,111	160,463	27,661,718	40,554	6,423,725	66,935,554	34,098,230
- redemption of units	(19,052)	(6,132,204)	(111,148)	(19,142,096)	(66,423)	(10,507,532)	(35,781,832)	(9,561,659)
	83,073	26,717,907	49,315	8,519,622	(25,869)	(4,083,807)	31,153,722	24,536,571
Closing balance	569,669	86,987,466	748,486	100,242,887	415,948	46,153,430	233,383,783	171,359,713

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

  
 Chief Executive Officer

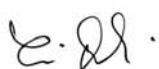
MCB-Arif Habib Savings and Investments Limited  
 (Management Company)

  
 Director

**CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2015**

Contributions net of front end fee	Quarter ended March 31, 2015							Quarter ended March 31, 2014
	Equity sub fund		Debt sub fund		Money market sub fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
	----- (Rupees) -----							
Opening balance	540,292	76,550,162	713,419	94,152,537	421,894	47,090,686	217,793,385	161,928,457
Individuals - issue of units	36,450	12,935,157	58,644	10,181,370	16,940	2,699,944	25,816,471	12,726,195
- redemption of units	(7,073)	(2,497,853)	(23,577)	(4,091,020)	(22,886)	(3,637,200)	(10,226,073)	(3,294,939)
	29,377	10,437,304	35,067	6,090,350	(5,946)	(937,256)	15,590,398	9,431,256
Closing balance	569,669	86,987,466	748,486	100,242,887	415,948	46,153,430	233,383,783	171,359,713

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

  
 Chief Executive Officer

MCB-Arif Habib Savings and Investments Limited  
 (Management Company)

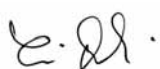
  
 Director



**CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2015**

	Nine months ended March 31, 2015		
	Equity sub fund	Debt sub fund	Money market sub fund
	-----	No. of units	-----
Total units outstanding at the beginning of the period	486,596	699,171	441,817
Add: Units issued during the period	102,125	160,463	40,554
Less: Units redeemed during the period	(19,052)	(111,148)	(66,423)
Total units in issue at the end of the period	<u>569,669</u>	<u>748,486</u>	<u>415,948</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

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

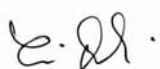
MCB-Arif Habib Savings and Investments Limited  
(Management Company)

  
\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2015**

	Quarter ended March 31, 2015		
	Equity sub fund	Debt sub fund	Money market sub fund
	No. of units		
Total units outstanding at the beginning of the period	540,292	713,419	421,894
Add: Units issued during the period	36,450	58,644	16,940
Less: Units redeemed during the period	(7,073)	(23,577)	(22,886)
Total units in issue at the end of the period	<u>569,669</u>	<u>748,486</u>	<u>415,948</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

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

MCB-Arif Habib Savings and Investments Limited  
(Management Company)

  
\_\_\_\_\_  
Director

## **CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2015**

### **1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** The Pakistan Islamic Pension Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited 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 May 24, 2007 and was executed on June 04, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). Habib Metropolitan Bank Limited (HMBL) 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 07, 2011. Central Depository Company of Pakistan Limited was appointed as the new Trustee in place of HMBL through a revised Trust Deed dated July 21, 2014 which was approved by SECP on July 23, 2014. PPF 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.
- 1.2** MCB-Arif Habib Savings and 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 Techno City Corporate Tower, Hasrat Mohani Road, Karachi, Pakistan.
- 1.3** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.
- 1.4** Title to the assets of the Fund is held in the name of Central Depository Company Limited as Trustee of the Fund.

### **2. STATEMENT OF COMPLIANCE**

- 2.1** This condensed interim financial information has been prepared in accordance with the approved accounting standards with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', 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 condensed interim statement of assets and liabilities, condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof. The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. It does not include all the information and disclosures made in the annual published financial statement and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2014. Comparative information of the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' fund for the quarters ended March 31, 2015 and March 31, 2014 are un-audited and have been included to facilitate comparison.

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

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2014 except as follows:

#### **New / Revised Standards, Interpretations and Amendments**

The Fund has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current period:

- IAS 19 – Employee Benefits - Employee Contributions (Amendment)
- IAS 32 – Financial Instruments : Presentation – (Amendment)  
– Offsetting Financial Assets and Financial Liabilities
- IAS 36 – Impairment of Assets – (Amendment)  
– Recoverable Amount Disclosures for Non-Financial Assets
- IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)  
– Novation of Derivatives and Continuation of Hedge Accounting
- IFRIC 21 – Levies

The adoption of the above standards, amendments / improvements and interpretations did not have any effect on the financial statements.

**CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2015**

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. Such improvements to the standards did not have any impact on the Fund's financial statements for the period.

**4. FINANCIAL RISK MANAGEMENT**

The Fund's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2014.

----- (Un-audited) -----				
As at March 31, 2015				
Equity sub fund	Debt sub fund	Money market sub fund	Total	Audited As at June 30, 2014
----- (Rupees) -----				

**5. BALANCES WITH BANKS**

Current accounts	8,660,215	-	-	8,660,215	7,529,705
Saving accounts	9,779,157	3,869,635	1,874,157	15,522,949	31,088,927
	<u>18,439,372</u>	<u>3,869,635</u>	<u>1,874,157</u>	<u>24,183,164</u>	<u>38,618,632</u>

Saving accounts carry a rate of return ranging from 3.61% to 5.61% (June 30, 2014: 4.73% to 9.38%) per annum.

**6. DEPOSITS AND OTHER RECEIVABLES**

Security deposit - Central Depository Company of Pakistan	201,000	200,000	100,000	501,000	501,000
Security deposit - National Clearing Company of Pakistan Limited	2,500,000	-	-	2,500,000	2,500,000
Receivable from sub funds	-	-	-	-	-
Others	15,371	10,000	10,000	35,371	5,371
	<u>2,716,371</u>	<u>210,000</u>	<u>110,000</u>	<u>3,036,371</u>	<u>3,006,371</u>

**7. PAYABLE TO PENSION FUND MANAGER**

Remuneration payable to Pension Fund Manager	252,092	166,782	85,618	504,492	375,667
Sindh sales tax payable on remuneration of Pension Fund Manager	37,814	25,017	12,843	75,674	60,107
	<u>289,906</u>	<u>191,799</u>	<u>98,461</u>	<u>580,166</u>	<u>435,774</u>

**8. ACCRUED EXPENSES AND OTHER LIABILITIES**

Provision for federal excise duty and other related taxes on remuneration of Pension Fund Manager (note 8.1)	634,276	525,792	317,441	1,477,509	742,297
Professional fee payable	-	-	-	-	-
Donation / charity payable	106,906	-	-	106,906	79,035
Payable to sub funds	-	-	-	-	-
Payable to auditors	137,846	105,106	59,247	302,199	338,000
Workers' Welfare Fund (note 9.1)	1,832,273	287,003	148,211	2,267,487	1,361,476
Others	338,610	1,004	881	340,495	89,552
	<u>3,049,911</u>	<u>918,905</u>	<u>525,780</u>	<u>4,494,596</u>	<u>2,610,360</u>

**CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2015**

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**8.1** The Finance Act, 2013 introduced an amendment to Federal Excise Act, 2005 whereby Federal Excise Duty (FED) has been imposed at the rate of 16% of the services rendered by asset management companies. In this regard, a Constitutional Petition has been filed by certain collective investment schemes (CISs) and Pension Funds through their trustees in the Honourable High Court of Sindh (SHC), challenging the levy of Federal Excise Duty on Asset Management Company services after the eighteenth amendment. The SHC in its short order of September 2013 directed the FBR not to take any coercive action against the petitioners pursuant to impugned notices till next date of hearing. In view of uncertainty regarding the applicability of FED on asset management services, the management, as a matter of abundant caution, has decided to retain and continue with the provision of FED and related taxes in these financial statements aggregating to Rs.1.478 million as at March 31, 2015. In case the suit is decided against the Fund, the same would be paid to the Pension Fund Manager, who will be responsible for submitting it to the authorities. Had the said provision of FED and related taxes not been recorded in the books of account of the Fund, the Net Asset Value (NAV) per unit of the Fund would have been higher by Rs.1.11 in respect of equity sub fund, Re.0.70 in respect of debt sub fund and Re.0.76 in respect of money market sub fund as at March 31, 2015.

**9. CONTINGENCY**

**9.1 Contribution to Workers' Welfare Fund**

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, all Collective Investment Schemes (CISs) mutual funds 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 Collective Investment Schemes (CISs) through their trustees in the Honorable Sindh High Court (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In 2011, a single judge of the Lahore High Court (LHC) issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts, 2006 and 2008 have been declared unconstitutional and therefore struck down.

However, in 2013, a Larger Bench of the SHC issued a judgment in response to a petition in another similar case in which it is held that the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 do not suffer from any constitutional or legal infirmity.

Further, in May 2014, the Honourable Peshawar High Court (PHC) held that the impugned levy of contribution introduced in the Ordinance through Finance Acts, 1996 and 2009 lacks the essential mandate to be introduced and passed through a Money Bill under the constitution and, hence, the amendments made through the Finance Acts are declared as 'Ultra Vires'.

However, as per the legal counsel the stay granted to Collective Investment Schemes (CIS) remains intact and the constitution petitions filed by the CIS to challenge the Workers Welfare Fund contribution have not been affected by SHC judgment.

The Pension Fund Manager as a matter of abundant caution has started making provision effective from May 10, 2013 in view of the afore mentioned developments and uncertainties created by the recent decision by Honorable Sindh High Court. The unrecognised liability for the period from July 01, 2008 to May 09, 2013 amounts to Rs.0.697 million, Rs.0.353 million and Rs.0.245 million for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund (aggregating to Rs.1.295 million) respectively. Had the said provision of WWF not been recorded in the books of account of the Fund, the NAV of the Fund would have been higher by Rs.3.22 (0.97%) (June 30, 2014: Rs.1.43 (0.79%)), Re.0.38 (0.22%) (June 30, 2014: Re.0.50 (0.17%)) and Re.0.36 (0.22%) (June 30, 2014: Re.0.55 (0.15%)) for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively. Moreover, provision against WWF as at March 31, 2015 amounts to Rs.1.832 million (June 30, 2014: Rs.1.060 million), Rs.0.287 million (June 30, 2014: Rs.0.200 million) and Rs.0.148 million (June 30, 2014: Rs.0.103 million) for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively.

**CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2015**

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

	----- (Un-audited) -----				
	As at March 31, 2015				
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Audited As at June 30, 2014
	----- (Rupees) -----				
Market Value	101,150,811	126,513,856	-	227,664,667	2,937,000
Average Cost	(106,456,518)	(129,498,558)	-	(235,955,076)	(3,841,420)
	(5,305,707)	(2,984,702)	-	(8,290,409)	(904,420)
Impairment loss					
Opening	-	-	-	-	-
Charged during the period	-	-	-	-	-
Reversal / derecognised	-	-	-	-	-
	-	-	-	-	-
Surplus / (deficit) net of impairment loss	(5,305,707)	(2,984,702)	-	(8,290,409)	(904,420)
Provision against debt securities					
Opening	-	1,093,601	-	1,093,601	1,093,601
Charged during the period	-	-	-	-	-
Reversal / derecognised	-	-	-	-	-
	-	1,093,601	-	1,093,601	1,093,601
Reversal during the period			-	-	-
Less: Net unrealised (appreciation) in value of investment at the beginning of the period	(106,841)	1,905,264	-	1,798,423	(4,962,567)
	(5,412,548)	14,163	-	(5,398,385)	(4,773,386)

**11. 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.

**12. 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 by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance 2001. Since the management intends to distribute 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.

**13. EARNINGS PER UNIT**

Earnings per unit (EPU) for the nine months and quarter ended March 31, 2015 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:

**CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2015**

	<b>Nine months ended March 31, 2015</b>		
	----- (Un-Audited) -----		
	<b>Equity sub fund</b>	<b>Debt sub fund</b>	<b>Money market sub fund</b>
Weighted average number of units	519,758	716,485	431,162
Net income after taxation (Rupees)	37,947,620	4,241,057	2,205,866
Earnings per unit (Rupees)	<u>73.01</u>	<u>5.92</u>	<u>5.12</u>
Earnings per unit (Nine months ended March 31, 2014) (Rupees)	<u>73.13</u>	<u>11.11</u>	<u>8.46</u>

	<b>Quarter ended March 31, 2015</b>		
	----- (Un-Audited) -----		
	<b>Equity sub fund</b>	<b>Debt sub fund</b>	<b>Money market sub fund</b>
Weighted average number of units	553,533	734,177	415,436
Net income after taxation (Rupees)	9,537,679	2,727,205	1,363,065
Earnings per unit (Rupees)	<u>17.23</u>	<u>3.71</u>	<u>3.28</u>
Earnings per unit (Quarter ended March 31, 2014) (Rupees)	<u>26.09</u>	<u>4.49</u>	<u>3.05</u>

**14. TRANSACTIONS WITH CONNECTED PERSONS**

Connected persons include the Pension Fund Manager and MCB Bank Limited being the Holding Company of the Pension Fund Manager, Central Depository Company of Pakistan 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:



**CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2015**

**14.1 Transactions during the period**

	----- (Un-Audited) -----				
	Nine months ended March 31, 2015				Nine months ended March 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
<b>MCB-Arif Habib Savings and Investments Limited - Pension Fund Manager</b>					
Remuneration including indirect taxes	2,453,127	1,852,721	1,024,452	5,330,300	3,676,995
Sales Load	-	-	-	-	-
Issue of PIPF Equity sub fund NIL units (2014: 5,160 units)	-	-	-	-	1,000,000
<b>Habib Metropolitan Bank Limited - Trustee</b>					
Remuneration	55,043	48,389	27,995	131,427	349,460
Profit received on saving bank accounts	87,911	94,353	39,804	222,068	420,812
Bank charges	551	348	339	1,238	10,011
<b>Central Depository Company Limited - Trustee</b>					
Remuneration	138,608	99,075	53,764	291,447	-
CDS Charges	57,634	18,358	-	75,992	-
<b>Next Capital</b>					
Brokerage	42,924	650	-	43,574	-
<b>Arif Habib Limited</b>					
Brokerage	48,602	-	-	48,602	-
<b>Directors and officers</b>					
Issue of PIPF Equity sub fund 3,289 units (2014: 5,637 units)	997,226	-	-	997,226	1,238,292
Issue of PIPF Debt sub fund 3,801 units (2014: 5,327 units)	-	654,182	-	654,182	861,853
Issue of PIPF Money Market sub fund 1,271 units (2014: 2,674 units)	-	-	200,585	200,585	401,468
Redemption of PIPF Equity sub fund 4,277 units (2014: 2,105 units)	1,272,863	-	-	1,272,863	445,761
Redemption of PIPF Debt sub fund 4,207 units (2014: 1,618 units)	-	720,760	-	720,760	263,375
Redemption of PIPF Money Market sub fund 3,361 units (2014: 721 units)	-	-	529,255	529,255	107,390

**CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2015**

	----- (Un-Audited) -----				
	Quarter ended March 31, 2015				
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Quarter ended March 31, 2014
	----- (Rupees) -----				
<b>MCB-Arif Habib Savings and Investments Limited - Pension Fund Manager</b>					
Remuneration including indirect taxes	965,689	630,970	328,553	1,925,212	1,306,359
Issue of PIPF Equity sub fund NIL units (2014: NIL units)	-	-	-	-	-
<b>Central Depository Company Limited - Trustee</b>					
Remuneration	72,391	47,299	24,629	144,319	122,974
CDS Charges	25,078	11,522	-	36,600	-
<b>Next Capital</b> Brokerage	-	-	-	-	-
<b>Directors and Officers</b>					
Issue of PIPF Equity sub fund 723 units (2014: 2,388 units)	254,382	-	-	254,382	556,659
Issue of PIPF Debt sub fund 950 units (2014: 2,001 units)	-	165,950	-	165,950	327,739
Issue of PIPF Money Market sub fund 168 units (2014: 612 units)	-	-	27,167	27,167	92,965
Redemption of PIPF Equity sub fund 108 units (2014: 808 units)	38,930	-	-	38,930	188,837
Redemption of PIPF Debt sub fund 54 units (2014: 923 units)	-	9,421	-	9,421	152,406
Redemption of PIPF Money Market sub fund NIL units (2014: 249 units)	-	-	-	-	37,927

**CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2015**

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

	----- (Un-Audited) ----- As at March 31, 2015				(Audited) June 30, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
<b>MCB-Arif Habib Savings and Investments Limited - Pension Fund Manager</b>					
Remuneration payable	252,092	166,782	85,618	504,492	375,667
Sindh sales tax payable	37,814	25,017	12,843	75,674	60,107
Investment in seed capital 305,160 units (June 2014: 305,160 units)	101,044,579	-	-	101,044,579	83,589,667
Investment in seed capital 300,000 units (June 2014: 300,000 units)	-	52,719,000	48,486,000	101,205,000	97,914,486
<b>Central Depository Company Limited - Trustee</b>					
Remuneration payable	25,210	16,679	8,559	50,448	46,198
Security Deposit	201,000	200,000	100,000	501,000	501,000
<b>Next Capital</b>					
Brokerage Payable	1,348	650	-	1,998	-
<b>Arif Habib Limited</b>					
Brokerage Payable	1,320	-	-	1,320	-
<b>Directors and Officers</b>					
Balance as at March 31, 2015					
Investment in PIPF Equity sub fund 14,811 units (June 2014: 15,799 units)	4,904,218	-	-	4,904,218	4,327,674
Investment in PIPF Debt sub fund 15,289 units (June 2014: 15,695 units)	-	2,686,736	-	2,686,736	2,669,200
Investment in PIPF Money Market sub fund 2,886 units (June 2014: 4,976 units)	-	-	466,435	466,435	777,822

**15. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on April 24, 2015 by the Board of Directors of the Management Company.

**16. GENERAL**

Corresponding figures have been rearranged and reclassified wherever necessary, for the purposes of comparison and better presentation. No significant changes to corresponding figures have been made during the period.

**MCB-Arif Habib Savings and Investments Limited  
(Management Company)**

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

  
\_\_\_\_\_  
Director

Please find us on



by typing: **Bachat Ka Doosra Naam**

**MCB-Arif Habib Savings and Investments Limited**

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