

Quarterly Report

September 30, 2015

(Unaudited)



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

AM2 Plus by PACRA

**PAKISTAN
ISLAMIC PENSION FUND**

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings and Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Board of Directors	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
Audit Committee	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib	Chairman Member Member
Human Resource & Remuneration Committee	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Yasir Qadri	Chairman Member Member Member Member
Company Secretary & Chief Financial Officer	Mr. Muhammad Saqib Saleem	
Trustee	Central Depository Company of Pakistan Limited CDC House, 990B Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi-74400	
Bankers	Habib Bank Limited Habib Metropolitan Bank Limited	
Auditors	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road, P.O. Box 15541, Karachi, Sindh-75530, Pakistan.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area, Phase VI, DHA, Karachi.	
Transfer Agent	MCB-Arif Habib Savings and Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Rating	Asset Manager AM2 + Management quality rating assigned by PACRA	

REPORT OF THE DIRECTOR OF MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 31, 2015

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Islamic Pension Fund's** accounts review for the first quarter ended September 30th, 2015.

Economy & Money Market Review

Benefits of more than 50 percent drop year on year in crude oil prices are visible in the macroeconomic score card positively nudging the Balance of Payment, Foreign Exchange Reserves, Inflation, Interest rates and the Fiscal deficit. A net benefit of more than USD 1 billion is visible in the trade account during first two months of fiscal year which has offset the otherwise slower exports. In the same period, Balance of Payment Account also remained stable where a near USD 394 million Current Account deficit has been largely offset by Financial and Capital Account Inflows. During the same period last year, the country had a negative balance of payment of near USD 729 million mainly derived from a current account deficit of about USD 1,456 million. With controlled current account deficit, the support of IMF tranche, CSF flows and multilateral flows, reserves remained firm near USD 18.5 billion (Sep-18) mark giving resilience to PKR which underwent relatively lesser depreciation in the fragile environment prevailing in the emerging markets. Although, the local fuel prices were cushioned by increase in taxes, yet the drop in crude oil along with other commodity prices, kept the inflation contribution from food and other sectors at lower levels. During the first quarter, headline inflation average remained near 1.6% which along with strong external account position, created comfortable space for another 50 basis point cut in policy rate in September monetary policy. M2 growth remained mildly negative on FY15 to date basis (18-Sep) which reflects the seasonal adjustment where NDA continually supported by a net govt. borrowing of about PKR 255 billion with a muted contribution from NFA in absence of any major net inflows. Money markets remained cautiously optimistic about further cut in discount rate and its sustainability. Yield Curve has thus recently witnessed a slight increase in slope with longer dated bonds remaining relatively less responsive to the change in policy rate. Increasingly the markets continue to remain cautious primarily due to low quality of market liquidity which has been reliant on OMO injections and the expected uptick in inflation as 2nd half FY16 inflation is expected to remain near 6% largely due to low base effect.

Equities Market Review

The bourse underperformed during the quarter with KSE 100 Index & KMI 30 Index closing about 6.1% & 5.56% lower respectively at the end of first quarter. The quarter began with the overall positive momentum carried forward through FY-15 on the back of positive macroeconomic direction and stable valuations at KSE. However after crossing 36,000 in early August, the index could not sustain the momentum initially due to political noise while later after showing some recovery, the negative spell that started in global emerging market struck harder at the local bourse. Despite a growing stable macro environment and another 50 basis points cut in policy rate, concerns of foreign selling coupled with speculation and fears of a fall out of wider scope investigations into corruption cases from politicians to defaulted stock market brokers stalled the buying activity from investors. During the quarter, the participation at KSE remained commensurate KSE100 Index direction as the volumes that averaged above 400 million till early August, dropped to below 250 million shares during remaining quarter which fell further to 183 million in September, worst month during the quarter in which KSE 100 index shed more than 7%. Foreign investors withdrew more than USD 105 million during the quarter, about USD 82 million were withdrawn in the first two months while September remained relatively calm mainly due to lack of liquidity and a bigger correction at the local bourse. Oil & Gas, Banks and Telecom with high concentration of foreign investors remained among the key laggards.

Fund Performance

Equity Fund

The Equity sub-fund generated a return of -6.52% while the KSE-100 posted a return of -6.14%. The sub-fund increased exposure in equities from 87.9% to 95.3% during the period. The sub-fund reduced its exposure from Oil & Gas Exploration Companies, Fertilizer and Cement sectors while increasing exposure towards Fertilizer and Paper & Board sectors.

The Net Assets of the Fund as at September 30, 2015 stood at Rs. 226.37 million as compared to Rs. 232.69 million as at June 30, 2015 registering a decrease of 2.72%.

The Net Asset Value (NAV) per unit as at September 30, 2015 was Rs. 357.28 as compared to opening NAV of Rs. 382.19 per unit as at June 30, 2015 registering a decrease of Rs. 24.91 per unit.

Debt Fund

The debt sub-fund generated an annualized return of 4.68% during the quarter under review. The sub-fund's exposure towards GoP Ijarah Sukuk increased marginally to 90.7% from 90.3% during the period under review.

The Net Assets of the Fund as at September 30, 2015 stood at Rs. 147.06 million as compared to Rs. 138.65 million as at June 30, 2015 registering an increase of 6.07%.

REPORT OF THE DIRECTOR OF MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 31, 2015

The Net Asset Value (NAV) per unit as at September 30, 2015 was Rs.180.26 as compared to opening NAV of Rs. 178.16 per unit as at June 30, 2015 registering an increase of Rs. 2.1 per unit.

Money Market Fund

The money market sub-fund generated an annualized return of 3.97% during the quarter. The fund exposure towards GOP Ijarah Sukuk at quarter end stood at around 95.1% as compared to beginning exposure of 94.5%. Cash and bank deposits exposure on the other hand decreased to 3.2% from 4.2% during the period under review.

The Net Assets of the Fund as at September 30, 2015 stood at Rs. 67.03 million as compared to Rs. 67.51 million as at June 30, 2015 registering a decrease of 0.71%.

The Net Asset Value (NAV) per unit as at September 30, 2015 was Rs. 165.46 as compared to opening NAV of Rs. 163.82 per unit as at June 30, 2015 registering an increase of Rs. 1.64 per unit.

Future Outlook

Oil prices have improved the economic scorecard significantly particularly the external account and inflation while providing an opportunity to address the chronic energy issues along with fiscal management. Most of the indicators have improved passively however critical indicators which still lack significant improvement include Credit off take and Capital Expenditure along with FDI. Despite conducive macro environment, growth is yet to pick up and we hope the China Pakistan Corridor provides the required growth impetus for investment to pick up. Government still remains significantly dependent on domestic borrowing to fund fiscal deficit and still progress has remained slow on key reforms including energy, privatization and revenue generation. Security situation has also improved which however remains a long and continuing challenge with potential risks to infrastructure plans going forward.

With stable macro environment and pace expected to pick up on the infrastructure projects, we expect the environment to remain conducive for capital markets. We expect the full year inflation to remain below 4.5% as remainder year inflation is expected to gradually pick up and thus provides a stable interest rate outlook. Budgeted target for economic growth appear achievable while fiscal deficit may marginally exceed due to challenges in revenue collection despite significant reduction in subsidies. With Policy Rate at 6% and SBP committed to contain the money market volatility and liquidity through continuous OMO support, we expect stable environment for short term papers and medium term bonds while longer dated bonds would respond to further confirmations on external account including trade account and exchange rate which in turn would remain dependent on commodity prices and multilateral flows.

Volatility in global markets particularly emerging equity markets and commodities may affect the short term returns however direct affect remains muted for Pakistan. Global slowdown poses a challenge for exports particularly textiles while significantly lower oil prices can affect the worker remittances from Middle East in particular. Given the steep drop in crude oil prices, the risks remain manageable however sustained degradation shall be a bigger challenge. A disconnect in current improvement in macro economic variables and KSE performance offers an opportunity for investors to add equities which offer higher return potential on risk adjusted basis for long term investors. Improved outlook on GDP growth, Current Account and controlled fiscal balance in a low inflationary environment supports the case for equities where a PE of 9x prospective earnings along with a dividend yield of 6% with a regional valuation discount in excess of 32% affirms case for higher return potential. We expect infrastructure linked sectors including Cements, Steel, Power and Consumption driven sectors to drive returns while Oil & Gas and Banking Sectors remain attractive on long term valuations.

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: October 16, 2015

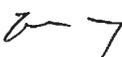
**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2015**

Note	-----Unaudited----- September 30, 2015				Audited June 30, 2015	
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total		
-----Rupees-----						
ASSETS						
Balances with banks	6	5,113,566	12,037,515	2,195,743	19,346,824	40,259,604
Investments (as per condensed interim statement of investments by category)		219,606,578	134,550,380	64,442,200	418,599,158	398,903,530
Receivable against sale of Investments		-	-	-	-	-
Dividend receivable		2,810,100	-	-	2,810,100	581,473
Interest receivable		8,629	1,602,474	992,196	2,603,300	2,131,538
Deposits and other receivables	7	2,782,236	210,000	110,000	3,102,236	3,055,209
TOTAL ASSETS		<u>230,321,109</u>	<u>148,400,370</u>	<u>67,740,139</u>	<u>446,461,618</u>	<u>444,931,354</u>
LIABILITIES						
Payable to Pension Fund Manager		327,023	201,999	93,794	622,816	711,068
Payable to the Trustee		32,702	20,199	9,379	62,281	53,137
Payable to Auditors		107,392	62,349	28,640	198,380	420,000
Annual fee payable to the Securities and Exchange Commission of Pakistan		20,445	11,807	5,594	37,845	123,317
Other liabilities	8	3,465,182	1,043,791	575,924	5,084,895	4,775,485
TOTAL LIABILITIES		<u>3,952,743</u>	<u>1,340,145</u>	<u>713,331</u>	<u>6,006,218</u>	<u>6,083,007</u>
NET ASSETS		<u>226,368,366</u>	<u>147,060,225</u>	<u>67,026,809</u>	<u>440,455,400</u>	<u>438,848,347</u>
Participants Sub-Funds (as per condensed interim Statement of movement in Participants' sub-funds)						
		<u>226,368,366</u>	<u>147,060,225</u>	<u>67,026,809</u>		
-----Number of units-----						
Number of units in issue		<u>633,585</u>	<u>815,819</u>	<u>405,093</u>		
-----Rupees-----						
Net asset value per unit		<u>357.28</u>	<u>180.26</u>	<u>165.46</u>		

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


Chief Executive Officer

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


Director

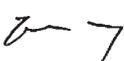
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	Quarter ended September 30, 2015				Quarter ended September 30, 2014
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
	Rupees				
INCOME					
Capital gain on sale of investments	3,053,753	(600)	-	3,053,153	508,823
Dividend income	2,876,088	-	-	2,876,088	2,112,831
Profit on bank deposits	53,185	46,991	13,658	113,834	437,880
Income from Government Ijarah Sukuk	-	2,353,523	1,132,772	3,486,295	3,912,204
Income from Certificates of Investment	-	-	-	-	-
Income from Term Deposit Receipts	-	-	-	-	-
Income from Term Finance Certificates - Sukuk	-	29,707	-	29,707	35,351
Impairment loss on listed equity securities classified as "available for sale"	-	-	-	-	-
Reversal of Provision Debt Security	-	196,429	-	196,429	-
Element of income and capital gains included in prices of units issued less those in units redeemed	812,445	131,568	8,013	952,026	179,902
Unrealised (Diminution) / Appreciation in fair value classified as 'at fair value through profit or loss'	(970,346)	(155,560)	(91,650)	(1,217,556)	937,075
Total Income	5,825,125	2,602,058	1,062,793	9,489,976	8,124,067
EXPENSES					
Remuneration of Pension Fund Manager	1,215,499	701,942	332,569	2,250,010	1,642,175
Remuneration of Trustee	104,783	60,511	28,672	193,965	149,567
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	20,445	11,807	5,594	37,845	27,356
Auditors' remuneration	81,838	50,437	25,173	157,447	117,962
Custody and settlement charges	141,757	2,753	-	144,510	86,321
Securities transaction cost	-	-	-	-	93,803
Legal and professional charges	-	-	-	-	-
Bank charges	645	2,396	25	3,066	1,538
Donation and charity expense	52,922	-	-	52,922	16,846
Provision against debt securities	-	-	-	-	14,163
Amortisation of formation cost	-	-	-	-	-
Provision WWF	-	-	-	-	119,486
Total Expenses	1,617,889	829,845	392,032	2,839,766	2,269,216
Net income before taxation	4,207,235	1,772,213	670,762	6,650,210	5,854,851
Provision for taxation - current	10	-	-	-	-
Net income after taxation	4,207,235	1,772,213	670,762	6,650,210	5,854,851
Other comprehensive (loss) / income for the period					
Unrealised (loss) / gain on re-valuation of investments classified as 'available for sale' - net	9	(19,585,909)	-	(19,585,909)	276,163
Total comprehensive (loss) / income for the period	(15,378,674)	1,772,213	670,762	(12,935,699)	6,131,014
Earnings per unit	11	6.62	2.26	1.66	

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

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


Chief Executive Officer


Director

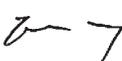
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	Quarter ended September 30, 2015				Quarter ended September 30, 2014
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
----- Rupees -----					
CASH FLOW FROM OPERATING ACTIVITIES					
Net income before taxation	4,207,235	1,772,213	670,762	6,650,210	5,854,851
Adjustments for non cash items:					
Capital (loss) / gain on sale of investments	(3,053,753)	600	-	(3,053,153)	(508,823)
Impairment loss on investments classified as 'available-for-sale'	-	-	-	-	-
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss'	970,346	155,560	91,650	1,217,556	(937,075)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(812,445)	(131,568)	(8,013)	(952,026)	(179,902)
	(2,895,851)	24,592	83,637	(2,787,623)	(1,625,800)
(Increase) / decrease in assets					
Investments	(29,174,640)	(8,271,300)	-	(37,445,940)	(7,582,704)
Dividend receivable	(2,228,627)	-	-	(2,228,627)	(2,112,831)
Profit receivable	(4,234)	(226,121)	(241,406)	(471,762)	(1,291,813)
Deposits and other receivables	(47,027)	-	-	(47,027)	(100,000)
	(31,454,528)	(8,497,421)	(241,406)	(40,193,356)	(11,087,348)
(Decrease) / Increase in liabilities					
Payable to Pension Fund Manager	(48,063)	(22,769)	(17,420)	(88,252)	60,163
Payable to Trustee	4,659	3,413	1,071	9,144	2,987
Payable to Auditors	(91,377)	(80,652)	(49,590)	(221,620)	219,729
Annual fee payable to the Securities and Exchange Commission of Pakistan	(38,284)	(30,156)	(17,031)	(85,472)	(159,773)
Other liabilities	196,018	73,431	39,963	309,411	(6,281,407)
	22,952	(56,733)	(43,007)	(76,788)	(6,158,301)
Tax paid	-	-	-	-	-
Cash generated / (used in) from operating activities	(30,120,192)	(6,757,349)	469,985	(36,407,557)	(13,016,599)
CASH FLOW FROM FINANCING ACTIVITIES					
Receipt of contribution	22,855,961	21,674,117	2,655,777	47,185,855	7,556,821
Payment against redemptions	(12,984,863)	(14,906,454)	(3,799,760)	(31,691,078)	(3,836,837)
Cash generated / (used in) from financing activities	9,871,098	6,767,662	(1,143,984)	15,494,777	3,719,985
Net (decrease) / increase in cash and cash equivalent	(20,249,094)	10,313	(673,999)	(20,912,780)	(9,296,614)
Cash and cash equivalent at beginning of the period	25,362,660	12,027,202	2,869,742	40,259,604	38,618,632
Cash and cash equivalent at end of of the period	5,113,566	12,037,515	2,195,743	19,346,824	29,322,018

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

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


Chief Executive Officer


Director

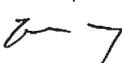
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	Quarter ended September 30, 2015				Quarter ended September 30, 2014
	PIPF Equity Sub-Fund	PIPF Debt Sub- Fund	PIPF Money Market Sub-Fund	Total	
	Rupees				
Net assets at the beginning of the period	232,688,386	138,651,917	67,508,044	438,848,347	321,257,091
Amount received on issue of units	22,855,960	21,674,117	2,655,777	47,185,854	7,556,821
Amount paid on redemption of units	(12,984,863)	(14,906,454)	(3,799,760)	(31,691,078)	(3,836,837)
	9,871,096	6,767,663	(1,143,983)	15,494,776	3,719,984
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) / appreciation / (diminution)	(812,445)	(131,568)	(8,013)	(952,026)	(179,902)
- amount representing unrealised diminution / (appreciation) in fair value of investments	(6,583,823)	(2,878,846)	453,494	(9,009,174)	(2,082,475)
	(7,396,267)	(3,010,414)	445,481	(9,961,200)	(2,262,377)
Net unrealized (loss) / gain during the period in the market value of investments classified as available-for-sale	(19,585,909)	-	-	(19,585,909)	276,163
Element of income / (loss) and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing unrealised (diminution) / appreciation - net	6,583,823	2,878,846	(453,494)	9,009,174	2,082,475
Net income after taxation for the period	4,207,237	1,772,213	670,762	6,650,212	5,854,851
Net assets at the end of the period	226,368,366	147,060,225	67,026,809	440,455,400	330,928,187

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


Chief Executive Officer

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


Director

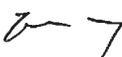
**CONDENSED INTERIM STATEMENT OF INVESTMENTS BY CATEGORY
AS AT SEPTEMBER 30, 2015**

	-----Un-Audited-----			Audited June 30, 2015	
	Quarter ended September 30, 2015				
	PIPF Equity Sub-Fund	PIPF Debt Sub- Fund	PIPF Money Market Sub-Fund	Total	
	----- Rupees -----				
Investments classified as 'At fair value through profit or loss '					
Listed equity securities	35,044,359	-	-	35,044,359	45,643,550
Government Ijarah - Sukuk	-	134,550,380	64,442,200	198,992,580	190,969,090
Investments at market value	<u>35,044,359</u>	<u>134,550,380</u>	<u>64,442,200</u>	<u>234,036,939</u>	<u>236,612,640</u>
Available-for-sale investments					
Listed equity securities	184,527,139	-	-	184,527,139	162,255,810
Government Ijarah - Sukuk	-	-	-	-	-
Sukuk Certificates	-	-	-	-	-
Investment in preference shares	35,080	-	-	35,080	35,080
Investments at market value	<u>184,562,219</u>	<u>-</u>	<u>-</u>	<u>184,562,219</u>	<u>162,290,890</u>
	<u><u>219,606,578</u></u>	<u><u>134,550,380</u></u>	<u><u>64,442,200</u></u>	<u><u>418,599,158</u></u>	<u><u>398,903,530</u></u>

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


 Chief Executive Officer

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


 Director

CONDENSED INTERIM STATEMENT OF INVESTMENT PORTFOLIO (UN-AUDITED) AS AT SEPTEMBER 30, 2015

AVAILABLE FOR SALE INVESTMENT PIPF EQUITY SUB- FUND LISTED EQUITY SECURITIES

Name of the Investee company						----Balance as at September 30, 2015----			Market value as a % of net assets of the sub fund	% of paid up capital of the investee company
	As at July 1, 2015	Purchases during the period	Bonus / Right issue during the period	Sales during the period	As at September 30, 2015	Cost	Market value	Appreciation		
(-----Number of shares-----)					-----Rupees-----			%	%	
Electricity										
* Hub Power Company Limited	91,500	-	-	-	91,500	7,291,104	8,988,960	1,697,856	3.97	0.00
Kot Addu Power Company Limited	-	101,000	-	-	101,000	9,612,372	9,569,750	(42,622)	4.23	0.00
						16,903,476	18,558,710	1,655,234	8.20	
AUTOMOBILE AND PARTS										
HinoPak Motors Limited	3,500	-	-	-	3,500	3,098,616	4,075,785	977,169	1.80	0.01
Indus Motors Company Limited	5,500	-	-	-	5,500	5,777,159	5,507,700	(269,459)	2.43	0.01
Pak Suzuki Motor Company	4,000	-	-	-	4,000	1,498,025	1,658,280	160,255	0.73	0.01
						10,373,800	11,241,765	867,965	4.97	
CONSTRUCTION AND MATERIALS										
Cherat Cement	-	85,000	-	-	85,000	7,397,236	7,328,700	(68,536)	3.24	0.02
Fauji Cement Company Limited	230,000	-	-	100,000	130,000	4,061,252	4,352,400	291,148	1.92	0.02
Lucky Cement	13,000	-	-	-	13,000	5,889,307	6,847,100	957,793	3.02	0.02
Maple Leaf Cement Limited	60,000	60,000	-	108,000	12,000	963,710	822,480	(141,230)	0.36	0.02
						18,311,505	19,350,680	1,039,175	8.55	
CHEMICALS										
ICI Pakistan	19,000	-	-	-	19,000	7,592,221	9,144,510	1,552,289	4.04	0.00
Linde Pakistan	27,800	-	-	-	27,800	5,674,661	2,985,998	(2,688,663)	1.32	0.00
						13,266,882	12,130,508	(1,136,374)	5.36	
FERTILIZER										
Engro Fertilizer Limited	-	100,000	-	-	100,000	9,817,740	8,980,000	(837,740)	3.97	0.00
Engro Corporation Limited	24,000	15,000	-	11,000	28,000	7,453,208	8,354,640	901,432	3.69	0.00
Fauji Fertilizer Bin Qasim Limited	-	144,000	-	125,000	19,000	1,125,887	1,142,850	16,963	0.50	0.00
Fauji Fertilizer Company Limited	73,200	-	-	-	73,200	10,038,736	9,036,540	(1,002,196)	3.99	0.00
						28,435,571	27,514,030	(921,541)	12.15	
GLASS & CERAMICS										
Ghani Glass Limited	1,000	-	-	-	1,000	68,121	100,000	31,879	0.04	0.00
Tariq Glass Industries	120,000	-	-	-	120,000	6,938,844	8,694,000	1,755,156	3.84	0.00
						7,006,965	8,794,000	1,787,035	3.88	
PHARMA AND BIO TECH										
IBL HealthCare Limited	3,100	-	-	-	3,100	456,752	501,549	44,797	0.22	0.00
						456,752	501,549	44,797	0.22	
OIL & GAS EXPOLORATION COMPANIES										
Pakistan Oilfields Limited	34,000	-	-	3,800	30,200	10,831,725	8,876,686	(1,955,039)	3.92	0.01
Pakistan Petroleum Limited	114,000	-	-	17,000	97,000	16,780,952	11,556,580	(5,224,372)	5.11	0.02
						27,612,677	20,433,266	(7,179,411)	9.03	
OIL AND GAS MARKETING COMPANIES										
Pakistan State Oil Company Limited	45,500	-	-	-	45,500	18,115,097	13,121,745	(4,993,352)	5.80	0.00
Shell Pakistan Limited	26,000	-	-	-	26,000	5,780,003	5,092,100	(687,903)	2.25	0.01
						23,895,100	18,213,845	(5,681,255)	8.05	
FOOD & PERSONAL CARE PRODUCTS										
Engro Foods Limited	-	45,000	-	-	45,000	7,346,763	6,631,200	(715,563)	2.93	0.03
						7,346,763	6,631,200	(715,563)	2.93	
MISCELLANEOUS										
Shifa International Hospitals	-	38,300	-	-	38,300	9,645,503	10,154,096	508,593	4.49	0.03
						9,645,503	10,154,096	508,593	4.49	
CABLE & ELECTRICAL GOODS										
Pak Elektron	81,000	25,000	-	-	106,000	6,746,730	7,641,540	894,810	3.38	0.03
						6,746,730	7,641,540	894,810	3.38	
PAPER AND BOARD										
Century Paper & Board Mills	-	111,500	-	111,500	-	-	-	-	-	0.00
Cherat Packaging	30,000	-	-	-	30,000	6,159,240	6,450,000	290,760	2.85	0.00
Packages Limited	27,200	4,500	-	-	31,700	18,604,020	16,911,950	(1,692,070)	7.47	0.00
						24,763,260	23,361,950	(1,401,310)	10.32	
Total for Equity Sub-Fund	1,033,300	729,300	-	476,300	1,286,300	194,764,984	184,527,139	(10,237,845)	81.52	

	-----Total-----		-----
Market value	184,527,139	Un audited	162,255,810
Investment in preference shares ***	35,080	Audited	35,080
	184,562,219	September 30, 2015	June 30, 2015
		-----Rupees-----	

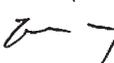
*** In the last financial year, the Fund has received 3,508 unlisted preference shares of Mari Petroleum Limited amounting to Rs. 35,080 as dividend income. The management is of the view that the Fund has not purchased / invested in these unlisted preference shares, rather these have been received in the form of dividend. However, the company has redeemed the said security subsequent to the reporting date and the payment against the same has been credited in the bank account. Furthermore, in addition to the amount mentioned above, the company has also paid an additional dividend on preference shares amounting to Rs. 848 which has also been credited in our bank account. These unlisted redeemable preference shares are a non-compliant security in accordance with the requirements of SECP Circular N0.36 of 2009.

* The above portfolio includes shares with an aggregating market value of Rs.9.82 million (2015: Rs.9.36 million) which have been pledged with the National Clearing Company of Pakistan Limited as security against settlement of the Fund's trading in accordance with the terms of Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

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

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


Chief Executive Officer


Director

CONDENSED INTERIM STATEMENT OF INVESTMENT PORTFOLIO (UN-AUDITED) AS AT SEPTEMBER 30, 2015

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

Name of the Investee company						---Balance as at September 30, 2015---			Market value as a % of net assets of the sub fund	% of paid up capital of the investee company
	As at July 1, 2015	Purchases during the period	Bonus / Right issue during the period	Sales during the period	As at September 30, 2015	Carrying Value	Market value	Appreciation / (Diminution)		
(-----Number of shares-----)					-----Rupees-----			%	%	
OIL & GAS EXPLORATION COMPANIES										
Mari Petroleum Company	400	-	-	-	400	187,440	145,272	(42,168)	0.06	0.01
Pakistan Petroleum Limited	203	-	-	-	203	33,345	24,185	(9,160)	0.01	0.02
						220,785	169,457	(51,328)	0.07	
OIL AND GAS MARKETING COMPANIES										
Pakistan State Oil Company Limited	63	-	-	-	63	24,305	18,169	(6,136)	0.01	0.00
Shell Pakistan Limited	600	-	-	-	600	151,776	117,510	(34,266)	0.05	0.01
						176,081	135,679	(40,402)	0.06	
CONSTRUCTION AND MATERIALS										
Attock Cement Pakistan Limited	112	-	-	-	112	21,347	19,580	(1,767)	0.01	0.02
Maple Leaf Cement Limited	126,000	-	-	101,500	24,500	1,924,720	1,679,230	(245,490)	0.74	0.03
						1,946,067	1,698,810	(247,257)	0.75	
FERTILIZER										
Engro Corporation Limited	5,000	-	-	4,000	1,000	296,800	298,380	1,580	0.13	0.00
Fauji Fertilizer Company Limited	2,000	-	-	-	2,000	298,840	246,900	(51,940)	0.11	0.03
						595,640	545,280	(50,360)	0.24	
CHEMICALS										
Colgate-Palmolive	2,580	-	-	-	2,580	3,913,860	3,483,000	(430,860)	1.54	0.00
						3,913,860	3,483,000	(430,860)	1.54	
GLASS & CERAMICS										
Ghani Glass Limited	77,500	-	-	-	77,500	6,727,775	7,750,000	1,022,225	3.42	0.00
						6,727,775	7,750,000	1,022,225	3.42	
General industrials										
** Thal Limited	20,900	-	-	-	20,900	5,965,487	5,287,700	(677,787)	2.34	0.02
						5,965,487	5,287,700	(677,787)	2.34	
AUTOMOBILE AND PARTS										
Pak Suzuki Motor Company Limited	8,100	-	-	-	8,100	3,530,871	3,358,017	(172,854)	1.48	0.01
						3,530,871	3,358,017	(172,854)	1.48	
PHARMA AND BIO TECH										
IBL HealthCare Limited	28,000	-	-	-	28,000	3,192,000	4,530,120	1,338,120	2.00	0.00
						3,192,000	4,530,120	1,338,120	2.00	
PERSONAL GOODS										
Bata Pakistan	2,260	-	-	-	2,260	8,437,574	6,712,426	(1,725,148)	2.97	0.03
						8,437,574	6,712,426	(1,725,148)	2.97	
ELECTRICITY										
* The Hub Power Company Limited	18,984	-	-	5,000	13,984	1,308,483	1,373,870	65,387	0.61	0.01
						1,308,483	1,373,870	65,387	0.61	
Total for Equity Sub-Fund	292,702	-	-	110,500	182,202	36,014,623	35,044,359	(970,264)	15.48	
									-----Total-----	
									Un audited Audited	
									September 30, June 30, 2015	
									2015	
									-----Rupees-----	
									35,044,359 45,643,550	

Market value

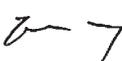
** These have a face value of Rs.5 per share

* The above portfolio includes shares with an aggregating market value of Rs.9.82 million (2015: Rs.9.36 million) which have been pledged with the National Clearing Company of Pakistan Limited as security against settlement of the Fund's trading in accordance with the terms of Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

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

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


Chief Executive Officer


Director

**STATEMENT OF OTHER INVESTMENTS
AS AT SEPTEMBER 30, 2015**

**PIPF DEBT SUB-FUND
GOVERNMENT IJARAH SUKUK**

Name of Investments	Face value				As at September 30, 2015			% of net assets
	As at July 1, 2015	Purchases during the year	Sales / Matured during the year	As at September 30, 2015	Cost	Market value	Appreciation/Diminution	
	----- Rupees -----							%
'At fair value through profit or loss'								
Government Ijarah Sukuk (3 years)	125,850,000	10,200,000	2,000,000	134,050,000	134,705,940	134,550,380	(155,560)	91.49
'Available for sale' investments								
Government Ijarah Sukuk (3 years)	-	-	-	-	-	-	-	-
	125,850,000	10,200,000	2,000,000	134,050,000	134,705,940	134,550,380	(155,560)	91.49

Total	
Un audited September 30, 2015	Audited June 30, 2015
-----Rupees-----	
134,550,380	126,435,240

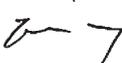
Market Value

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



Chief Executive Officer

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



Director

STATEMENT OF OTHER INVESTMENTS AS AT SEPTEMBER 30, 2015

PIPF DEBT SUB-FUND
SUKUK CERTIFICATES

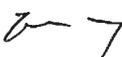
Name of the Investee Company	Issue date	Number of certificates				As at September 30, 2015			Market value as % of net assets of the sub-fund	Market value as % of total Investments	Percentage in relation to the size of the issue
		As at July 1, 2015	Purchases during the year	Sales during the year	As at September 30, 2015	Cost	Market value	(Diminution)			
-----Rupees-----											
'Available for sale' investments											
Pak Electron Limited - SUKUK (28-09-2007)	28-Sep-07	550	-	-	550	982,139	-	-	0.00	0.00	0.10
						982,139	-	-			

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



Chief Executive Officer

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



Director

**STATEMENT OF OTHER INVESTMENTS
AS AT SEPTEMBER 30, 2015**

**PIPF MONEY MARKET SUB-FUND
GOVERNMENT IJARAH SUKUK**

Name of Investments	Face value			As at September 30, 2015			% of net assets	
	As at July 1, 2015	Purchases during the year	Sales / Matured during the year	As at September 30, 2015	Cost	Market value		Appreciation
----- Rupees -----								
'At fair value through profit or loss'								
Government Ijarah Sukuk (3 years)	64,200,000	-	-	64,200,000	64,533,850	64,442,200	(91,650)	96.14
'Available for sale' investments								
Government Ijarah Sukuk (3 years)	-	-	-	-	-	-	-	-
	64,200,000	-	-	64,200,000	64,533,850	64,442,200	(91,650)	96

Total	
Un audited September 30, 2015	Audited June 30, 2015
----- Rupees -----	
64,442,200	64,533,850

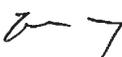
Market Value

The annexed notes form an integral part of this 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 SEPTEMBER 30, 2015**

Contributions net of front end fee	Quarter ended September 30, 2015							Quarter ended September 30, 2014
	PIPF Equity Sub-Fund		PIPF Debt Sub-Fund		PIPF Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
Opening balance	608,837	101,351,664	778,247	105,529,670	412,078	45,528,725	252,410,059	202,230,061
Individuals - issue of units	59,236	22,855,960	120,652	21,674,117	16,078	2,655,777	47,185,854	7,556,827
- redemption of units	(34,488)	(12,984,863)	(83,080)	(14,906,454)	(23,063)	(3,799,760)	(31,691,078)	(3,836,837)
	24,748	9,871,096	37,572	6,767,663	(6,985)	(1,143,983)	15,494,776	3,719,991
Closing balance	633,585	111,222,760	815,819	112,297,333	405,093	44,384,742	267,904,835	205,950,052

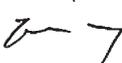
----- Rupees -----

The annexed notes form an integral part of this 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 SEPTEMBER 30, 2015**

	Quarter ended September 30, 2015		
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund
	----- No of units -----		
Total units outstanding at the beginning of the period	608,837	778,247	412,078
Add: Units issued during the period	59,236	120,652	16,078
Less: Units redeemed during the period	(34,488)	(83,080)	(23,063)
Total units in issue at the end of the period	<u>633,585</u>	<u>815,819</u>	<u>405,093</u>

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



 Chief Executive Officer

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



 Director

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 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. Effective date from 30 September 2014, CDC has been appointed as the trustee of the fund.
- 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** The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM2+ dated April 07, 2015 to the Management Company
- 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 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. The disclosures made in this condensed interim financial information 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.

- 2.2** This condensed interim financial information comprise of the condensed interim balance sheet as at September 30, 2015 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 statement of other investments, condensed interim contribution table, condensed interim statement of number of units in issue and notes thereto for quarter ended September 30, 2015.
- 2.3** The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2015 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2015, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the quarter ended 30 September 2014.
- 2.4** This condensed interim financial information are unaudited and should be read in conjunction with the financial statements of the Fund for the year ended September 30, 2015.

3 SIGNIFICANT ACCOUNTING POLICIES

- 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, 2015.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

3.2 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 result in change to the Fund's operation or a change in accounting policies of the Fund.

4 ESTIMATES AND JUDGEMENTS

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, the significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2015.

5 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2015.

-----Unaudited-----				Audited
As at September 30, 2015				As at June 30, 2015
PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
-----Rupees-----				

6 BALANCES WITH BANKS

Current accounts	1,912,392	-	-	1,912,392	18,926,952
Saving accounts	3,201,173	12,037,515	2,195,743	17,434,432	21,332,652
	5,113,566	12,037,515	2,195,743	19,346,824	40,259,604

7 DEPOSITS AND OTHER RECEIVABLES

-----Unaudited-----				Audited	
As at September 30, 2015				As at June 30, 2015	
PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total		
-----Rupees-----					
Security deposit - Central Depository	201,000	200,000	100,000	501,000	501,000
Security deposit - National Clearing	2,500,000	-	-	2,500,000	2,500,000
Other receivable	10,000	10,000	10,000	30,000	30,000
Advance Tax	71,236	-	-	71,236	-
Receivable from sub-funds	-	-	-	-	-
Receivable against issue of units	-	-	-	-	-
Receivable against sale of Investments	-	-	-	-	-
	2,782,236	210,000	110,000	3,102,236	3,031,000

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	-----Unaudited-----				Audited
	As at September 30, 2015				As at June 30, 2015
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
	-----Rupees-----				
8 OTHER LIABILITIES					
Provision for federal excise duty on remuneration of Pension Fund Manager (note 8.1)	949,838	714,518	409,339	2,073,695	1,763,348
Workers Welfare Fund (note 8.2)	2,205,933	329,007	166,353	2,701,293	2,701,293
Donation / charity	179,830	-	-	179,830	126,908
Professional fee	-	-	-	-	-
Others	129,580	265	232	130,077	183,936
	<u>3,465,182</u>	<u>1,043,791</u>	<u>575,924</u>	<u>5,084,896</u>	<u>4,775,485</u>

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 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. 2.073 million as at September 30, 2015 (2015: Rs. 1.763 million). 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.1.50 per unit (2015: Rs.1.28 per unit) in respect of equity sub-fund, Re.0.88 per unit (2015: Re.0.79 per unit) in respect of debt sub-fund and Rs.1.01 per unit (2015: Re.0.88 per unit) in respect of money market sub-fund as at September 30, 2015.

8.2 Provision For 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 was held that the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 do not suffer from any constitutional or legal infirmity.

The Pension Fund Manager as a matter of abundant caution 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. 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.3.48 per unit, Re.0.40 per unit and Re.0.41 per unit for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively.

During the year 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 STATEMENTS (UN-AUDITED)
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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 were declared as 'Ultra Vires'.

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

The Finance Act, 2015 has excluded mutual funds and Collective Investment Schemes (CISs) from the definition of 'industrial establishment' subject to WWF under WWF Ordinance, 1971. Accordingly, no provision for WWF is made from July 01, 2015 onwards. However, provision made from May 10, 2013 to June 30, 2015 has not been reversed as the above lawsuit is pending in the SHC.

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

	-----Unaudited-----				Audited
	As at September 30, 2015				As at June 30, 2015
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
	-----Rupees-----				
Market Value	184,527,139	-	-	184,527,139	162,255,810
Average Cost	(194,764,984)	982,139	-	(193,782,846)	(153,918,966)
	(10,237,845)	982,139	-	(9,255,707)	8,336,844
Impairment loss					
Opening	-	-	-	-	-
Charged during the period	-	-	-	-	74,760
Derecognised on sale of investments	-	-	-	-	-
	-	-	-	-	74,760
Net unrealised diminution in value of investment at the end of the period	(10,237,845)	982,139	-	(9,255,707)	8,411,604
Provision against non performing debt securities					
Opening	-	1,178,568	-	1,178,568	1,093,601
Less: Reversal during the period	-	196,429	-	196,429	1,703,060
	-	982,139	-	1,374,997	2,796,661
Net unrealised diminution in value of investment at the beginning of the period	(9,348,064)	-	-	(9,348,064)	(106,800)
	(19,585,909)	-	-	(17,228,774)	11,101,465

10 TAXATION

The income of Pakistan Pension Fund is exempt from tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Further, through Finance Act, 2011, effective from July 01, 2011, pension funds are included in the list of entities on which the provisions of section 113 regarding minimum tax shall not apply.

11 EARNINGS PER UNIT

Earnings per unit (EPU) for the quarter ended September 30, 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:

	Quarter ended September 30, 2015		
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund
Weighted average number of units	635,240	783,955	404,614
Net income after taxation (Rupees)	4,207,235	1,772,213	670,762
Earnings per unit	6.62	2.26	1.66

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	Quarter ended September 30, 2014		
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund
Weighted average number of units	493,640	701,329	441,630
Net income after taxation (Rupees)	4,844,573	629,394	380,884
Earnings per unit	9.81	0.90	0.86

12 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include MCB-Arif Habib Savings and Investments Limited being the Pension Fund Manager and MCB Bank Limited being the Holding Company of MCB-Arif Habib Savings and Investments Limited, Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Pension Fund Manager as Management Company and directors and executives of the Pension Fund Manager.

The transactions with connected persons are in the normal course of business and are carried out on agreed terms.

Remuneration payable to the Pension Fund Manager and the Trustee is determined in accordance with the provisions of the VPS Rules and the Trust Deed respectively.

12.1 Transactions during the period

-----Unaudited-----				
Quarter ended September 30, 2015				Quarter ended September 30, 2014
PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
-----Rupees-----				

**MCB - Arif Habib Savings and Investments Limited
Pension Fund Manager**

Remuneration (include indirect taxes)	1,215,499	701,942	332,569	2,250,010	1,642,175
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Habib Metropolitan Bank Limited -Trustee

Remuneration	-	-	-	-	149,567
Profit earned during the period	-	-	-	-	251,754
Bank Charges	-	-	-	-	1,238

**Central Depository Company
Limited - Trustee**

Remuneration	104,783	60,511	28,672	193,965	-
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* Arif Habib Limited Brokerage	7,300	-	-	7,300	-
* Next Capital Brokerage	11,076	-	-	11,076	-

Directors and Officers

Issue of PIPF Equity sub - fund 804 units (2014: 1,439 units)	301,150	-	-	301,150	390,466
Issue of PIPF Debt sub - fund 3,053 units (2014: 1,395 units)	-	549,637	-	549,637	238,245
Issue of PIPF Money Market sub - fund 449 units (2014: 585 units)	-	-	74,135	74,135	91,863
Redemption of PIPF Equity sub - fund 2,373 units (2014: 1,856 units)	890,418	-	-	890,418	515,891
Redemption of PIPF Debt sub - fund 1,592 units (2014: 879 units)	-	286,439	-	286,439	150,210
Redemption of PIPF Money Market sub - fund 302 units (2014: 58 units)	-	-	49,828	49,828	9,026

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

12.2 Amounts outstanding as at the period end

-----Unaudited-----				
As at September 30, 2015				June 30, 2015 (Audited)
PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	

-----Rupees-----

**MCB - Arif Habib Savings and Investments Limited
Pension Fund Manager**

Remuneration payable	286,862	177,192	82,276	546,330	531,363
Sindh sales tax payable	40,161	24,807	11,518	76,486	79,705

Investment in seed capital 305,160 units (June 30, 2015: 305,160 units)	109,027,550	-	-	109,027,550	116,627,601
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Investment in seed capital 300,000 units (June 30, 2015: 300,000 units)	-	54,078,000	49,638,000	103,716,000	102,594,783
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Legal and professional charges	-	-	-	-	100,000
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**Central Depository Company
Limited - Trustee**

Remuneration Payable	32,702	20,199	9,379	62,281	53,137
Security deposit	201,000	200,000	100,000	501,000	501,000

* Arif Habib Limited Brokerage - Payable	-	-	-	-	1,500
* Next Capital Brokerage - Payable	11,076	-	-	11,076	3,346

Directors and Officers

Balance as at September 30, 2015

Investment in PIPF Equity sub - fund 16,929 units (June 30, 2015: 15,372 units)	6,048,292	-	-	6,048,292	5,874,984
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Investment in PIPF Debt sub - fund 20,726 units (June 30, 2015: 16,770 units)	-	3,736,054	-	3,736,054	2,987,737
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Investment in PIPF Money Market sub - fund 3,796 units (June 30, 2015: 3,317 units)	-	-	628,049	628,049	543,415
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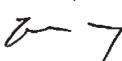
13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on **October 16, 2015** by the Board of Directors of the Pension Fund Manager.

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



Chief Executive Officer



Director

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