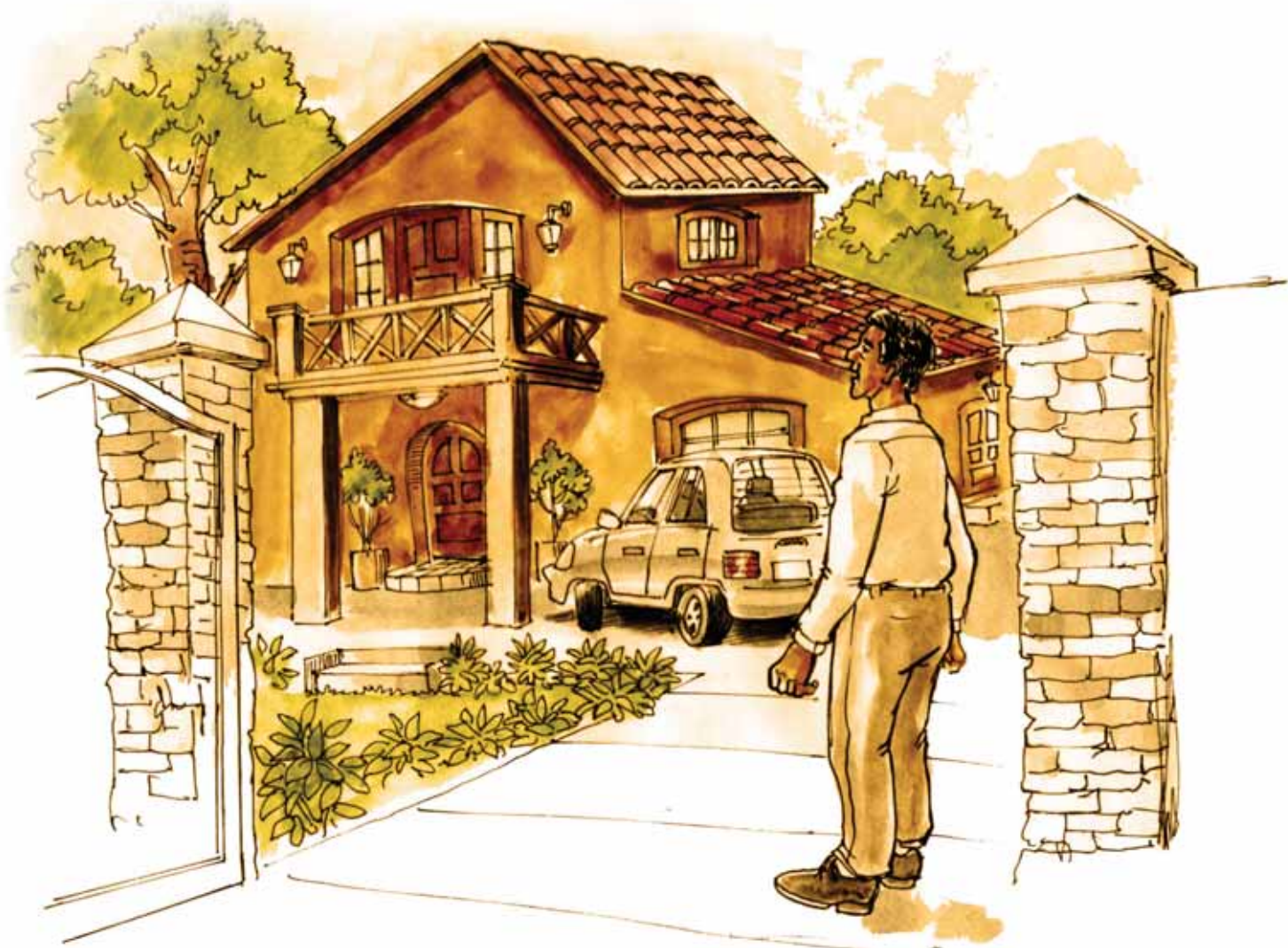


**Half Year Report**  
**December 31, 2015**  
**(Unaudited)**



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.

# **PAKISTAN ISLAMIC PENSION FUND**

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## FUND'S INFORMATION

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<b>Management Company</b>	MCB-Arif Habib Savings and Investments Limited 24 <sup>th</sup> Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near K.P.T. Interchange, Karachi.	
<b>Board of Directors</b>	Mian Mohammad Mansha	Chairman
	Mr. Nasim Beg	Executive Vice Chairman
	Dr. Syed Salman Ali Shah	Director
	Mr. Haroun Rashid	Director
	Mr. Ahmed Jahangir	Director
	Mr. Samad A. Habib	Director
	Mr. Mirza Mahmood Ahmad	Director
<b>Audit Committee</b>	Mr. Haroun Rashid	Chairman
	Mr. Ahmed Jahangir	Member
	Mr. Samad A. Habib	Member
<b>Human Resource &amp; Remuneration Committee</b>	Dr. Syed Salman Ali Shah	Chairman
	Mr. Nasim Beg	Member
	Mr. Haroun Rashid	Member
	Mr. Ahmed Jehangir	Member
<b>Company Secretary &amp; Acting Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Financial Officer</b>	Mr. Asif Mehdi	
<b>Trustee</b>	Central Depository Company of Pakistan Limited CDC House, 99-B Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi-74400	
<b>Bankers</b>	Habib Bank Limited Habib Metropolitan Bank Limited United Bank Limited Dubai Islamic Bank Limited Meezan Bank Limited	
<b>Auditors</b>	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road, P.O. Box. 15541, Karachi, Sindh-75530, Pakistan	
<b>Legal Advisor</b>	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area, Phase VI, DHA, Karachi.	
<b>Transfer Agent</b>	MCB-Arif Habib Savings and Investments Limited 24 <sup>th</sup> Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near K.P.T. Interchange, Karachi.	
<b>Rating</b>	AM2 + Asset Manager Rating assigned by PACRA	

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 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 half ended December 31st, 2015.

## ECONOMY AND MONEY MARKET OVERVIEW

Overall economic score card continued to gather stability with the significant drop in Int'l Crude Oil Prices. Inflation continued to soften despite a small portion of recent decline in oil prices is passed through as other commodity prices and overall food sector also contributed to the overall slowdown. Recent drop in crude oil has deferred the earlier anticipated uptick in inflation as the full year FY16 average inflation is now expected to remain below 3%.

External account continued to remain stable where Petroleum Group Imports during the 1HFY16 are lower by approx 39% compared to 1HFY15. However, sizeable increase in imports of food and machinery groups and a significant decline in exports (down 14.5% in 1HFY15 YoY) shaved off approximately the two third of the benefit of drop oil prices. Suffering from weak global demand and relative in-competitiveness the decline was most visible in the other manufacturing sector followed by food and textile sectors. Overall Balance of payment account reported a surplus of near USD 1.5 billion supported by a narrower current account and inflows in financial account. Overall positive external account impact and strong foreign exchange reserves balance of near USD 20.76 Billion alongwith strict vigilance of SBP kept the rupee relatively stable.

M2 growth returned to positive territory on FY16 to date basis (25-Dec) which reflects the seasonal adjustment where Net Domestic Assets continually supported by a net government borrowing of about PKR 95 billion with a contribution from Net Financial Asset of PKR 168 billion. Money markets remained optimistic about further cut in discount rate and its sustainability in later half of the year. Yield Curve has thus recently witnessed a slight increase in slope with longer dated bonds remaining relatively less responsive to the expected change in policy rate.

## EQUITIES MARKET OVERVIEW

The local equity market measured by KSE-100 Index retreated 4.6% during 1HFY15 as it could not bear the brunt of the rout in commodities and global equities. Even a cut in discount rate could not trigger a boost in investor's confidence, as continuous foreign selling forced the local investors to remain cautious. Foreigners sold US\$ 240 million of equities during the period which were primarily absorbed by Companies (US\$ 64.7 million), NBFCs (US\$ 63.4 million) and Individuals (US\$ 52.0 million).

Oil & Gas and Commercial Banks, with a major weight in the index, remained laggards during the period. The market cap of Oil & Gas sector plunged by 26% during the period after the collapse of crude oil, with regional benchmark Arab Light, falling by 49%. Similarly, Commercial banks lost 5% during the period after the central bank reduced the discount rate by 50 bps while the outlook for inflation continues to remain benign.

On the flip side, Pharmaceuticals and Construction & Material remained top performers. Pharmaceuticals gained 20% during the period, after Drug Regulatory Authority of Pakistan ("DRAP") approved the pricing formula for the sector. Alongside, bumper results posted by the pharmaceutical companies boosted investor's sentiment in the sector. Construction and Materials sector also managed to garner investor attention as local dispatches witnessed double digit growth. Moreover, the outlook for infrastructure plays remains robust as flows from China Pakistan Economic Corridor ("CPEC") materialize. The weak performance of commodity prices has hit the major sectors at the bourse as the effect is not limited to Oil. Spillover of weak inflation on banks may continue to keep the sector performance in check.

## FUND PERFORMANCE

### Debt Fund

The debt sub-fund generated an annualized return of 5.02% during the period under review. The sub-fund's exposure from GoP Ijarah Sukuk increased to 97.9% from 90.3%.

The Net Assets of the Fund as at December 31, 2015 stood at Rs. 150.93 million as compared to Rs. 138.65 million as at June 30, 2015 registering an increase of 8.9%.

The Net Asset Value (NAV) per unit as at December 31, 2015 was Rs. 182.67 as compared to opening NAV of Rs. 178.16 per unit as at June 30, 2015 registering an increase of Rs. 4.51 per unit.

### Money Market Fund

The money market sub-fund generated an annualized return of 2.53% during the period under review. The sub-fund decreased its exposure in GoP Ijarah Sukuks, which at period end stood at around 38.5%. Simultaneously the fund increased exposure in cash to 61.1% from 4.2% at the beginning of the period.



## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

The Net Assets of the Fund as at December 31, 2015 stood at Rs. 64.82 million as compared to Rs. 67.51 million as at June 30, 2015 registering a decrease of 3.98%.

The Net Asset Value (NAV) per unit as at December 31, 2015 was Rs. 165.91 as compared to opening NAV of Rs. 163.82 per unit as at June 30, 2015 registering an increase of Rs. 2.09 per unit.

### Equity Fund

The Equity sub-fund generated a return of -1.73% while the KSE-100 posted a return of -4.6%. The sub-fund increased exposure to equities from 87.9% to 90.2% during the period.

The Net Assets of the Fund as at December 31, 2015 stood at Rs. 244.57 million as compared to Rs. 232.69 million as at June 30, 2013 registering an increase of 5.11%.

The Net Asset Value (NAV) per unit as at December 31, 2015 was Rs. 375.56 as compared to opening NAV of Rs. 382.19 per unit as at June 30, 2015 registering a decrease of Rs. 6.63 per unit.

### FUTURE OUTLOOK

Crude Oil Prices have created space on fiscal account with lower subsidies and debt servicing burden however major reforms for resolution of circular debt are yet missing which in turn is leaving the chronic issue unresolved. On the other hand, the weak economic outlook of GCC region and Saudi Arabia opens up a potential risk to flow of remittances which contribute more than 60% to the total. Weak exports and potentially weak remittances can be a significant threat to overall stable economic environment and more importantly the exchange rate. Despite real positive interest rates and weak inflationary outlook, we think the emerging risks to current account shall weigh on any considerations for significant monetary easing.

The short term macro stability is expected to provide favorable environment for economic activities to pick up. The average Consumer Price Index is expected to remain around 3% for the year with the second half of fiscal year inflation expected to average around 4%. We expect the inflation to gradually pick up but it is expected to remain well anchored next year assuming oil prices remain at lower levels.

Budgeted target for economic growth appear achievable while fiscal deficit may marginally exceed due to challenges in revenue collection despite significant reduction in subsidies.

The China Pakistan Economic Corridor is expected to provide much needed impetus to growth with \$46 billion program expected to spur activity in the construction and power space which would have its trickle down affects. However, the current account is expected to worsen with import bill increasing in the short term along with the Foreign Direct Investment inflows. Profit repatriation in the long term would also be a concern for the balance of payments position.

Pakistan being in an economic expansionary cycle amid better positioning due to lower oil prices (oil centric import bill), lower/stable interest rate environment along with growth trigger in the form China Pakistan Economic Corridor would fare better compared to other Emerging Market economies. The \$46 billion program is expected to favour the construction and allied industrial sectors. Banking sector is also expected to be beneficiary of strong advances growth in a stable interest rate environment. The index heavy sectors are expected to gain lime light in second half of the calendar year with the bottoming out of crude oil prices and interest rate easing cycle. However, the volatility in global markets lead by slow down in Chinese economy and redemption pressures on emerging market funds would keep the short term market performance in check. But we reiterate our stance of no fundamental weakness in the market with the market premium over the risk free rate increasingly attractive due to recent underperformance.

### 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,



**Saqib Saleem**  
Acting Chief Executive Officer

February 04, 2016

# AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION



Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants  
Progressive Plaza, Beaumont Road  
P.O. Box 15541, Karachi 75530  
Pakistan

Tel: +9221 3565 0007-11  
Fax: +9221 3568 1965  
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ey.com/pk

## AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

### Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Pakistan Islamic Pension Fund** (the Fund) as at **31 December 2015**, the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Statement of Cash Flows, condensed interim Statement of Movement in Participants' Sub-Funds, condensed interim Statement of Investments by Category, condensed interim Statement of Investments Portfolio, condensed interim Statement of other investments, condensed interim Contribution Table and condensed interim Statement of Number of Units in Issue and notes to the accounts for the half year then ended (here-in-after referred to as "interim financial information"). The Pension Fund Manager is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



**AUDITORS' REPORT TO THE UNIT HOLDERS ON  
REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

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**Emphasis of matter**

We draw attention to note 9.1 to the accompanying condensed interim financial statements which explains the contingency with respect to the contribution for Workers' Welfare Fund aggregating to Rs.1.295 million for which no provision has been made in the financial statements.

Our conclusion is not qualified in respect of the above matter.

A handwritten signature in black ink, appearing to read "Ernst &amp; Young Shabbir Yunus", is written over a horizontal line. The signature is fluid and cursive.

**Chartered Accountants**

**Engagement Partner: Shabbir Yunus**

**Date: 04 February 2016**

**Karachi**


A member firm of Ernst & Young Global Limited

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2015**

		----- (Un-Audited) -----				
		December 31, 2015				(Audited)
	Note	Equity sub fund	Debt sub fund	Money market sub fund	Total	June 30, 2015
		----- (Rupees) -----				
<b>Assets</b>						
Balances with banks	5	20,810,181	2,506,539	41,917,832	65,234,552	40,259,604
Investments (as per condensed interim statement of investments by category)		225,710,024	151,150,500	26,424,300	403,284,824	398,903,530
Dividend receivable		571,000	-	-	571,000	581,473
Profit receivable		253	577,631	147,541	725,425	2,131,538
Deposits and other receivables	6	2,778,213	210,000	110,000	3,098,213	3,055,209
<b>Total assets</b>		<b>249,869,671</b>	<b>154,444,670</b>	<b>68,599,673</b>	<b>472,914,014</b>	<b>444,931,354</b>
<b>Liabilities</b>						
Payable to Pension Fund Manager	7	351,787	219,148	97,940	668,875	711,068
Payable to Central Depository Company of Pakistan Limited - Trustee		35,179	21,914	9,794	66,887	53,137
Fee payable to the Securities and Exchange Commission of Pakistan - annual fee		40,701	24,338	11,224	76,263	123,317
Payable against purchase of investments		1,042,500	-	-	1,042,500	-
Payable against redemption of units		-	2,000,000	3,000,000	5,000,000	-
Accrued expenses and other liabilities	8	3,830,003	1,253,954	665,360	5,749,317	5,195,485
<b>Total liabilities</b>		<b>5,300,170</b>	<b>3,519,354</b>	<b>3,784,318</b>	<b>12,603,842</b>	<b>6,083,007</b>
<b>Net assets</b>		<b>244,569,501</b>	<b>150,925,316</b>	<b>64,815,355</b>	<b>460,310,172</b>	<b>438,848,347</b>
Participants' sub funds (as per condensed interim Statement of Movement in Participants' Sub Funds)		<u>244,569,501</u>	<u>150,925,316</u>	<u>64,815,355</u>		
		----- Number of units -----				
<b>Number of units in issue</b>		<u>651,207</u>	<u>826,206</u>	<u>390,669</u>		
		----- (Rupees) -----				
<b>Net assets value per unit</b>		<u>375.56</u>	<u>182.67</u>	<u>165.91</u>		
<b>Contingencies and commitments</b>	9					

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

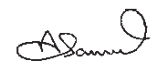
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	Note	Half year ended December 31, 2015			Half year ended December 31, 2014
		Equity sub fund	Debt sub fund	Money market sub fund	Total
(Rupees)					
<b>Income</b>					
Net capital gain on sale of investments					
'available-for-sale'		3,162,973	-	-	3,162,973
'at fair value through profit or loss - held-for-trading'		172,801	189,400	40,730	402,931
Dividend income on shares					
'available-for-sale'		4,614,900	-	-	4,614,900
'at fair value through profit or loss - held-for-trading'		863,500	-	-	863,500
Income from Government Securities					
'at fair value through profit or loss - held-for-trading'		-	3,171,687	1,415,186	4,586,873
Income from sukuk certificates - 'available-for-sale'		-	54,462	-	54,462
Profit on bank and other deposits		84,815	455,322	188,461	728,598
Unrealised gain on revaluation of investments 'at fair value through profit or loss - held-for-trading' - net		3,026,786	1,103,740	(1,290)	4,129,236
Reversal of provision against debt securities		-	392,858	-	392,858
<b>Total income</b>		<b>11,925,775</b>	<b>5,367,469</b>	<b>1,643,087</b>	<b>18,936,331</b>
<b>Expenses</b>					
Remuneration of Pension Fund Manager	11	1,830,684	1,094,745	504,847	3,430,276
Sindh sales tax and federal excise duty on remuneration of Pension Fund Manager		590,213	352,945	162,763	1,105,921
Remuneration of Central Depository Company Limited - Trustee		183,068	109,473	50,485	343,026
Sales tax on remuneration of trustee	12	25,628	15,326	7,070	48,024
Annual fee - Securities and Exchange Commission of Pakistan (SECP)		40,701	24,339	11,224	76,264
Auditors' remuneration		167,295	103,775	49,540	320,610
Custody and settlement charges		145,750	3,350	-	149,100
Securities transaction cost		127,040	4,533	2,394	133,967
Provision for Workers' Welfare Fund		-	-	-	627,600
Impairment loss on available-for-sale investment		657,470	-	-	657,470
Bank charges		3,008	14,662	11,383	29,053
Donation and charity expense		91,502	-	-	91,502
<b>Total expenses</b>		<b>3,862,359</b>	<b>1,723,148</b>	<b>799,706</b>	<b>6,385,213</b>
<b>Net income from operating activities</b>		<b>8,063,416</b>	<b>3,644,321</b>	<b>843,382</b>	<b>12,551,118</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed:					
arising from capital gain and unrealised gain		1,057,553	(25,826)	(12,900)	1,018,827
arising from other income		(43,998)	168,389	(8,223)	116,168
<b>Net income for the period before taxation</b>		<b>9,076,971</b>	<b>3,786,884</b>	<b>822,259</b>	<b>13,686,113</b>
Taxation	13	-	-	-	-
<b>Net income for the period after taxation</b>		<b>9,076,971</b>	<b>3,786,884</b>	<b>822,259</b>	<b>13,686,113</b>
<b>Earnings per unit</b>	14	<b>14.13</b>	<b>4.68</b>	<b>2.02</b>	

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED DECEMBER 31, 2015**

	Note	Quarter ended December 31, 2015				Quarter ended December 31, 2014
		Equity sub fund	Debt sub fund	Money market sub fund	Total	
----- (Rupees) -----						
<b>Income</b>						
Net capital (loss) / gain on sale of investments						
'available-for-sale'		(242,673)	-	-	(242,673)	-
'at fair value through profit or loss - held-for-trading'		524,694	190,000	40,730	755,424	11,013,231
Dividend income on shares						
'available-for-sale'		1,996,300	-	-	1,996,300	-
'at fair value through profit or loss - held-for-trading'		606,012	-	-	606,012	2,114,051
Income from Government Securities						
'at fair value through profit or loss - held-for-trading'		-	818,164	282,414	1,100,578	4,201,885
Income from sukuk certificates - 'available-for-sale'		-	24,755	-	24,755	35,410
Profit on bank and other deposits		31,630	408,331	174,803	614,764	211,921
Unrealised gain on revaluation of investments						
'at fair value through profit or loss-held-for-trading'		3,997,132	1,259,300	90,360	5,346,792	8,839,265
Reversal of provision against debt securities		-	196,429	-	196,429	-
<b>Total income</b>		<b>6,913,095</b>	<b>2,896,979</b>	<b>588,307</b>	<b>10,398,381</b>	<b>26,415,763</b>
<b>Expenses</b>						
Remuneration of Pension Fund Manager	11	911,523	563,936	253,358	1,728,817	1,164,233
Sindh sales tax and federal excise duty on remuneration of Pension Fund Manager		293,875	181,812	81,683	557,370	598,680
Remuneration of Central Depository Company Limited - Trustee		91,154	56,393	25,333	172,880	128,987
Sales tax on remuneration of trustee	12	12,760	7,895	3,549	24,204	-
Annual fee - Securities and Exchange Commission of Pakistan (SECP)		20,256	12,532	5,630	38,418	29,367
Auditors' remuneration		85,457	53,338	24,367	163,162	148,981
Custody and settlement charges		3,993	597	-	4,590	408,727
Securities transaction cost		127,040	4,533	2,394	133,967	-
Provision for Workers' Welfare Fund		-	-	-	-	508,113
Impairment loss on available-for-sale investments		657,470	-	-	657,470	-
Bank charges		2,364	12,267	11,359	25,990	17,560
Donation and charity expense		38,580	-	-	38,580	48,240
<b>Total expenses</b>		<b>2,244,472</b>	<b>893,303</b>	<b>407,673</b>	<b>3,545,448</b>	<b>3,052,888</b>
<b>Net income from operating activities</b>		<b>4,668,623</b>	<b>2,003,676</b>	<b>180,634</b>	<b>6,852,933</b>	<b>23,362,875</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed:						
arising from capital gain and unrealised gain		132,509	(28,809)	(11,889)	91,811	(910,979)
arising from other income		68,601	39,804	(17,247)	91,158	2,445,690
<b>Net income for the period before taxation</b>		<b>4,869,733</b>	<b>2,014,671</b>	<b>151,498</b>	<b>7,035,902</b>	<b>24,897,586</b>
Taxation	13	-	-	-	-	-
<b>Net income for the period after taxation</b>		<b>4,869,733</b>	<b>2,014,671</b>	<b>151,498</b>	<b>7,035,902</b>	<b>24,897,586</b>
<b>Earnings per unit</b>	14	<b>7.57</b>	<b>2.44</b>	<b>0.37</b>		

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	Half year ended December 31, 2015				Half year ended December 31, 2014
	Equity Sub Fund	Debt Sub Fund	Money market Sub Fund	Total	
Note	----- (Rupees) -----				
Net income for the period	9,076,971	3,786,884	822,259	13,686,114	30,766,594
<b>Other comprehensive income</b>					
Items to be reclassified to profit or loss in subsequent periods					
Net unrealised gain on revaluation of available-for-sale investments	10 (7,727,368)	-	-	(7,727,368)	1,177,307
Reclassification adjustment on sale / maturity of available- for-sale investments	(4,933,367)	-	-	(4,933,367)	-
	(12,660,735)	-	-	(12,660,735)	1,177,307
<b>Total comprehensive (loss) / income for the period</b>	<b>(3,583,764)</b>	<b>3,786,884</b>	<b>822,259</b>	<b>1,025,379</b>	<b>31,943,901</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED DECEMBER 31, 2015**

Note	Quarter ended December 31, 2015				Quarter ended December 31, 2014
	Equity Sub Fund	Debt Sub Fund	Money market Sub Fund	Total	
	----- (Rupees) -----				
Net income for the period	4,869,733	2,014,671	151,498	7,035,902	24,897,586
<b>Other comprehensive income</b>					
Items to be reclassified to profit or loss in subsequent periods					
Net unrealised gain on revaluation of available-for-sale investments	9,232,534	-	-	9,232,534	915,307
Reclassification adjustment on sale / maturity of available-for-sale investments	(2,307,360)	-	-	(2,307,360)	-
	6,925,174	-	-	6,925,174	915,307
<b>Total comprehensive income for the period</b>	<b>11,794,907</b>	<b>2,014,671</b>	<b>151,498</b>	<b>13,961,076</b>	<b>25,812,893</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.




# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Half year ended December 31, 2015				Half year ended December 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	9,076,971	3,786,884	822,259	13,686,114	30,766,594
<b>Adjustments for non cash items:</b>					
Net capital (gain) / loss on sale of investments classified as:					
'available-for-sale'	(3,162,973)	-	-	(3,162,973)	(11,522,061)
'at fair value through profit or loss - held-for-trading'	(172,801)	(189,400)	(40,730)	(402,931)	-
Unrealised (gain) / loss on revaluation of investments 'at fair value through profit or loss - held-for-trading' - net	(3,026,786)	(1,103,740)	1,290	(4,129,236)	(9,776,340)
Impairment loss on 'available-for-sale' investment	657,470	-	-	657,470	-
Reversal of provision against debt securities	-	(392,858)	-	(392,858)	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed:					
arising from capital gain and unrealised gain	(1,057,553)	25,826	12,900	(1,018,827)	747,662
arising from other income	43,998	(168,389)	8,223	(116,168)	(2,462,275)
	(6,718,645)	(1,828,561)	(18,317)	(8,565,523)	(23,013,014)
<b>(Increase) / decrease in assets</b>					
Investments - net	(24,731,229)	(23,029,262)	38,148,989	(9,611,502)	(32,541,008)
Dividend receivable	10,473	-	-	10,473	-
Profit receivable	4,142	798,722	603,249	1,406,113	(499,314)
Receivable against sale of investments	-	-	-	-	(9,134,500)
Deposits and other receivables	(43,004)	-	-	(43,004)	(230,001)
	(24,759,618)	(22,230,540)	38,752,238	(8,237,920)	(42,404,823)
<b>Increase / (decrease) in liabilities</b>					
Payable to Pension Fund Manager	(23,299)	(5,620)	(13,274)	(42,193)	92,771
Payable to the Trustee	7,136	5,128	1,486	13,750	(238)
Annual fee - SECP	(18,028)	(17,625)	(11,401)	(47,054)	(28,645)
Payable against purchase of securities	1,042,500	2,000,000	3,000,000	6,042,500	(455,010)
Provision for Workers' Welfare Fund	-	-	-	-	627,599
Accrued and other liabilities	362,070	140,593	51,170	553,833	743,894
	1,370,379	2,122,476	3,027,981	6,520,836	980,371
<b>Cash (used in) / generated from operating activities</b>	(21,030,913)	(18,149,741)	42,584,161	3,403,507	(33,670,872)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Receipt of contribution	30,362,547	26,901,868	4,161,543	61,425,958	41,119,083
Payment against redemptions	(13,884,113)	(18,272,790)	(7,697,614)	(39,854,517)	(25,555,759)
<b>Net cash generated from / (used in) financing activities</b>	16,478,434	8,629,078	(3,536,071)	21,571,441	15,563,324
<b>Net (decrease) / increase in cash and cash equivalent during the period</b>	(4,552,479)	(9,520,663)	39,048,090	24,974,948	(18,107,548)
Cash and cash equivalents at beginning of the period	25,362,660	12,027,202	2,869,742	40,259,604	38,618,632
<b>Cash and cash equivalents at end of the period</b>	20,810,181	2,506,539	41,917,832	65,234,552	20,511,084

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)


## FOR THE QUARTER ENDED DECEMBER 31, 2015

	Quarter ended December 31, 2015				Quarter ended
	Equity sub fund	Debt sub fund	Money market sub fund	Total	December 31, 2014
	----- (Rupees) -----				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net income before taxation	4,869,733	2,014,671	151,498	7,035,902	24,897,586
<b>Adjustments for non cash items:</b>					
Net capital (gain) / loss on sale of investments classified as:					(11,013,238)
'available-for-sale'	242,673	-	-	242,673	
'at fair value through profit or loss - held-for-trading'	(524,694)	(190,000)	(40,730)	(755,424)	
Unrealised (gain) / loss on revaluation of investments 'at fair value through profit or loss - held-for-trading' - net	(3,997,132)	(1,259,300)	(90,360)	(5,346,792)	(8,839,265)
Impairment loss on 'available-for-sale' investment	657,470	-	-	657,470	-
Reversal of provision against debt securities	-	(196,429)	-	(196,429)	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed:					
arising from capital gain and unrealised gain	(132,509)	28,809	11,889	(91,811)	910,979
arising from other income	(68,601)	(39,804)	17,247	(91,158)	(2,445,690)
	(3,822,793)	(1,656,724)	(101,954)	(5,581,471)	(21,387,214)
<b>Decrease / (increase) in assets</b>					
Investments - net	4,443,415	(14,954,389)	38,148,990	27,638,016	(24,944,138)
Dividend receivable	2,239,100	-	-	2,239,100	2,112,831
Profit receivable	8,376	1,024,843	844,655	1,877,874	792,497
Receivable against sale of investments	-	-	-	-	(9,134,500)
Deposits and other receivables	4,023	-	-	4,023	(130,001)
	6,694,914	(13,929,546)	38,993,645	31,759,013	(31,303,311)
<b>Increase / (decrease) in liabilities</b>					
Payable to Pension Fund Manager	24,764	17,149	4,146	46,059	32,607
Payable to the Trustee	2,477	1,715	415	4,607	(3,225)
Payable against purchase of securities	1,042,500	2,000,000	3,000,000	6,042,500	(455,010)
Annual fee SECP	20,256	12,530	5,630	38,416	131,128
Provision for Workers' Welfare Fund	-	-	-	-	508,113
Accrued and other liabilities	257,429	147,814	60,797	466,040	7,433,171
	1,347,426	2,179,208	3,070,988	6,597,622	7,646,784
<b>Cash generated from / (used in) operating activities</b>	9,089,280	(11,392,391)	42,114,177	39,811,066	(20,654,268)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Receipt of contribution	7,506,586	5,227,751	1,505,766	14,240,102	33,562,255
Payment against redemptions	(899,250)	(3,366,336)	(3,897,854)	(8,163,440)	(21,718,922)
<b>Net cash generated from / (used in) financing activities</b>	6,607,336	1,861,415	(2,392,088)	6,076,662	11,843,333
<b>Net increase / (decrease) in cash and cash equivalent during the period</b>	15,696,616	(9,530,976)	39,722,089	45,887,728	(8,810,935)
Cash and cash equivalents at beginning of the period	5,113,566	12,037,515	2,195,743	19,346,824	29,322,019
<b>Cash and cash equivalents at end of the period</b>	20,810,181	2,506,539	41,917,832	65,234,552	20,511,084

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

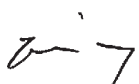
As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	Half year ended December 31, 2015				Half year ended December 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
Net assets at the beginning of period	232,688,386	138,651,917	67,508,044	438,848,347	321,257,091
Amount received on issue of units	30,362,547	26,901,868	4,161,543	61,425,958	41,119,083
Amount paid on redemption of units	(13,884,113)	(18,272,790)	(7,697,614)	(39,854,517)	(25,555,759)
	16,478,434	8,629,078	(3,536,071)	21,571,441	15,563,324
<b>Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net</b>					
Amount representing (income) / loss and realised capital (gains) / losses - net:					
arising from capital gain and unrealised gain	(1,057,553)	25,826	12,900	(1,018,827)	747,662
arising from other income	43,998	(168,389)	8,223	(116,168)	(2,462,275)
Amount representing unrealised diminution / (appreciation) in fair value of investments	11,227,880	(3,690,638)	1,374,038	8,911,280	9,046,584
	10,214,325	(3,833,201)	1,395,161	7,776,285	7,331,971
Net unrealised (loss) / gain during the period in the market value of investments classified as available-for-sale	(12,660,735)	-	-	(12,660,735)	1,177,307
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing unrealised appreciation / (diminution) - net	(11,227,880)	3,690,638	(1,374,038)	(8,911,280)	(9,046,584)
Net income after taxation for the period	9,076,971	3,786,884	822,259	13,686,114	30,766,594
<b>Net assets at the end of period</b>	<b>244,569,501</b>	<b>150,925,316</b>	<b>64,815,355</b>	<b>460,310,172</b>	<b>367,049,703</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)



Director



Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.


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

	Quarter ended December 31, 2015			Total	Quarter ended
	Equity sub fund	Debt sub fund	Money market sub fund		December 31, 2014
	----- (Rupees) -----				
Net assets at the beginning of the period	226,368,366	147,060,225	67,026,809	440,455,400	330,928,187
Amount received on issue of units	7,506,588	5,227,751	1,505,766	14,240,105	33,562,256
Amount paid on redemption of units	(899,250)	(3,366,336)	(3,897,854)	(8,163,440)	(21,718,923)
	6,607,338	1,861,415	(2,392,088)	6,076,665	11,843,333
<b>Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net</b>					
Amount representing (income) / loss and realised capital (gains) / losses - net:					
arising from capital gain and unrealised gain	(132,509)	28,809	11,889	(91,811)	910,980
arising from other income	(68,601)	(39,804)	17,247	(91,158)	(2,445,690)
Amount representing unrealised diminution / (appreciation) in fair value of investments	(4,644,057)	(811,792)	920,544	(4,535,305)	11,129,059
	(4,845,167)	(822,787)	949,680	(4,718,274)	9,594,349
Net unrealised gain / (loss) during the period in the market value of investments classified as available-for-sale	6,925,174	-	-	6,925,174	915,307
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing unrealised appreciation / (diminution) - net	4,644,057	811,792	(920,544)	4,535,305	(11,129,059)
Net income after taxation for the period	4,869,733	2,014,671	151,498	7,035,902	24,897,586
<b>Net assets at the end of the period</b>	<b>244,569,501</b>	<b>150,925,316</b>	<b>64,815,355</b>	<b>460,310,172</b>	<b>367,049,703</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.


**CONDENSED INTERIM STATEMENT OF INVESTMENTS BY CATEGORY  
AS AT DECEMBER 31, 2015**

	(Un-Audited)				
	December 31, 2015			(Audited)	
	Equity sub fund	Debt sub fund	Money market sub fund	Total	June 30, 2015
	(Rupees)				
<b>Investments 'at fair value through profit or loss - held-for-trading'</b>					
Listed equity securities	36,065,891	-	-	36,065,891	45,643,550
Government Ijarah Sukuks	-	151,150,500	26,424,300	177,574,800	190,969,090
	36,065,891	151,150,500	26,424,300	213,640,691	236,612,640
<b>'Available-for-sale' investments</b>					
Listed equity securities	189,644,133	-	-	189,644,133	162,255,810
Sukuks	-	-	-	-	-
Investment in preference shares	-	-	-	-	35,080
	189,644,133	-	-	189,644,133	162,290,890
	225,710,024	151,150,500	26,424,300	403,284,824	398,903,530

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

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

## EQUITY SUB FUND

### LISTED SHARES-INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT OR LOSS'-HELD-FOR-TRADING

Name of the Investee Company	Number of shares					As at December 31, 2015			Market value as a % of net assets of the sub-fund	Paid up value as a % of the issued capital of the investee company
	As at July 01, 2015	Purchases / Right issue (R) during the period	Bonus issue during the period	Sales during the period	As at December 31, 2015	Cost	Market value	Appreciation / (Diminution)		
	(Number of shares)					(Rupees)				
<b>Oil and gas</b>										
Pakistan State Oil Company Limited	63	-	-	-	63	24,305	20,524	(3,781)	0.0084	0.0000%
Shell Pakistan Limited	600	-	-	-	600	151,776	136,944	(14,832)	0.0560	0.0006%
Pakistan Petroleum Limited	203	-	-	-	203	33,345	24,727	(8,618)	0.0101	0.0000%
Mari Petroleum Company Limited	400	-	-	-	400	187,440	278,856	91,416	0.1140	0.0004%
						<u>396,866</u>	<u>461,051</u>	<u>64,185</u>	<u>0.1885</u>	
<b>Chemicals</b>										
Fauji Fertilizer Company Limited	2,000	-	-	2,000	-	-	-	-	-	0.0000%
Engro Corporation Limited	5,000	-	-	4,000	1,000	296,800	279,390	(17,410)	0.1142	0.0002%
						<u>296,800</u>	<u>279,390</u>	<u>(17,410)</u>	<u>0.1142</u>	
<b>Personal goods</b>										
Colgate-Palmolive (Pakistan) Limited	2,580	-	-	-	2,580	3,913,860	3,741,000	(172,860)	1.5296	0.0054%
Bata Pakistan Limited	2,260	-	-	-	2,260	8,437,574	7,389,527	(1,048,047)	3.0214	0.0299%
						<u>12,351,434</u>	<u>11,130,527</u>	<u>(1,220,907)</u>	<u>4.5510</u>	
<b>Automobile and parts</b>										
Pak Suzuki Motor Company Limited	8,100	-	-	4,100	4,000	1,743,640	1,981,200	237,560	0.8101	0.0049%
						<u>1,743,640</u>	<u>1,981,200</u>	<u>237,560</u>	<u>0.8101</u>	
<b>Construction and materials</b>										
Maple Leaf Cement Factory Limited	126,000	-	-	101,500	24,500	1,924,720	1,827,210	(97,510)	0.7471	0.0046%
Attock Cement Company Limited	112	-	-	112	-	-	-	-	-	-
						<u>1,924,720</u>	<u>1,827,210</u>	<u>(97,510)</u>	<u>0.7471</u>	
<b>General industrials</b>										
Ghani Glass Limited	77,500	-	47,250	10,000	114,750	5,859,675	9,957,840	4,098,165	4.0716	0.0931%
Thal Limited *	20,900	-	-	-	20,900	5,965,487	5,294,555	(670,932)	2.1648	0.0258%
						<u>11,825,162</u>	<u>15,252,395</u>	<u>3,427,233</u>	<u>6.2364</u>	
<b>Pharma and bio tech</b>										
IBL HealthCare Limited	28,000	-	8,400	2,800	33,600	3,192,000	3,699,360	507,360	1.5126	0.1124%
						<u>3,192,000</u>	<u>3,699,360</u>	<u>507,360</u>	<u>1.5126</u>	
<b>Electricity</b>										
Hub Power Company Limited	18,984	-	-	5,000	13,984	1,308,483	1,434,758	126,275	0.5866	0.0012%
						<u>1,308,483</u>	<u>1,434,758</u>	<u>126,275</u>	<u>0.5866</u>	
<b>Total for Equity Sub-Fund</b>						<u><u>33,039,105</u></u>	<u><u>36,065,891</u></u>	<u><u>3,026,786</u></u>		

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

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

Market value

36,065,891 45,643,550

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.



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

## EQUITY SUB FUND LISTED SHARES 'AVAILABLE-FOR-SALE' INVESTMENTS

Name of the Investee Company	Number of shares					As at December 31, 2015			Market value as a % of net assets of the sub fund	Paid up capital as a % of the issued capital of the investee company
	As at July 01, 2015	Purchases / Right issue (R) during the period	Bonus during the period	Sales during the period	As at December 31, 2015	Cost	Market value	(Diminution) / Appreciation		
						(Rupees)			%	%
<b>Oil and gas</b>										
Pakistan State Oil Company Limited	45,500	-	-	-	45,500	18,115,097	14,822,535	(3,292,562)	6.0607	0.02%
Shell Pakistan Limited	26,000	-	-	-	26,000	5,780,003	5,934,240	154,237	2.4264	0.02%
Pakistan Oilfields Limited	34,000	10,000	-	11,300	32,700	11,431,436	8,764,254	(2,667,182)	3.5835	0.01%
Pakistan Petroleum Limited	114,000	-	-	17,000	97,000	16,780,952	11,815,570	(4,965,382)	4.8312	0.00%
						<b>52,107,488</b>	<b>41,336,599</b>	<b>(10,770,889)</b>	<b>16.9018</b>	
<b>Power generation and distribution</b>										
Hub Power Company Limited *	91,500	30,000	-	-	121,500	10,508,717	12,465,900	1,957,183	5.0971	0.01%
Kot Addu Power Company Limited	-	101,000	-	101,000	-	-	-	-	-	0.00%
						<b>10,508,717</b>	<b>12,465,900</b>	<b>1,957,183</b>	<b>5.0971</b>	
<b>Chemicals</b>										
ICI Pakistan Limited	19,000	5,000	-	-	24,000	10,003,877	11,616,480	1,612,603	4.7498	0.03%
Linde Pakistan Limited	27,800	-	-	-	27,800	5,674,661	3,231,750	(2,442,911)	1.3214	0.11%
						<b>15,678,538</b>	<b>14,848,230</b>	<b>(830,308)</b>	<b>6.0712</b>	
<b>Fertilizer</b>										
Engro Fertilizers Limited	-	130,000	-	-	130,000	12,417,431	10,936,900	(1,480,531)	4.4719	0.01%
Engro Corporation Limited	24,000	30,000	-	23,000	31,000	8,723,214	8,661,090	(62,124)	3.5414	0.01%
Fauji Fertilizer Bin Qasim Limited	-	144,000	-	144,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited	73,200	-	-	73,200	-	-	-	-	-	-
						<b>21,140,645</b>	<b>19,597,990</b>	<b>(1,542,655)</b>	<b>8.0133</b>	
<b>Personal foods and care products</b>										
Engro Foods Limited	-	45,000	-	-	45,000	7,346,763	6,596,550	(750,213)	2.6972	0.01%
						<b>7,346,763</b>	<b>6,596,550</b>	<b>(750,213)</b>	<b>2.6972</b>	
<b>Glass and ceramics</b>										
Ghani Glass Limited	1,000	-	-	-	1,000	68,121	88,035	19,914	0.0360	0.00%
Ghani Glass Limited (R)	-	-	700	-	700	-	59,498	59,498	0.0243	0.00%
Tariq Glass Industries Limited	120,000	-	-	-	120,000	6,938,844	8,382,000	1,443,156	3.4272	0.16%
						<b>7,006,965</b>	<b>8,529,533</b>	<b>1,522,568</b>	<b>3.4875</b>	
<b>Cement</b>										
Cherat Cement Company Limited	-	85,000	-	-	85,000	7,397,236	7,665,300	268,064	3.1342	0.05%
Fauji Cement Company Limited	230,000	-	-	100,000	130,000	4,061,262	4,786,600	725,338	1.9572	0.01%
Lucky Cement Limited	13,000	10,000	-	-	23,000	11,195,722	11,385,920	190,198	4.6555	0.00%
Maple Leaf Cement Factory Limited	60,000	85,000	-	108,000	37,000	2,579,133	2,759,460	180,327	1.1283	0.02%
						<b>25,233,353</b>	<b>26,597,280</b>	<b>1,363,927</b>	<b>10.8752</b>	
<b>Engineering</b>										
Amreli Steel Limited	-	1,765	-	-	1,765	90,055	106,064	16,009	0.0434	0.00%
Mughal Iron & Steel Industries Limited	-	15,000	-	-	15,000	1,044,387	1,045,500	1,113	0.4275	0.01%
						<b>1,134,442</b>	<b>1,151,564</b>	<b>17,122</b>	<b>0.4709</b>	
<b>Paper and board</b>										
Century Paper and Board Mills Limited	-	111,500	-	111,500	-	-	-	-	-	-
Cherat Packaging Limited	30,000	-	4,500	2,250	32,250	6,474,239	9,775,298	3,301,059	4.00	0.11%
Packages Limited	27,200	4,500	-	-	31,700	18,604,025	18,452,892	(151,133)	7.55	0.04%
						<b>25,078,264</b>	<b>28,228,190</b>	<b>3,149,926</b>	<b>11.5500</b>	
<b>Pharmaceuticals</b>										
IBL HealthCare Limited	3,100	3,110	930	310	6,830	855,335	751,983	(103,352)	0.3075	0.02%
						<b>855,335</b>	<b>751,983</b>	<b>(103,352)</b>	<b>0.3075</b>	
<b>Automobile assembler</b>										
Honda Atlas Car (Pakistan) Limited	-	14,000	-	-	14,000	3,747,673	3,345,190	(402,483)	1.3678	0.01%
Hinopak Motors Limited	3,500	-	-	-	3,500	3,098,616	3,598,000	499,384	1.4712	0.03%
Indus Motor Company Limited	5,500	-	-	-	5,500	5,777,159	5,564,240	(212,919)	2.2751	0.01%
Pak Suzuki Motor Company Limited	4,000	-	-	-	4,000	1,498,025	1,981,200	483,175	0.8101	0.00%
						<b>14,121,473</b>	<b>14,488,630</b>	<b>367,157</b>	<b>5.9242</b>	<b>0.05%</b>
<b>Cable and electrical goods</b>										
Pak Elektron Limited	81,000	75,000	-	106,000	50,000	3,756,790	3,127,000	(629,790)	1.2786	0.01%
						<b>3,756,790</b>	<b>3,127,000</b>	<b>(629,790)</b>	<b>1.2786</b>	
<b>Leather and tanneries</b>										
Bata (Pakistan) Limited	-	700	-	700	-	-	-	-	-	-
<b>Miscellaneous</b>										
Shifa International Hospitals Limited	-	38,300	-	-	38,300	9,645,501	11,758,100	2,112,599	4.8077	0.08%
Shifa International Hospitals Limited (R)	-	-	3,051	-	3,051	-	166,584	166,584	0.0681	0.01%
						<b>9,645,501</b>	<b>11,924,684</b>	<b>2,279,183</b>	<b>4.8758</b>	
<b>Total for Equity Sub-Fund</b>						<b>193,614,274</b>	<b>189,644,133</b>	<b>(3,970,141)</b>		

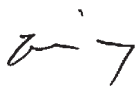
----- Total -----  
(Un-Audited) (Audited)  
December 31, June 30,  
2015 2015  
----- (Rupees) -----

**189,644,133**      **162,290,890**

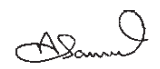
\* This investment includes securities with fair value aggregating to Rs.10.26 million (June 30, 2015: Rs.9.36 million) which have been pledged with National Clearing Company of Pakistan Limited as security against settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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



Director



Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

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

PIPF DEBT SUB-FUND  
GOVERNMENT IJARAH SUKUKS

Name of Investments	Issue	Maturity	Face value				As at December 31, 2015			Market value as a % of net asset of the sub fund
			As at July 01, 2015	Purchases during the period	Sales / maturities during the period	As at December 31, 2015	Carrying value	Market value	Appreciation/(Diminution)	

(Rupees)

'At fair value through profit or loss' - held-for-trading  
Government Ijarah Sukuks (3 years)

GoP Ijarah sukuk XII	28-Jun-12	21-Nov-15	43,000,000	-	43,000,000	-	-	-	-	0.00%
GoP Ijarah sukuk X	2-Mar-12	21-Nov-15	9,600,000	7,500,000	17,100,000	-	-	-	-	0.00%
GoP Ijarah sukuk XIII	18-Sep-12	18-Sep-15	39,050,000	-	39,050,000	-	-	-	-	0.00%
GoP Ijarah sukuk IX	26-Dec-12	26-Dec-15	17,000,000	-	17,000,000	-	-	-	-	0.00%
GoP Ijarah sukuk XIV	28-Mar-13	28-Mar-16	15,200,000	21,000,000	-	36,200,000	36,210,860	36,200,000	(10,860)	23.99%
GoP Ijarah sukuk XV	25-Jun-14	25-Jun-17	2,000,000	2,700,000	-	4,700,000	4,736,900	4,718,800	(18,100)	3.13%
GoP Ijarah sukuk XVI	18-Dec-15	18-Dec-18	-	109,000,000	-	109,000,000	109,099,000	110,231,700	1,132,700	73.04%
			125,850,000	140,200,000	116,150,000	149,900,000	150,046,760	151,150,500	1,103,740	

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


Market value

151,150,500      126,435,240

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

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

PIPF DEBT SUB-FUND  
SUKUK CERTIFICATES

Name of Investment	Issue Date	Number of Certificates				As at December 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, 2015	Purchases during the period	Sales / matured during the period	As at December 31, 2015	Carrying value	Market value	(Diminution)			
----- (Rupees) -----											
<b>'Available-for-sale investments'</b>											
Pak Elektron Limited - Sukuk (28-09-2007)	28-Sep-07	550	-	-	550	618,362	-	-	-	-	0.10%
Less: provision for impairment						(618,362)					
		550	-	-	550	-	-	-			


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

Market value

----- - -----

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)



Director



Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

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

PIPF MONEY MARKET SUB-FUND  
GOVERNMENT IJARAH SUKUKS

Name of Investments	Issue	Maturity	Face value				As at December 31, 2015			Market value as a % of net asset of the sub fund
			As at July 01, 2015	Purchases during the period	Sales / maturities during the period	As at December 31, 2015	Carrying value	Market value	(Diminution)/ Appreciation	
----- (Rupees) -----										
'At fair value through profit or loss' - held-for-trading										
Government Ijarah Sukuks (3 years)										
GoP Ijarah sukuk VIII	26-Dec-11	21-Nov-15	7,000,000	-	7,000,000	-	-	-	-	0.00%
GoP Ijarah sukuk XII	28-Jun-12	21-Nov-15	29,400,000	-	29,400,000	-	-	-	-	0.00%
GoP Ijarah sukuk XIII	18-Sep-12	21-Nov-15	22,500,000	22,500,000	45,000,000	-	-	-	-	0.00%
GoP Ijarah sukuk XV	25-Jun-14	25-Jun-17	5,300,000	25,300,000	15,300,000	15,300,000	15,304,590	15,300,000	(4,590)	23.61%
GoP Ijarah sukuk XVI	11-Dec-15	11-Dec-18	-	11,000,000	-	11,000,000	11,121,000	11,124,300	3,300	17.16%
			<b>64,200,000</b>	<b>58,800,000</b>	<b>96,700,000</b>	<b>26,300,000</b>	<b>26,425,590</b>	<b>26,424,300</b>	<b>(1,290)</b>	

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

Market value

26,424,300      64,533,850

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)



Director



Director

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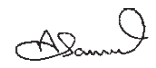
**CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

Contributions net of front end fee	Half year ended December 31, 2015							Half year ended December 31, 2014
	Equity sub fund		Debt sub fund		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 - issuance of units	79,223	30,362,547	154,153	26,901,868	25,524	4,161,543	61,425,958	41,119,083
Individuals - redemption of units	(36,853)	(13,884,113)	(106,194)	(18,272,790)	(46,933)	(7,697,614)	(39,854,517)	(25,555,759)
	42,370	16,478,434	47,959	8,629,078	(21,409)	(3,536,071)	21,571,441	15,563,324
Closing balance	651,207	117,830,098	826,206	114,158,748	390,669	41,992,654	273,981,500	217,793,385

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.


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

Contributions net of front end fee	Quarter ended December 31, 2015							Quarter ended December 31, 2014
	Equity sub fund		Debt sub fund		Money market sub fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
	----- (Rupees) -----							
Opening balance	633,585	111,222,760	815,819	112,297,333	405,093	44,384,742	267,904,835	205,950,052
Individuals - issuance of units	19,987	7,506,588	33,501	5,227,751	9,446	1,505,766	14,240,105	33,562,256
Individuals - redemption of units	(2,365)	(899,250)	(23,114)	(3,366,336)	(23,870)	(3,897,854)	(8,163,440)	(21,718,923)
	17,622	6,607,338	10,387	1,861,415	(14,424)	(2,392,088)	6,076,665	11,843,333
Closing balance	651,207	117,830,098	826,206	114,158,748	390,669	41,992,654	273,981,500	217,793,385

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.




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

	Half year ended December 31, 2015				Half year ended December 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	No. of units				
Total units outstanding at the beginning of the period	608,837	778,247	412,078	1,799,162	1,627,584
Add: Units issued during the period	79,223	154,153	25,524	258,900	191,108
Less: Units redeemed during the period	(36,853)	(106,194)	(46,933)	(189,980)	(143,087)
Total units in issue at the end of the period	<u>651,207</u>	<u>826,206</u>	<u>390,669</u>	<u>1,868,082</u>	<u>1,675,605</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.


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

	Quarter ended December 31, 2015				Quarter ended December 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- No. of units -----				
Total units outstanding at the beginning of the period	633,585	815,819	405,093	1,854,497	1,642,160
Add: Units issued during the period	19,987	33,501	9,446	62,934	155,612
Less: Units redeemed during the period	(2,365)	(23,114)	(23,870)	(49,349)	(122,167)
Total units in issue at the end of the period	<u>651,207</u>	<u>826,206</u>	<u>390,669</u>	<u>1,868,082</u>	<u>1,675,605</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 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.
- 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.
- 1.3 PIPF 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.
- 1.4 The registered office of Pension Fund Manager is currently situated at 8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi, Pakistan. With effect from February 08, 2016 the registered office of the Pension Fund Manager will be changed to 24th Floor, Centre Point, Off. Shaheed-e-Millat Expressway, Near KPT Interchange, Karachi, Pakistan.
- 1.5 Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM+2' dated April 07, 2015 to the Management Company.

## 2. BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

- 2.1.1 These condensed interim financial statements have been prepared in accordance 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.
- 2.1.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2015.
- 2.1.3 "These condensed interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarters ended December 31, 2015 and December 31, 2014 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors."
- 2.1.4 These condensed interim financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund and has been rounded off to the nearest rupee.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1 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, 2015 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:

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015**

The adoption of the above amendment to accounting standards did not have any effect on the condensed interim financial statements.

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. The Fund believes that such improvements to the standards did not have any impact on the Fund's financial statements for the period.

3.2 The element of income arising on issuance and redemption of units is bifurcated into portion attributable to capital gain / losses (realised and unrealised) and other income appearing in book of accounts of the Fund.

**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, 2015.

----- (Un-audited) -----					
As at December 31, 2015					
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Audited As at June 30, 2015
Note	----- (Rupees) -----				
<b>5. BALANCES WITH BANKS</b>					
Current accounts	10,237,740	-	-	10,237,740	18,926,952
Saving accounts	10,572,441	2,506,539	41,917,832	54,996,812	21,332,652
	<u>20,810,181</u>	<u>2,506,539</u>	<u>41,917,832</u>	<u>65,234,552</u>	<u>40,259,604</u>

5.1 Saving accounts carry a rate of return ranging from 3.09% to 6.5% per annum (June 30, 2015: 3.33% to 5.62% 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
Advance tax	67,213	-	-	67,213	24,209
Others	10,000	10,000	10,000	30,000	30,000
	<u>2,778,213</u>	<u>210,000</u>	<u>110,000</u>	<u>3,098,213</u>	<u>3,055,209</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015**

	----- (Un-audited) -----				Audited As at June 30, 2015
	As at December 31, 2015				
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
<b>7. PAYABLE TO PENSION FUND MANAGER</b>					
Remuneration payable to Pension Fund Manager	308,585	192,235	85,912	586,732	531,363
Sindh sales tax payable on remuneration of Pension Fund Manager	43,202	26,913	12,028	82,143	79,705
Legal and professional charges	-	-	-	-	100,000
	<b>351,787</b>	<b>219,148</b>	<b>97,940</b>	<b>668,875</b>	<b>711,068</b>

	----- (Un-audited) -----				Audited As at June 30, 2015
	As at December 31, 2015				
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>					
Provision for federal excise duty on remuneration of Pension Fund Manager (note 8.1)	1,116,099	817,379	455,550	2,389,028	1,763,348
Donation / charity	219,258	-	-	219,258	126,908
Audit fee	149,901	84,789	36,104	270,794	420,000
Withholding tax payable	13,715	19,359	4,959	38,033	70,838
Provision for Workers' Welfare Fund (note 8.2)	2,205,933	329,007	166,353	2,701,293	2,701,293
Others	125,097	3,420	2,394	130,911	113,098
	<b>3,830,003</b>	<b>1,253,954</b>	<b>665,360</b>	<b>5,749,317</b>	<b>5,195,485</b>

**8.1** There is no change in the status of petition with SHC as reported in note 6.1 to the annual financial statements of the Fund for the year ended June 30, 2015. 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.1.71 per unit (June 30, 2015: Rs.1.28 per unit) in respect of equity sub fund, Re.0.99 per unit (June 30, 2015: Re.0.79 per unit) in respect of debt sub fund and Rs.1.17 per unit (June 30, 2015: Re.0.88 per unit) in respect of money market sub fund as at December 31, 2015.

**8.2** There is no change in the status of the petition pending with the Honourable Sindh High Court (SHC) as reported in note 6.2 to the annual financial statements of the Fund for the year ended June 30, 2015.

The Fund maintained a provision for WWF as on December 31, 2015 amounting to Rs.2.701 million (June 30, 2015: Rs.2.701 million). Had the provision not been made, the net assets value per unit of the Fund would have been higher by Rs.3.39 (0.90%) (June 30, 2015: Rs.3.62 (0.95%)) per unit, Re.0.40 (0.22%) (June 30, 2015: Re.0.42 (0.24%)) per unit and Re.0.43 (0.26%) (June 30, 2015: Re.0.40 (0.25%)) per unit for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015**

**9. CONTINGENCIES AND COMMITMENTS**

**9.1** As disclosed in prior year audited financial statements, the Fund commenced making provision in respect of WWF with effect from May 10, 2013. The unrecognised liability for contribution to WWF 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.

**9.2** There were no commitments outstanding as at December 31, 2015 (June 30, 2015: Nil).

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

	----- (Un-audited) -----				As at December 31, 2014
	As at December 31, 2015				
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
Market value	189,644,133	-	-	189,644,133	14,773,061
Average cost	193,614,274	-	-	193,614,274	14,500,174
	(3,970,141)	-	-	(3,970,141)	272,887
Impairment loss charged during the period	657,470	-	-	657,470	-
Reversal during the period	4,933,367	-	-	4,933,367	-
Less: Net unrealised (appreciation) in value of investment at the beginning of the period	(9,348,064)	-	-	(9,348,064)	(189,181)
Appreciation / (diminution) during the period	(7,727,368)	-	-	(7,727,368)	83,706

**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. SINDH SALES TAX ON REMUNERATION OF TRUSTEE**

The Sindh Revenue Board through Circular No. SRB 3-4/TP/01/2015/86554 dated June 13, 2015 has amended the definition of services of shares, securities and derivatives and included the custodianship services as well. Accordingly, Sindh Sales Tax of 14% on such services is also chargeable on Trustee fee which is now covered under the section 2(79A) of the Sindh Finance Bill, 2010 amended upto 2015.

Hence, the Fund has made an accrual on account of Sindh Sales Tax on services chargeable on custodianship services during the period.

**13. TAXATION**

The income of Pakistan Islamic 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015**

**14. EARNINGS PER UNIT**

Earnings per unit (EPU) for the half year and quarter ended December 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:

	<b>Half year ended December 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	642,561	809,391	407,208
Net income after taxation (Rupees)	9,076,971	3,786,884	822,259
Earnings per unit (Rupees)	<u>14.13</u>	<u>4.68</u>	<u>2.02</u>
Earnings per unit (half year ended December 31, 2014 (Rupees))	<u>56.45</u>	<u>2.14</u>	<u>1.92</u>
	<b>Quarter ended December 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	642,898	826,030	405,376
Net income after taxation (Rupees)	4,869,733	2,014,671	151,498
Earnings per unit (Rupees)	<u>7.57</u>	<u>2.44</u>	<u>0.37</u>
Earnings per unit (quarter ended December 31, 2014 (Rupees))	<u>45.95</u>	<u>1.22</u>	<u>1.06</u>

**15. TRANSACTIONS WITH CONNECTED PERSONS**

Details of transactions and balances at period end with connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

**15.1 Transactions during the period**

	----- (Un-Audited) -----				<b>Half year ended December 31, 2014</b>
	<b>Half year ended December 31, 2015</b>				
	<b>Equity sub fund</b>	<b>Debt sub fund</b>	<b>Money market sub fund</b>	<b>Total</b>	
	----- (Rupees) -----				
<b>MCB-Arif Habib Savings and Investments Limited - Pension Fund Manager</b>					
Remuneration including indirect taxes	2,420,897	1,447,690	667,611	4,536,198	3,405,088
Redemption of PIPF Debt sub fund 10,949 units (2014: Nil units)	-	2,000,000	-	2,000,000	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015**

	----- (Un-Audited) -----				Half year ended December 31, 2014
	Half year ended December 31, 2015				
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
Redemption of PIPF Money Market sub fund 18,082 units (2014: Nil units)	-	-	3,000,000	3,000,000	-
<b>Habib Metropolitan Bank Limited - Trustee (Formerly)</b>					
Remuneration	-	-	-	-	131,427
Profit received on saving bank accounts	-	-	-	-	222,068
Bank charges	-	-	-	-	1,238
<b>Central Depository Company Limited - Trustee</b>					
Remuneration	208,696	124,799	57,555	391,050	147,128
Security deposit	-	-	-	-	100,000
<b>Group / Associated Companies</b>					
<b>Arif Habib Limited *</b>					
Brokerage expense	7,300	-	-	7,300	-
<b>Next Capital Limited *</b>					
Brokerage expense	13,475	900	1,100	15,475	-
<b>Summit Capital (Pvt) Ltd *</b>					
Brokerage expense	4,668	-	-	4,668	-
<b>Directors and officers</b>					
Issue of PIPF Equity sub fund 1,382 units (2014: 2,566 units)	517,978	-	-	517,978	742,844
Issue of PIPF Debt sub fund 3,837 units (2014: 2,851 units)	-	691,390	-	691,390	488,232
Issue of PIPF Money Market sub fund 603 units (2014: 1,103 units)	-	-	99,768	99,768	173,418
Redemption of PIPF Equity sub fund 2,373 units (2014: 4,169 units)	890,418	-	-	890,418	1,233,933
Redemption of PIPF Debt sub fund 1,592 units (2014: 4,153 units)	-	286,439	-	286,439	711,339
Redemption of PIPF Money Market sub fund 302 units (2014: 3,361 units)	-	-	49,828	49,828	529,255



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015**

	----- (Un-Audited) -----				Quarter ended December 31, 2014
	Quarter ended December 31, 2015				
	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	1,205,398	745,748	335,042	2,286,188	1,762,913
Redemption of PIPF Debt sub fund 10,949 units (2014: Nil units)	-	2,000,000	-	2,000,000	-
Redemption of PIPF Money Market sub fund 18,082 units (2014: Nil units)	-	-	3,000,000	3,000,000	-
<b>Central Depository Company Limited - Trustee</b>					
Remuneration	103,914	64,288	28,882	197,084	128,987
<b>Group / Associated Companies</b>					
<b>Arif Habib Limited *</b>					
Brokerage payable	-	-	-	-	-
<b>Next Capital Limited *</b>					
Brokerage payable	2,399	900	1,100	4,399	-
<b>Summit Capital (Pvt) Ltd. *</b>					
Brokerage payable	4,668	-	-	4,668	-
<b>Directors and Officers</b>					
Issue of PIPF Equity sub fund 578 units (2014: 1,143 units)	216,828	-	-	216,828	354,762
Issue of PIPF Debt sub fund 784 units (2014: 1,418 units)	-	141,753	-	141,753	243,445
Issue of PIPF Money Market sub fund 154 units (2014: 526 units)	-	-	25,633	25,633	82,879
Redemption of PIPF Equity sub fund Nil units (2014: 2,292 units)	-	-	-	-	710,210
Redemption of PIPF Debt sub fund Nil units (2014: 3,033 units)	-	-	-	-	520,003
Redemption of PIPF Money Market sub fund Nil units (2014: 3,328 units)	-	-	-	-	509,939

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015**

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

	----- (Un-Audited) -----				
	As at December 31, 2015				
	Equity sub fund	Debt sub fund	Money market sub fund	Total	(Audited) June 30, 2015
	----- (Rupees) -----				
<b>MCB-Arif Habib Savings and Investments Limited - Pension Fund Manager</b>					
Remuneration payable	308,585	192,235	85,912	586,732	531,363
Sindh sales tax payable	43,202	26,913	12,028	82,143	79,705
Legal and professional charges	-	-	-	-	100,000
Investment in seed capital 305,160 units (June 2015: 305,160 units)	114,605,875	-	-	114,605,875	116,627,601
Investment in seed capital 289,051 units (June 2015: 300,000 units)	-	52,800,999	-	52,800,999	53,447,754
Investment in seed capital 281,918 units (June 2015: 300,000 units)	-	-	46,773,000	46,773,000	49,147,029
Payable on redemption	-	2,000,000	3,000,000	5,000,000	-
<b>Central Depository Company Limited - Trustee</b>					
Remuneration payable	30,859	19,223	8,591	58,673	53,137
Sales tax on remuneration	4,320	2,691	1,203	8,214	-
Security deposit	201,000	200,000	100,000	501,000	501,000
<b>Group / Associated Companies</b>					
<b>Arif Habib Limited *</b>					
Brokerage payable	-	-	-	-	1,500
<b>Next Capital Limited *</b>					
Brokerage payable	2,399	900	1,100	4,399	3,346
<b>Summit Capital (Pvt) Ltd.*</b>					
Brokerage payable	4,668	-	-	4,668	-
<b>Directors and Officers</b>					
Balance as at December 31, 2015					
Investment in PIPF Equity sub fund 17,507 units (June 2015: 18,498 units)	6,575,048	-	-	6,575,048	6,947,488
Investment in PIPF Debt sub fund 21,510 units (June 2015: 19,265 units)	-	3,929,183	-	3,929,183	3,524,232
Investment in PIPF Money Market sub fund 3,950 units (June 2015: 3,469 units)	-	-	655,417	655,417	605,478

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015**

**16. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

**16.1 Fair value hierarchy**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

	December 31, 2015					
	PIPF Equity Sub-Fund		PIPF Debt Sub-Fund		PIPF Money Market Sub-Fund	
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Total</b>						
ASSETS						
Investment in securities - 'at fair value through profit or loss' - held-for-trading	213,640,691	36,065,891	-	151,150,500	-	26,424,300
'Available-for-sale'	189,644,133	189,644,133	-	-	-	-
	403,284,824	225,710,024	-	151,150,500	-	26,424,300

	June 30, 2015					
	PIPF Equity Sub-Fund		PIPF Debt Sub-Fund		PIPF Money Market Sub-Fund	
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Total</b>						
ASSETS						
Investment in securities - 'at fair value through profit or loss' - held-for-trading	236,612,640	45,643,550	-	126,435,240	-	64,533,850
'Available-for-sale'	162,255,810	162,255,810	-	-	-	-
Investment in preference shares	35,080	-	35,080	-	-	-
	398,903,530	207,899,360	35,080	126,435,240	-	64,533,850

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015**

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**17. DATE OF AUTHORISATION FOR ISSUE**


These condensed interim financial statements were authorised for issue on February 04, 2016 by the Board of Directors of the Pension Fund Manager.

**18. GENERAL**

Certain prior year's / period's figures have been reclassified for the purpose of comparison. However, there were no material reclassifications to report.

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

  
\_\_\_\_\_  
**Director**

  
\_\_\_\_\_  
**Director**


As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.




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
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