



MCB-ARIF HABIB
Savings and Investments Limited

AM2
BY FACRA

HALF YEAR REPORT

DECEMBER
2018
(UNAUDITED)

Half Year Report for Funds Under Management of
MCB-Arif Habib Savings and Investments Limited

Alhamra Islamic Pension Fund

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
Board of Directors	Mian Muhammad Mansha Mr. Nasim Beg Mr. Muhammad Saqib Saleem Dr. Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Qamar Beg	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director Director
Audit Committee	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mirza Qamar Beg Mr. Nasim Beg	Chairman Member Member Member
Risk Management Committee	Mr. Mirza Qamar Beg Mr. Ahmed Jahangir Mr. Nasim Beg	Chairman Member Member
Human Resource & Remuneration Committee	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Company Secretary	Mr. Muhammad Asif Mehdi Rizvi	
Chief Financial Officer	Mr. Abdul Basit	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcPakistan.com	
Bankers	Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited Silk Bank Limited Habib Bank Limited National Bank of Pakistan Askari Bank Limited Bank Islamic Pakistan Limited Meezan Bank Limited Dubai Islamic 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, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited 24th Floor, Center point, off Shaheed-e-Millat Express Way Near K.P.T. Interchange, Karachi.	
Rating	AM2++ Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Dear Investor,

On behalf of the Board of Directors, we are pleased to present Alhamra Islamic Pension Fund's Half Yearly Report for the period ended December 31, 2018.

MARKET & ECONOMIC REVIEW

Economy and Money Market Review

FY19 started off with a positive note as smooth completion of election process resulted in a sigh of relief for the market participants. The new regime inherited many economic challenges particularly on the external front. To cope with the underlying challenges, major policy actions (currency depreciation of 15% along with interest rate hike of 250 bps) were taken to address the imbalances. Furthermore, major success came through diplomatically engaging with the friendly allies. As a result, Pakistan secured BOP support package from Saudi Arabia, UAE and China amounting to USD 14 billion while Saudi Arabia & UAE committed foreign direct investment of USD 20-30 billion.

Average CPI for the first half of current fiscal year clocked in at 6.0%. Nevertheless, it is expected to jack up during the second half, owing to a low base effect and lagged impact of currency adjustments. Furthermore, government is yet to adjust electricity prices as the gap between base tariff and actual cost of generation has widened significantly. We expect CPI to average 8.5% for the 2HFY19 after accounting for electricity adjustments.

Current Account Deficit for the first six months clocked in at ~USD 8 billion which is an improvement of 4.4% from same period last year. CAD was well supported by remittances growth of 10%. However, the improvement in the external position was masked by the higher oil prices and payments for the previous periods reflected in current accounts. The non-oil imports have shown encouraging trend, declining by ~5% over the previous year. Reflecting the elevated oil prices and limited financial flows, reserves declined by ~USD 2.7 bn during the period leading to rupee depreciation of ~13.7%.

The focus of government to stabilize aggregate demand has taken its toll on large scale manufacturing which posted a decline of 0.9% YoY in the first five months of FY19. The decline has been led by reduction in production of oil products followed by slow down in autos, pharmaceuticals, consumer products. LSM growth is reflecting the overall slowdown in economy as envisaged by the steps taken by authorities to control the external imbalances.

The yield curve showed an upward trajectory during the half year as market players continued to expect further monetary tightening. During the first 6 months, State Bank of Pakistan increased the policy rate by 350 bps in line with the expectations of most of the market. Most of PIB auctions during the period under review were rejected by State Bank of Pakistan due to thin volume and participation at higher levels. The 3 year, 5 year and 10 year PIB were accepted in the PIB auction held in December '18 at 12.25%, 12.70% and 13.15% respectively. Two Floater rate PIB auction were conducted during 1HFY19. The first was accepted at a benchmark rate +70 bps. The second was rejected due to higher level of participation. Concerns over external front kept market participants at bay from longer tenor Treasury instruments with persistence towards accumulation in papers having maturity below or equal to 3 months.

Liquidity remained comfortable throughout the period owing to regular OMOs conducted by SBP. During the second quarter, 117.7 billion worth of floater rate GOP Ijara Sukuk matured. No fresh GOP Ijara Sukuk were issued whereas SBP conducted auction of Bai Muajjal in which 72.55 billion was accepted out of total participation of 76.55.

Equity Market Review

CY18 closed itself on a negative note for the consecutive second year, as the benchmark Index KSE100 posted a loss of 8.4%. Half year/Quarterly return amounted to ~9.5%/11.5% respectively. The month of Dec'18 was the worst month of the year as KSE100 retreated by 8.5%, as unexpected monetary tightening by 150 bps during the last month created a negative environment for equities. Even announcement for support of USD 3 billion by UAE could not come to rescue as overall uncertainty continued to linger towards the economy. Foreign selling during the first half continued with foreigners offloading USD ~404 mn worth of equities, most of which was absorbed by Insurance Companies and Individuals who bought USD ~173 and ~USD 152 mn respectively. Volumes and values averaged around 179 mn shares/ PKR 7.68 bn, depicting a considerable decrease of ~6/~7% as compared to first half.

In the first half, most of the major sectors such Refineries, Autos, OMCs, E&Ps & Cements underperformed the market generating negative returns of 29%/27%/20%/18%/16% respectively. Refineries suffered due to lower throughput and closure of plants amid limited offtake of Furnace Oil. E&Ps took the brunt of plunge in international oil prices by ~30% as compared. Autos, Cements and OMCs followed the thematic decline due to economic slowdown. On the flip side, only

REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Textile Composites remained in the positive territory generating a positive return of 20% due to currency depreciation of ~15% as well as supportive export-oriented policies of the newly-elected government.

FUND PERFORMANCE

Debt Fund

The debt sub-fund generated an annualized return of 5.24 % during the period under review. The sub-fund's exposure in GoP Ijarah Sukuk increased from 26.3% to 33.6%.

The Net Assets of the Fund as at December 31, 2018 stood at Rs. 250.92 million as compared to Rs. 228.73 million as at June 30, 2018 registering an increase of 9.70%.

The Net Asset Value (NAV) per unit as at December 31, 2018 was Rs. 204.68 as compared to opening NAV of Rs. 199.41 per unit as at June 30, 2018 registering an increase of Rs. 5.28 per unit.

Money Market Fund

The money market sub-fund generated an annualized return of 5.44% during the period under review. The sub-fund's GoP Ijarah Sukuks remained constant at 2.1%. Simultaneously the fund decreased exposure in cash to 93.2% from 97.1% at the beginning of the period.

The Net Assets of the Fund as at December 31, 2018 stood at Rs. 96.56 million as compared to Rs. 89.90 million as at June 30, 2018 registering an increase of 7.4%.

The Net Asset Value (NAV) per unit as at December 31, 2018 was Rs. 184.77 as compared to opening NAV of Rs. 179.84 per unit as at June 30, 2018 registering an increase of Rs. 4.93 per unit.

Equity Fund

The Equity sub-fund generated a negative return of 9.92% while the KMI-30 posted a negative return of 13.91% during the period. The sub-fund increased exposure in equities from 88% to 92% during the period.

The Net Assets of the Fund as at December 31, 2018 stood at Rs. 447.11 million as compared to Rs. 455.13 million as at June 30, 2018 registering a decrease of 1.76%.

The Net Asset Value (NAV) per unit as at December 31, 2017 was Rs. 462.64 as compared to opening NAV of Rs. 513.58 per unit as at June 30, 2018 registering a decrease of Rs. 50.94 per unit.

MARKET & ECONOMY - FUTURE OUTLOOK

The government has managed to arrange adequate financial flows for the next half year supported by deferred payment facilities, loans and deposits from friendly nations. However, the external account balance needs to improve further to reach sustainable levels for future funding of deficits. The exports are expected to show an improved trend supported by lagged impacts of currency depreciation, tax refunds to exporters, better energy supplies and energy price parity with regional peers. Imports are expected to slow down in second half of the year as effects of the one-off adjustments and oil prices neutralize along with impact of currency depreciation becomes further visible. Current account deficit for FY19 is expected to be ~USD 13 bn with CAD for next half year to slow down to ~USD 5 bn compared with first half of ~USD 8 bn. Subsequently, we expect normalize PKR/USD adjustment of around 5% in next half given the REER is close to its fundamental value.

The government has announced to approach the IMF for an economic program for balance of payments support. IMF program would lead to better policy management relative to dealing with the structural issues in the economy along with responsible fiscal management. Besides, entrance into IMF program would allow Pakistan to secure financial flows from other multilateral agencies which would allow better external account management.

Inflationary pressures are expected to become more visible in second half of the year as lagged impacts of currency depreciation, gas price increase and electricity price adjustments are incorporated. However, most of the monetary tightening has been done to reflect the upcoming inflationary pressures and room for further tightening would remain in the range of 50 bps.

REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE HALF YEAR ENDED DECEMBER 31, 2018

For the remaining year, the economic growth is expected to remain on a slower trajectory as currency adjustments and tighter monetary policy will rein on the consumption patterns. However, increased power supply along with the documentation of economy will provide a respite to the economic managers during this critical juncture. We share the optimism on better governance & long term prospects for economic revival amid more focused and sincere efforts to address chronic issues on economic front by the new government; however, the path is likely to be tough and with a number of potentially unpopular policy steps.

We believe equity markets preempted the economic conditions and as such it is important to consider whether all the economic developments are priced in or not. Therefore, overall valuations and fundamentals of universe companies do play an important role. The overall strategy should tilt towards defensive sectors (E&Ps, Power, Fertilizers) while sector which will benefit from changing dynamics on macro front such as rising interest rates (Commercial Banks) should be overweight. In addition to that, government's strong focus on reviving exports should provide a boost to the outlook of export oriented sectors such as Textiles & IT. Despite being negative on cyclical sectors, we believe there will be distressed assets and quality companies which should be looked into as they have a tendency to provide abnormal returns.

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,



Muhammad Saqib Saleem
Chief Executive Officer
February 18, 2019

ڈائریکٹرز رپورٹ
برائے ششماہی اختتام پذیر 31 دسمبر 2018ء

چاہیے۔ علاوہ ازیں، برآمدات کی بحالی پر حکومت کی بھرپور توجہ کی بدولت برآمداتی شعبوں مثلاً ٹیکسٹائل اور IT کے لیے مستقبل کے امکانات روشن ہوں گے۔ گردشی شعبوں کے حوالے سے منفی سوچ کے باوجود ہم سمجھتے ہیں کہ کچھ اثاثہ جاتی اور quality کمپنیاں مشکلات سے دو چار ہوں گی جن پر توجہ دی جانی چاہیے کیونکہ یہ غیر معمولی منافع کی صلاحیت رکھتی ہیں۔

اظہار تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور فنڈ کے ٹرسٹیز کی مسلسل پشت پناہی اور تعاون کے لئے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز مینجمنٹ ٹیم کی کاوشوں کو بھی سراہتے ہیں۔

من جانب ڈائریکٹرز،



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

18 فروری، 2019ء

ایکویٹی فنڈ

دورانِ مدت ایکویٹی سب-فنڈ کا 9.92% منفی منافع تھا، جبکہ KMI-30 کا 13.91% منفی منافع تھا۔ سب-فنڈ کی ایکویٹیز میں سرمایہ کاری کو دورانِ مدت 88% سے بڑھا کر 92% کر دیا گیا۔

31 دسمبر 2018ء کو فنڈ کے net اثاثہ جات 447.11 ملین روپے تھے، جو 30 جون 2018ء کو 455.13 ملین روپے کے مقابلے میں 1.76% اضافہ ہے۔

31 دسمبر 2018ء کو Net اثاثہ جاتی قدر (NAV) فی یونٹ 462.64 روپے تھی، جو 30 جون 2018ء کو 513.58 روپے فی یونٹ ابتدائی NAV کے مقابلے میں 50.94 روپے فی یونٹ کمی ہے۔

بازار اور معیشت - مستقبل کا منظر

حکومت اگلی ششماہی کے لیے خاطر خواہ مالیاتی فراہمی کا انتظام کر پائی ہے جس کی معاونت دوست ممالک کی طرف سے تاخیر سے ادائیگی کی سہولیات، قرضوں اور deposits سے ہوتی ہے۔ تاہم کارگری کاؤنٹ کے توازن میں مزید بہتری درکار ہے تاکہ مستقبل میں مالیات کی فراہمی اور خساروں کی قابلِ بقاء سطحوں تک رسائی ہو سکے۔ برآمدات میں بہتری کا رجحان متوقع ہے جس کی معاونت روپے کی قدر میں کمی، برآمدکاروں کو ٹیکس کی واپسی، توانائی کی بہتر فراہمیوں اور توانائی کی قیمتوں میں علاقائی فریقوں سے مساوات کے سست اثر سے ہوگی۔ درآمدات میں سال کے نصف آخر میں سست روی متوقع ہے کیونکہ یکبارگی کمی پیشیوں اور تیل کی قیمتوں کے اثرات توازن پیدا کریں گے، اور ساتھ ساتھ روپے کی قدر میں کمی کا اثر مزید واضح ہوگا۔ مالی سال 2019ء میں کرنٹ اکاؤنٹ کا متوقع خسارہ 13 بلین ڈالر ہے، اور اگلے نصف سال کے لیے CAD نصف اڈل کے 8 بلین ڈالر کے مقابلے میں سست روی کا شکار ہو کر 5 بلین ڈالر رہ جائے گا۔ بعد ازاں، اگلے نصف سال میں REER کے بنیادی قدر کے قریب ہونے کی صورت میں پاکستانی روپے امریکی ڈالر میں تقریباً 5% ایڈجسٹمنٹ متوقع ہے۔

حکومت نے اعلان کیا ہے کہ ادائیگیوں کے توازن میں معاونت کے معاشی پروگرام کے لئے آئی ایم ایف سے رجوع کیا جائے گا۔ آئی ایم ایف پروگرام کی بدولت پالیسی کے انتظام میں بہتری ہوگی جس سے معیشت کی ساخت سے متعلق مسائل سے نمٹنا جاسکے گا اور ذمہ دارانہ مالیاتی انتظام ممکن ہو سکے گا۔ علاوہ ازیں، آئی ایم ایف پروگرام میں داخل ہونے سے پاکستان کو دیگر کثیرالجہت ایجنسیوں سے مالیات حاصل کرنے میں مدد ملے گی جس کی بدولت خارجی اکاؤنٹ کا بہتر انتظام ممکن ہو سکے گا۔ افراطِ زر کے دباؤ سال کے نصف آخر میں مزید واضح ہونے کی توقع ہے کیونکہ کرنسی کی قدر میں کمی، گیس کی قیمت میں اضافے اور بجلی کی قیمتوں میں کمی پیشی کے سست اثرات کا احاطہ کیا جائے گا۔ تاہم مالیاتی تنگی کا اکثر حصہ مکمل کیا جا چکا ہے جس میں آنے والے افراطِ زر کے دباؤ کی عکاسی ہوتی ہے، اور مزید تنگی 50 bps کی حد میں رہے گی۔

سال کے باقی حصے میں معاشی ترقی متوقع طور پر نسبتاً سست روی کا شکار رہے گی کیونکہ کرنسی میں کمی پیشی اور مالیاتی پالیسی میں مزید تنگی صرفی رجحان پر حاوی رہے گی۔ تاہم بجلی کی پہلے سے زیادہ فراہمی کے ساتھ ساتھ معیشت کی دستاویزی کی بدولت اس مشکل موڑ پر معاشی منتظمین کو سہولت فراہم ہوگی۔ نئی حکومت معاشی میدان کے دیرینہ مسائل کے حل پر توجہ دینے کی زیادہ مرکوز اور مخلص کاوشیں کر رہی ہے، چنانچہ ہم بہتر حکومت داری اور معاشی بحالی کے طویل المیعاد امکانات کے حوالے سے پُر امید ہیں؛ تاہم راستہ متوقع طور پر دشوار اور ممکنہ ناپسندیدہ پالیسی اقدامات سے پُر ہوگا۔

ہم سمجھتے ہیں کہ ایکویٹی مارکیٹس نے معاشی حالات کی قبل از وقت حفاظت کی؛ چنانچہ یہ دیکھنا ضروری ہے کہ تمام معاشی ترقیات قیمت شدہ ہیں یا نہیں۔ لہذا مجموعی تخمینہ جات اور عالمگیر کمپنیوں کی بنیاديات اہم کردار ادا کرتی ہیں۔ مجموعی لائحہ عمل کا جھکاؤ دفاعی شعبوں کی طرف ہونا چاہیے (E&Ps، بجلی، کھاد)، جبکہ وہ شعبے جو کلاں معاشیات کے میدان میں تبدیل ہوتے ہوئے محزکات مثلاً انٹریسٹ کی شرحوں میں اضافے سے مستفید ہوں گے (کمرشل بینک) ان کا وزن زیادہ ہونا

ڈائریکٹرز رپورٹ برائے ششماہی اختتام پذیر 31 دسمبر 2018ء

ایکویٹی مارکیٹ کا جائزہ

سال رواں میں بیچ مارک انڈیکس KSE100 نے 8.4% خسارہ پوسٹ کیا، اور یوں متواتر دوسرے سال کا اختتام منفی صورتحال پر ہوا۔ ششماہی اور سہ ماہی منافع بالترتیب 9.5% اور 11.5% تھا۔ دسمبر 2018ء سال کا بدترین مہینہ تھا کیونکہ KSE100 میں 8.5% تسنؤ لسی ہوئی کیونکہ ماگزشتہ کے دوران 150 bps غیر متوقع مالیاتی تنگی کے باعث ایکویٹیز کے لیے منفی ماحول پیدا ہو گیا تھا۔ لختی کہ متحدہ عرب امارات کی طرف سے 3 بلین ڈالر کے تعاون کے اعلان سے بھی کوئی خاص فائدہ نہیں ہوسکا کیونکہ معیشت میں مجموعی طور پر غیر یقینی صورتحال منڈلاتی رہی۔ نصف اول کے دوران غیر ملکی فروخت جاری رہی؛ غیر ملکیوں نے 404 بلین ڈالر مالیت کی ایکویٹیز فروخت کیں جن میں سے انشورنس کمپنیوں نے 173 بلین ڈالر افراد نے 152 بلین ڈالر مالیت کی ایکویٹیز خریدیں۔ ایکویٹیز کے حجم کا اوسط تقریباً 179 بلین حصص تھا جبکہ ایکویٹیز کی قدر کا اوسط تقریباً 7.68 بلین روپے تھا، جو نصف اول کے مقابلے میں 6 سے 7 فیصد کی اچھی خاصی کمی ہے۔

نصف اول میں اکثر بڑے شعبہ جات مثلاً ریٹائرمنٹ، آٹوز، E&Ps، OMCs اور سینٹ نے مارکیٹ کے مقابلے میں کمزور کارکردگی کا مظاہرہ کیا اور بالترتیب 29%، 27%، 20%، 18% اور 16% منفی منافع دیا۔ ریٹائرمنٹ مال کی پست سطح اور فرنیچر آئل کے محدود offtake کے باعث پلائٹس بند ہو جانے سے متاثر ہوئیں۔ E&Ps تیل کی بین الاقوامی قیمتوں میں 30% کمی سے متاثر ہوئیں، اور آٹوز، سینٹ اور OMCs کے شعبے بھی اسی ضمن میں معاشی سُست روی کے باعث تسنؤ لسی کا شکار ہوئے۔ دوسری جانب صرف ٹیکسٹائل Composites مثبت احاطے میں رہے اور 20% مثبت منافع حاصل کیا جس کی وجہ روپے کی قدر میں 15% کمی اور منتخب حکومت کی برآمدات کی معاونت کرنے والی پالیسیاں ہیں۔

فنڈ کی کارکردگی

Debt فنڈ

زیر جائزہ مدت کے دوران Debt سب-فنڈ کا ایک سال پر محیط منافع 5.24% تھا۔ سب-فنڈ کی حکومت پاکستان کے اجارہ سلگ میں سرمایہ کاری کو 26.3% سے بڑھا کر 33.6% کر دیا گیا۔ 31 دسمبر 2018ء کو فنڈ کے net اثاثہ جات 250.92 ملین روپے تھے، جو 30 جون 2018ء کو 228.73 ملین روپے کے مقابلے میں 9.70% اضافہ ہے۔ 31 دسمبر 2018ء کو Net اثاثہ جاتی قدر (NAV) فی یونٹ 204.68 روپے تھی، جو 30 جون 2018ء کو 199.41 روپے فی یونٹ ابتدائی NAV کے مقابلے میں 5.28 روپے فی یونٹ اضافہ ہے۔

Money مارکیٹ فنڈ

زیر جائزہ مدت کے دوران Money مارکیٹ سب-فنڈ کا ایک سال پر محیط منافع 5.44% تھا۔ سب-فنڈ کی حکومت پاکستان کے اجارہ سلگ میں سرمایہ کاری کو 2.1% کی سطح پر برقرار رہی۔ بیک وقت، فنڈ کی نقد میں سرمایہ کاری کو آغاز مدت کی سطح 97.1% سے کم کر کے 93.2% کر دیا گیا۔ 31 دسمبر 2018ء کو فنڈ کے net اثاثہ جات 96.56 ملین روپے تھے، جو 30 جون 2018ء کو 89.90 ملین روپے کے مقابلے میں 7.4% اضافہ ہے۔ 31 دسمبر 2018ء کو Net اثاثہ جاتی قدر (NAV) فی یونٹ 184.77 روپے تھی، جو 30 جون 2018ء کو 179.84 روپے فی یونٹ ابتدائی NAV کے مقابلے میں 4.93 روپے فی یونٹ اضافہ ہے۔

ڈائریکٹر رپورٹ برائے ششماہی اختتام پذیر 31 دسمبر 2018ء

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے الحمد للہ اسلامک پینشن فنڈ کی 31 دسمبر 2018ء کو اختتام پذیر ہونے والی مدت کی ششماہی رپورٹ پیش خدمت ہے۔

بازار اور معیشت کا جائزہ

معیشت اور بازار زر کا جائزہ

مالی سال 2019ء کا آغاز مثبت فضا سے ہوا کیونکہ انتخابی عمل کی بلار کاؤٹ تکمیل کے نتیجے میں مارکیٹ کے فریقوں نے اطمینان کا سانس لیا۔ نئی حکومت کو متعدد معاشی مسائل وراثت میں ملے، خاص طور پر خارجی میدان میں۔ درپیش مشکلات سے نبرد آزما ہوتے ہوئے اہم پالیسی اقدامات کیے گئے (روپے کی قدر میں 15% کی کمی کے ساتھ ساتھ انٹریسٹ کی شرح میں 250 bps اضافہ) تاکہ عدم توازن سے نمٹا جاسکے۔ مزید برآں، اہم ترین کامیابی دوست اتحادیوں سے سفارتی تعلقات قائم کرنے سے حاصل ہوئی۔ نتیجتاً، پاکستان کو سعودی عرب، متحدہ عرب امارات اور چین سے ادائیگیوں کے توازن میں معاونت کے لیے 14 بلین ڈالر کے چیک حاصل ہوئے، جبکہ سعودی عرب اور متحدہ عرب امارات نے 20 سے 30 بلین ڈالر کی براہ راست غیر ملکی سرمایہ کاری کا وعدہ کیا۔

موجودہ مالی سال کی پہلی ششماہی کے لیے CPI کا اوسط 6% تھا۔ لیکن دوسری ششماہی میں پسٹہ effect base اور کرنسی میں کمی بیشی کے سبب اثر کے باعث اس اوسط میں اضافہ متوقع ہے۔ مزید برآں، حکومت کی طرف سے بجلی کی قیمتوں میں کمی بیشی ہونا باقی ہے کیونکہ پیداوار کی بنیادی جنگلی اور اصل قیمت کے درمیان فاصلے میں اچھا خاصا اضافہ ہو گیا ہے۔ مالی سال 2019ء کی دوسری ششماہی کے لیے CPI کا اوسط بجلی میں کمی بیشی کے اثر کا احاطہ کرنے کے بعد 8.5% متوقع ہے۔

پہلے چھ ماہ میں کرنٹ اکاؤنٹ کا خسارہ 8 بلین ڈالر تھا، جو گزشتہ سال کی مماثل مدت کے مقابلے میں 4.4% بہتری ہے۔ CAD کو ترسیل زر میں 10% اضافے کی بھرپور معاونت حاصل ہوئی۔ تاہم تیل کی بلند قیمتیں اور موجودہ اکاؤنٹس میں سابقہ مدتوں کی ادائیگیوں کی عکاسی خارجی صورتحال میں بہتری کی بھرپور اثر پذیری میں رکاوٹ بنے۔ Non-oil درآمدات میں گزشتہ سال کی نسبت 5% کمی حوصلہ افزا رہا ہے۔ تیل کی بلند قیمتوں اور محدود مالی بہاؤ کی عکاسی کرتے ہوئے دوران مدت ذخائر میں 2.7 بلین ڈالر کمی، اور اس کے نتیجے میں روپے کی قدر میں 13.7% کمی ہوئی۔

مجموعی مانگ کو مستحکم کرنے کی حکومتی توجہ کے نتیجے میں بڑے پیمانے پر ہونے والی مینوفیکچرنگ (LSM) متاثر ہوئی جس میں مالی سال 2019ء کے ابتدائی پانچ ماہ میں 0.9% YoY کمی ہوئی۔ اس کمی کی وجہ تیل کی مصنوعات کی پیداوار میں کمی اور اس کے باعث گاڑیوں، دواسازی اور صارفی مصنوعات میں سست روی ہے۔ LSM میں ترقی معیشت میں مجموعی سست روی کی عکاسی کر رہی ہے جس کی بیشی بنی خارجی عدم توازن پر قابو پانے کے لیے حکام کے اقدامات سے ہوتی ہے۔ دوران ششماہی مالیاتی تنگی میں اضافے کے حوالے سے مارکیٹ کے فریقوں کی توقع برقرار رہی، چنانچہ پیداواری ختم بلندی کی طرف مائل ہوا۔ ابتدائی چھ ماہ کے دوران اسٹیٹ بینک آف پاکستان نے پالیسی کی شرح کو بازار کے زیادہ تر حصے کی توقعات کے مطابق بڑھا کر 350 bps کر دیا۔ زیر جائزہ مدت کے دوران انویسٹمنٹ بانڈز (PIB) کی اکثر نیلامیوں کو اسٹیٹ بینک آف پاکستان نے کمزور حجم اور بلند سطح پر شرکت کے باعث مسترد کر دیا۔ تین سالہ، پانچ سالہ اور دس سالہ PIB کو دسمبر 2018ء میں ہونے والی نیلامی میں بالترتیب 12.25%، 12.70% اور 13.15% پر قبول کیا گیا۔ مالی سال 2019ء کی پہلی ششماہی کے دوران Two Floater شرح کے PIB کی نیلامیاں منعقد ہوئیں۔ پہلی کو بیچ مارک شرح 70 bps + پر قبول کیا گیا۔ دوسری کو شرکت کی بلند سطح کے باعث مسترد کر دیا گیا۔ خارجی صورتحال پر خدشات کے باعث طویل تر ميعاد کے ٹریژری انسرڈمنٹس میں بازار کی شرکت متاثر ہوئی اور 3 ماہ یا اس سے کم مدت کے دستاویزات میں بدستور اضافہ ہوا۔

اسٹیٹ بینک آف پاکستان کے باقاعدگی سے منعقدہ OMOs کی بدولت نقدیت پوری مدت کے دوران بہل سطح پر رہی۔ دوسری سہ ماہی کے دوران 117.7 بلین مالیت کے حکومت پاکستان کے فلوئڈ ریٹ اجارہ سلک کی مدت مکمل ہوئی۔ حکومت پاکستان کے تازہ اجارہ سلک کا اجراء نہیں کیا گیا جبکہ اسٹیٹ بینک آف پاکستان نے Bai Muajjal کی نیلامی منعقد کی جس میں 76.55 بلین کی کل شرکت میں سے 72.55 بلین قبول کیے گئے۔



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INDEPENDENT AUDITORS' REVIEW REPORT

To the Participants of Alhamra Islamic Pension Fund

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of Alhamra Islamic Pension Fund (the Fund) as at 31 December 2018, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Statement of Cash flows and condensed interim Statement of Movement in Participants' Sub-funds for the period then ended together with the notes forming part thereof (here-in-after referred to as the "interim financial statements"). Pension Fund Manager is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2018 and 31 December 2017 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2018.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

EY

A member firm of Ernst & Young Global Limited

Auditor's Report to the Participants on Review of Condensed Interim Financial Statements



-: 2 :-

Other matter

The condensed interim financial statements for the half year ended 31 December 2017 and the annual financial statements for the year ended 30 June 2018 of the Fund were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated 26 February 2018 and audit report dated 14 September 2018 expressed an unmodified conclusion and an unmodified opinion respectively, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 21 February 2019

Karachi

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2018

December 31, 2018 (Un-Audited)						
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	June 30, 2018 (Audited)
Note		----- (Rupees) -----				
Assets						
Balances with banks	4	30,857,245	118,782,950	90,880,080	240,520,275	282,309,231
Investments	5	415,962,132	130,648,389	5,944,970	552,555,491	494,230,958
Dividend receivable		927,249	-	-	927,249	246,100
Profit receivable		282,925	3,347,526	463,855	4,094,306	2,169,432
Advances, deposits and other receivables		4,057,122	276,539	221,753	4,555,414	3,164,106
Total assets		452,086,673	253,055,404	97,510,658	802,652,735	782,119,827
Liabilities						
Payable to the Pension Fund Manager		664,022	358,857	137,974	1,160,853	1,068,950
Payable to Central Depository Company of Pakistan Limited - Trustee		66,388	35,924	13,776	116,088	106,827
Annual fee payable to the Securities and Exchange Commission of Pakistan		76,933	39,013	14,834	130,780	239,002
Accrued expenses and other liabilities	6	4,170,863	1,705,973	784,934	6,661,770	6,936,738
Total liabilities		4,978,206	2,139,767	951,518	8,069,491	8,351,517
Net assets		447,108,467	250,915,637	96,559,140	794,583,244	773,768,310
Participants' sub funds (as per condensed interim Statement of Movement in Participants' Sub-Funds)						
		447,108,467	250,915,637	96,559,140		
----- (Number of units) -----						
Number of units in issue		966,429	1,225,885	522,592		
----- (Rupees) -----						
Net assets value per unit		462.64	204.68	184.77		
Contingencies and commitments	7					
The annexed notes from 1 to 15 form an integral part of these interim financial statements.						

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

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



Chief Executive Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half year ended December 31, 2018				Half year ended December 31, 2017
	Equity Sub-Fund	Debt Sub-Fund	Market Sub-Fund	Total	
Note	(Rupees)				
Income					
Investments at fair value through profit or loss:					
- Net capital loss on sale of investments	(2,991,760)	-	-	(2,991,760)	(23,562,423)
- Dividend income on shares	11,969,569	-	-	11,969,569	10,050,170
- Income from Government Securities	-	2,772,839	1,154,483	3,927,322	1,881,548
- Income from Term Finance Certificates	-	1,136,965	-	1,136,965	651,226
- Income on Commercial Papers	-	637,165	117,250	754,415	2,955
- Unrealised loss on revaluation of investments - net	(54,762,184)	(22,363)	(1,290)	(54,785,837)	(34,173,153)
Profit on bank and term deposits	1,373,576	4,354,410	2,201,347	7,929,333	5,970,380
Total (loss) / income	(44,410,799)	8,879,016	3,471,790	(32,059,993)	(39,179,297)
Expenses					
Remuneration of Pension Fund Manager	3,578,096	1,813,142	689,453	6,080,691	5,229,049
Sindh sales tax on remuneration of Pension Fund Manager	465,152	235,708	89,629	790,489	679,613
Remuneration of Central Depository Company Limited - Trustee	357,833	181,325	68,951	608,109	522,811
Sales tax on remuneration of trustee	46,528	23,587	8,971	79,086	67,939
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	76,933	39,013	14,834	130,780	116,157
Auditors' remuneration	148,905	71,239	25,020	245,164	257,246
Custody and settlement charges	220,447	3,390	4,520	228,357	205,788
Securities transaction cost	559,757	527	1,077	561,361	464,436
Impairment loss on 'available-for-sale' investment	-	-	-	-	2,373,525
Provision for Sindh Workers' Welfare Fund	-	135,536	54,328	189,864	83,670
Bank charges	19,988	49,381	32,256	101,625	46,086
Donation and charity	142,911	-	-	142,911	124,688
Total expenses	5,616,550	2,552,848	989,039	9,158,437	10,171,008
Net (loss) / income from operating activities	(50,027,349)	6,326,168	2,482,751	(41,218,430)	(49,350,305)
Element of income and capital gains included in the prices of units sold less those in units redeemed - net	782,385	315,079	179,308	1,276,772	824,423
Net (loss) / income for the period before taxation	(49,244,964)	6,641,247	2,662,059	(39,941,658)	(48,525,882)
Taxation	8	-	-	-	-
Net (loss) / income for the period	(49,244,964)	6,641,247	2,662,059	(39,941,658)	(48,525,882)
(Losses) / earnings per unit	11				

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

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



Chief Executive Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2018

	Quarter ended December 31, 2018				Quarter ended December 31, 2017
	Equity Sub-Fund	Debt Sub-Fund	Market Sub-Fund	Total	
Note	(Rupees)				
Income					
Investments at fair value through profit or loss:					
- Net capital loss on sale of investments	(4,148,346)	-	-	(4,148,346)	(15,419,156)
- Dividend income on shares	6,074,721	-	-	6,074,721	6,752,715
- Income from Government Securities	-	1,914,147	1,127,219	3,041,366	(265,320)
- Income from Term Finance Certificates	-	626,805	-	626,805	651,226
- Income on Commercial Papers	-	424,029	86,296	510,325	2,955
- Unrealised loss on revaluation of investments - net	(43,441,102)	347,345	15,055	(43,078,702)	2,712,789
Profit on bank and other deposits	872,628	1,979,204	768,888	3,620,720	3,977,898
Total (loss) / income	(40,642,099)	5,291,530	1,997,458	(33,353,111)	(1,586,893)
Expenses					
Remuneration of Pension Fund Manager	1,800,286	934,576	357,754	3,092,616	2,557,056
Sindh sales tax on remuneration of Pension Fund Manager	234,037	121,494	46,508	402,039	332,254
Remuneration of Central Depository Company Limited - Trustee	180,043	93,463	35,778	309,284	255,597
Sales tax on remuneration of trustee	23,406	12,161	4,649	40,216	33,212
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	37,464	19,501	7,471	64,436	56,741
Auditors' remuneration	72,386	33,438	10,717	116,541	128,622
Custody and settlement charges	105,179	1,695	1,695	108,569	107,028
Securities transaction cost	221,122	527	1,077	222,726	228,090
Provision for Workers' Welfare Fund	-	82,580	32,247	114,827	55,716
Bank charges	9,499	37,012	27,154	73,665	19,600
Donation and charity	90,314	-	-	90,314	98,395
Total expenses	2,773,736	1,336,447	525,050	4,635,233	3,872,311
Net (loss) / income from operating activities	(43,415,835)	3,955,083	1,472,408	(37,988,344)	(5,459,204)
Element of income / (losses) and capital gains / (losses) included in the prices of units sold less those in units redeemed - net	229,796	100,008	107,474	437,278	(7,893)
Net (loss) / income for the period before taxation	(43,186,039)	4,055,091	1,579,882	(37,551,066)	(5,467,097)
Taxation	8	-	-	-	-
Net (loss) / income for the period	(43,186,039)	4,055,091	1,579,882	(37,551,066)	(5,467,097)
(Losses) / earnings per unit	11				

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

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



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half year ended December 31, 2018				Half year ended December 31, 2017
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees)				
Net (loss) / income for the period after taxation	(49,244,964)	6,641,247	2,662,059	(39,941,658)	(48,525,882)
Other comprehensive (loss) / income for the period					
<i>Items to be reclassified to profit or loss in subsequent period</i>					
Unrealised diminution on revaluation of investments classified as available for sale - net	-	-	-	-	(24,150,247)
Total comprehensive (loss) / income for the period	(49,244,964)	6,641,247	2,662,059	(39,941,658)	(72,676,129)

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

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



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2018

	Quarter ended December 31, 2018				Half year ended December 31, 2017
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
			(Rupees)		
Net (loss) / income for the period after taxation	(43,186,039)	4,055,091	1,579,882	(37,551,066)	(5,467,097)
Other comprehensive (loss) / income for the period					
Items to be reclassified to profit or loss in subsequent period					
Unrealised diminution on revaluation of investments classified as available for sale - net	-	-	-	-	(20,308,950)
Total comprehensive (loss) / income for the period	(43,186,039)	4,055,091	1,579,882	(37,551,066)	(25,776,047)

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

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



Chief Executive Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half year ended December 31, 2018				Half year ended December 31, 2017
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund (Rupees)	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Net (loss) / income before taxation	(49,244,964)	6,641,247	2,662,059	(39,941,658)	(48,525,882)
Adjustments for non cash items:					
Net capital loss on sale of investments at fair value through profit or loss	2,991,760	-	-	2,991,760	23,562,423
Unrealised loss on revaluation of investments - at fair value through profit or loss - net	54,762,184	22,363	1,290	54,785,837	34,173,153
Impairment loss on 'available-for-sale' investment	-	-	-	-	2,373,525
Element of income and capital gains included in prices of units issued less those redeemed	(782,385)	(315,079)	(179,308)	(1,276,772)	(824,423)
	56,971,559	(292,716)	(178,018)	56,500,825	59,284,678
(Increase) / decrease in assets					
Investments	(68,567,034)	(43,597,436)	(3,937,660)	(116,102,130)	54,726,520
Dividend receivable	(681,149)	-	-	(681,149)	129,993
Profit receivable	(75,608)	(1,884,631)	35,365	(1,924,874)	(1,472,153)
Advances, deposits and other receivables	(1,241,434)	(49,875)	(99,999)	(1,391,308)	(10,192,537)
	(70,565,225)	(45,531,942)	(4,002,294)	(120,099,461)	43,191,823
Increase / (decrease) in liabilities					
Payable to the Pension Fund Manager	22,256	51,136	18,511	91,903	(47,009)
Payable to Central Depository Company of Pakistan Limited - Trustee	2,260	5,137	1,864	9,261	(4,815)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(65,219)	(31,787)	(11,216)	(108,222)	(93,104)
Accrued expenses and other liabilities	(349,628)	55,533	19,127	(274,968)	11,706,750
	(390,331)	80,019	28,286	(282,026)	11,561,822
Net cash (used in) / generated from operating activities	(63,228,961)	(39,103,392)	(1,489,967)	(103,822,320)	65,512,441
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipt from issuance of units	66,493,534	46,790,108	20,128,167	133,411,809	69,190,222
Payments on redemption of units	(24,492,281)	(30,929,485)	(15,956,679)	(71,378,445)	(42,156,146)
Net cash generated from financing activities	42,001,253	15,860,623	4,171,488	62,033,364	27,034,076
Net (decrease) / increase in cash and cash equivalents	(21,227,708)	(23,242,769)	2,681,521	(41,788,956)	92,546,517
Cash and cash equivalents at beginning of the period	52,084,953	142,025,719	88,198,559	282,309,231	92,229,497
Cash and cash equivalents at end of the period 4	30,857,245	118,782,950	90,880,080	240,520,275	184,776,014

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

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



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018			Half year ended December 31, 2017
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund (Rupees)	
Net assets at the beginning of period	455,134,563	228,728,846	89,904,901	773,768,310
Amount received on issue of units	66,493,534	46,790,108	20,128,167	133,411,809
Amount paid on redemption of units	(24,492,281)	(30,929,485)	(15,956,679)	(71,378,445)
	42,001,253	15,860,623	4,171,488	62,033,364
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(782,385)	(315,079)	(179,308)	(1,276,772)
Unrealised diminution during the period in the market value of investments classified as available for sale - net	-	-	-	-
	-	-	-	(24,150,247)
Net (loss) / income for the period	(49,244,964)	6,641,247	2,662,059	(39,941,658)
Net assets at the end of period	447,108,467	250,915,637	96,559,140	794,583,244

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

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



Chief Executive Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** The Alhambra Islamic Pension Fund (the Fund) (Formerly: Pakistan Islamic Pension 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 (the 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** The Fund is an open-end pension fund consisting of three sub-funds namely; Equity Sub-Fund, Debt Sub-Fund and 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.
- 1.3** MCB-Arif Habib Savings and Investments Limited has been licensed to act as a Pension Fund Manager under the VPS Rules through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 24th Floor, Centre Point, Off. Shaheed-e-Millat Expressway, Near KPT Interchange, Karachi, Pakistan.
- 1.4** Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM2++' dated October 8, 2018.
- 1.5** Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- the requirements of the Trust Deed, voluntary pension system Rules, 2005 (VPS Rules) and the directives issued by the SECP.

Wherever the requirements of the Trust Deed, the VPS Rules or the directives issued by the SECP differ with the requirements of IFRS. The requirements of the Trust Deed, the VPS Rules (2005) or the requirements of the said directives prevail.

- 2.2** 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, 2018.
- 2.3** These condensed interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarters ended December 31, 2018 and December 31, 2017 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.
- 2.4** These condensed interim financial statements are presented in Pak Rupee, which is the functional and presentation currency of the Fund.

3. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, basis of accounting estimates applied and methods of computation adopted in the preparation

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

of these interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the period ended June 30, 2018, except as described in notes 3.1 and 3.2 below:

3.1 IFRS 9 Financial Instruments

Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard prescribes accounting and reporting requirements for recognition, classification, measurement and derecognition of financial assets and financial liabilities.

The IFRS 9 has replaced current categories of financial assets (Fair Value Through Profit or Loss (FVPL), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of Financial Assets:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
- 4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the Fund's business model was made as at the date of initial application i.e. July 01, 2018.

As a result of the above assessment, the management has concluded as follows:

- All equity and debt investments previously classified at Fair Value Through Profit or Loss - Held For Trading will continue to be classified at Fair Value Through Profit or Loss as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the Fund.
- All equity investments previously classified at Available for Sale will be re-classified at Fair Value Through Profit or Loss as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the Fund.
- Investment in Commercial Paper will be classified at Amortised Cost as such investments are not managed on a fair value basis and fall under SPPI criterion in accordance with the objectives of the Fund.

While the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions, the management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets other than debt securities i.e. Balances with banks and other financial assets, and concluded that impact is not material to the interim financial statements.

The table below shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9:

	As at June 30, 2018	Change (Rupees)	As at July 01, 2018
Impact on Statement of Assets and Liabilities			
Investments - 'Available for sale'	102,717,490	(102,717,490)	-
Investments - 'At fair value through profit or loss'	302,431,552	102,717,490	405,149,042

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

3.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following standards and amendment to IFRSs which became effective for the current period:

Standard or Interpretation

IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

IAS 40 Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Improvements to Accounting Standards Issued by the IASB in December 2016

IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters

IFRS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment - by - investment choice

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the interim financial statements, other than IFRS 9, the impact of which has been disclosed in note 3.1 above.

- 3.3 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the period ended June 30, 2018.

		December 31, 2018 (Un-Audited)				June 30, 2018 (Audited)
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Note		----- (Rupees) -----				
4.	BALANCES WITH BANKS					
	Current accounts	208,273	-	-	208,273	929,863
	Savings accounts	30,648,972	118,782,950	90,880,080	240,312,002	281,379,368
		30,857,245	118,782,950	90,880,080	240,520,275	282,309,231

- 4.1 These carry interest at the rates of ranging from 6.20% to 10.80% (June 30, 2018: 5.00% to 6.50%) per annum. These include a balance of Rs.20,162 (June 30, 2018: Nil) held with MCB Islamic Bank Limited, a related party.

5. INVESTMENTS

At fair value through profit or loss

Listed equity securities	5.1	415,962,132	-	-	415,962,132	302,431,552
GoP Ijarah Sukuk Bonds	5.2	-	85,017,000	2,000,400	87,017,400	62,738,500
Debt securities - Sukuks	5.3	-	25,842,333	-	25,842,333	26,343,416
		415,962,132	110,859,333	2,000,400	528,821,865	391,513,468

Available for sale

Listed equity securities	3.1	-	-	-	-	102,717,490
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At amortised cost

Commercial paper	5.4	-	19,789,056	3,944,570	23,733,626	-
		415,962,132	130,648,389	5,944,970	552,555,491	494,230,958

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

5.1 Listed equity securities - at fair value through profit or loss

Equity Sub-Fund

Name of the Investee Company	(Number of shares)					As at December 31, 2018				Market value as a % of net assets of the sub-fund	% of paid-up capital of the investee company	
	As at July 01, 2018	Re-classified under IFRS 9 (see note 3.1)	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2018	Carrying value	Market value	Unrealised (loss) / gain			
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise												
Automobile assembler												
HinoPak Motors Limited	-	3,540	-	-	300	3,240	2,616,980	1,787,670	(829,310)	0.40%	0.03%	
Millat Tractors Limited	7,000	-	-	-	7,000	-	-	-	-	0.00%	0.00%	
							2,616,980	1,787,670	(829,310)	0.40%	0.03%	
Automobile parts and accessories												
The General Tyre and Rubber Company of Pakistan Limited	27,000	-	-	-	27,000	-	-	-	-	0.00%	0.00%	
Atlas Battery Limited	-	10,400	-	4,160	-	14,560	4,264,000	2,796,394	(1,467,606)	0.63%	0.06%	
Agria Industries Limited (Par value of Rs.5)	-	18,900	-	-	-	18,900	5,575,500	4,196,745	(1,378,755)	0.94%	0.13%	
							9,839,500	6,993,139	(2,846,361)	1.57%	0.19%	
Cement												
Cherat Cement Company Limited	35,000	-	-	-	35,000	-	-	-	-	0.00%	0.00%	
Kohat Cement Company Limited	70,000	-	-	21,000	-	91,000	8,614,900	7,729,540	(885,360)	1.73%	0.05%	
Fauji Cement Company Limited	189,500	-	-	-	189,500	-	-	-	-	0.00%	0.00%	
Pioneer Cement Limited	44,000	-	-	-	44,000	-	-	-	-	0.00%	0.00%	
Lucky Cement Limited	18,800	7,700	23,750	-	-	50,250	25,444,131	21,842,168	(3,601,963)	4.89%	0.02%	
Maple Leaf Cement Factory Limited	125,000	-	225,000	-	125,000	225,000	8,339,625	9,146,250	806,625	2.05%	0.03%	
							42,398,656	38,717,958	(3,680,698)	8.67%	0.10%	
Commercial banks												
Meezan Bank Limited	30,750	7,420	125,000	3,817	-	166,987	14,495,502	15,427,929	932,427	3.45%	0.01%	
Engineering												
Crescent Steel & Allied Products Limited	300	-	-	-	300	-	-	-	-	0.00%	0.00%	
International Industries Limited	48,400	-	-	-	-	48,400	11,242,836	7,456,020	(3,786,816)	1.67%	0.04%	
							11,242,836	7,456,020	(3,786,816)	1.67%	0.04%	
Fertilizer												
Engro Fertilizers Limited	195,000	-	302,500	-	-	497,500	37,964,232	34,352,375	(3,611,857)	7.68%	0.04%	
Engro Corporation Limited	113,900	-	6,000	-	32,000	87,900	27,586,134	25,585,932	(2,000,202)	5.72%	0.02%	
Dawood Hercules Corporation limited	53,800	-	-	-	53,800	-	-	-	-	0.00%	0.00%	
							65,550,366	59,938,307	(5,612,059)	13.40%	0.06%	
Glass and ceramics												
Shabbir Tiles & Ceramics Limited	-	-	200,000	-	-	200,000	4,690,020	2,898,000	(1,792,020)	0.65%	0.12%	
Tariq Glass Industries Limited	-	-	125,500	-	51,000	74,500	6,922,938	6,495,655	(427,283)	1.45%	0.10%	
							11,612,958	9,393,655	(2,219,303)	2.10%	0.22%	
Oil and gas exploration companies												
Mari Petroleum Company Limited	400	9,480	-	988	-	10,888	14,881,058	13,431,326	(1,449,732)	3.00%	0.01%	
Oil and Gas Development Company Limited	157,400	87,500	104,100	-	117,000	232,000	35,477,804	29,696,000	(5,781,804)	6.64%	0.01%	
Pakistan Oilfields Limited	24,450	16,000	26,110	-	7,500	59,060	31,726,683	25,089,869	(6,636,814)	5.61%	0.02%	
Pakistan Petroleum Limited	139,303	42,470	62,415	-	21,400	222,788	41,181,287	33,342,452	(7,838,835)	7.46%	0.01%	
							123,266,832	101,559,647	(21,707,185)	22.71%	0.05%	
Oil and gas marketing companies												
Sui Northern Gas Pipeline Limited	163,500	-	273,500	-	194,000	243,000	22,509,576	18,728,010	(3,781,566)	4.19%	0.04%	
Pakistan State Oil Company Limited	-	-	67,800	-	-	67,800	18,938,824	15,284,154	(3,654,670)	3.42%	0.02%	
Hi-Tech Lubricants limited	-	-	69,000	-	-	69,000	5,037,069	4,560,900	(476,169)	1.02%	0.06%	
							46,485,469	38,573,064	(7,912,405)	8.63%	0.12%	
Paper and board												
Century Paper & Board Mills Limited	111,500	-	-	-	-	111,500	7,080,250	6,167,065	(913,185)	1.38%	0.08%	
Cheral Packaging Limited	33	-	5,500	829	1	6,361	837,098	1,090,466	253,368	0.24%	0.02%	
Packages Limited	13,850	-	-	-	-	13,850	6,782,622	5,357,457	(1,425,165)	1.20%	0.02%	
							14,699,970	12,614,988	(2,084,982)	2.82%	0.12%	
Pharmaceuticals												

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Name of the Investee Company	As at July 01, 2018	Re-classified under IFRS 9 (see note 3.1)	(Number of shares)			As at December 31, 2018	As at December 31, 2018			% of paid-up capital of the investee company
			Purchased during the period	Bonus / right issue during the period	Sold during the period		Carrying value	Market value	Unrealised (loss) / gain	
AGP Limited	40,661	-	28,000	-	-	68,661	6,408,089	6,003,031	(405,058)	1.34%
IBL HealthCare Limited	4,756	751	-	-	-	5,507	441,859	275,130	(166,729)	0.06%
Pakistan Limited	-	3,750	-	-	3,750	-	-	-	-	0.00%
The Searle Company Limited	22,920	1,029	30,000	4,537	23,700	34,766	10,344,536	8,543,094	(1,801,442)	1.91%
							17,194,484	14,821,255	(2,373,229)	3.31%
Power generation and distribution										
The Hub Power Company Limited	253,985	66,499	85,000	-	-	405,484	37,472,220	34,786,472	(2,685,748)	7.78%
Textile composite										
Kohinoor Textile Mills Limited	-	105,470	-	-	-	105,470	5,799,795	4,754,588	(1,045,207)	1.06%
Miscellaneous										
Shila International Hospitals Limited	-	29,951	-	-	29,900	51	13,770	10,527	(3,243)	0.00%
Food and personal care products										
Al Shaeer Corporation Limited	340,000	-	-	-	-	340,000	9,265,000	8,136,200	(1,128,800)	1.82%
National Foods Limited	-	-	34,000	6,800	-	40,800	9,690,000	7,976,400	(1,713,600)	1.78%
Nestle Pakistan Limited	260	-	-	-	20	240	2,760,000	2,160,000	(600,000)	0.48%
							21,715,000	18,272,600	(3,442,400)	4.08%
Chemical										
Engro Polymer & Chemicals Limited	410,500	-	520,000	53,828	350,000	634,328	20,064,359	23,558,942	3,494,583	5.27%
ICI Pakistan Limited	-	4,000	-	-	4,000	-	-	-	-	0.00%
Archroma Pakistan Limited	-	9,500	-	-	-	9,500	4,797,500	4,845,000	47,500	1.08%
Ghani Gases Limited	115,000	-	-	5,750	-	120,750	1,853,800	1,429,680	(424,120)	0.32%
							26,715,659	29,833,622	3,117,963	6.67%
Cable and electric good										
Pak Elektron Limited	-	-	421,500	-	421,500	-	-	-	-	0.00%
Sugar and allied industries										
Faran Sugar Mills Limited	33,500	-	-	-	-	33,500	2,783,850	2,743,315	(40,535)	0.61%
Technology and communications										
Avanceon Limited	13,500	117,500	-	-	129,200	1,800	119,169	148,824	29,655	0.03%
Systems Limited	165,000	-	-	-	-	165,000	16,701,300	18,128,552	1,427,252	4.05%
							16,820,469	18,277,376	1,456,907	4.08%
Total as at December 31, 2018 (Un-Audited)							470,724,316	415,962,132	(54,762,184)	
Total as at June 30, 2018 (Audited)							323,578,511	302,431,552	(21,146,959)	

5.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as security against settlement of the Sub-Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP:

	(Un-Audited) December 31, 2018	(Audited) June 30, 2018	(Un-Audited) December 31, 2018	(Audited) June 30, 2018
	25,000	25,000	3,741,500	5,372,500
	65,484	65,484	5,617,872	6,035,005
	90,484	90,484	9,359,372	11,407,505

Pakistan Petroleum Limited
The Hub Power Company Limited

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

5.2 GoP Ijarah Sukuk Bonds - at fair value through profit or loss

Debt Sub-Fund

Name of security	Issue date	Maturity date	Face value			Balance as at December 31, 2018			Market value as a % of net asset of the sub fund
			As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at December 31, 2018	Carrying value	Market value	
GoP Ijarah Sukuk XVIII - 3 years	18-Dec-15	18-Dec-18	60,500,000	73,000,000	133,500,000	-	-	-	0.00%
GoP Ijarah Sukuk XXX - 3 years	15-Feb-16	15-Feb-19	-	85,000,000	-	85,000,000	84,871,313	85,017,000	33.88%
Total as at December 31, 2018 (Un-Audited)							84,871,313	85,017,000	33.88%
Total as at June 30, 2018 (Audited)							60,882,564	60,729,900	(152,663)

Money Market Sub-Fund

Name of security	Issue date	Maturity date	Face value			Balance as at December 31, 2018			Market value as a % of net asset of the sub fund
			As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at December 31, 2018	Carrying value	Market value	
GoP Ijarah Sukuk XIX - 3 years	15-Feb-16	15-Feb-19	2,000,000	-	-	2,000,000	2,001,690	2,000,400	2.07%
GoP Ijarah Sukuk XVIII - 3 years	18-Dec-15	18-Dec-18	-	72,000,000	72,000,000	-	-	-	0.00%
Total as at December 31, 2018 (Un-Audited)							2,001,690	2,000,400	2.07%
Total as at June 30, 2018 (Audited)							2,000,000	2,008,600	8,600

5.3 Debt securities - Sukuks - at fair value through profit or loss

Debt Sub-Fund

Name of security	Issue date	Number of certificates				Balance as at December 31, 2018			Market value as a % of net assets of sub-funds
		As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at December 31, 2018	Carrying Value	Market value	Unrealised gain / (loss)	
Aspin Pharma (Private) Limited	30-Nov-17	50	-	-	50	4,966,060	4,979,310	13,250	1.98%
Dubai Islamic Bank Pakistan Limited	14-Jul-17	5	-	-	5	5,093,520	5,093,520	-	2.03%
Ghani Gases Limited	2-Feb-17	40	-	-	40	2,830,803	2,832,625	1,822	1.13%
International Brand (Private) Limited	15-Nov-17	50	-	-	50	5,000,000	4,936,070	(63,930)	1.97%
Meezan Bank Limited	22-Sep-16	8	-	-	8	8,120,000	8,000,808	(119,192)	3.19%
Total as at December 31, 2018 (Un-Audited)						26,010,383	25,842,333	(168,050)	10.30%
Total as at June 30, 2018 (Audited)						26,539,085	26,343,416	(195,669)	

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

5.3.1 Significant terms and conditions of sukuk outstanding at the period end are as follows:

Name of security	Number of certificates	Face / redemption value (Rupees)		Interest rate per annum	Maturity	Secured / unsecured	Rating
		Per certificate	Total				
Un-listed							
Aspin Pharma (Pvt) Limited	50	100,000	5,000,000	3M KIBOR + 1.50%	30-Nov-23	Secured	A
Dubai Islamic Bank Pakistan Limited	5	1,000,000	5,000,000	6M KIBOR + 0.50%	14-Jul-27	Unsecured	A
Ghani Gases Limited	40	70,833	2,833,320	3M KIBOR + 1.00%	2-Feb-23	Secured	A
International Brand (Private) Limited	50	100,000	5,000,000	12M KIBOR + 0.50%	15-Nov-21	Not available	AA
Listed							
Meezan Bank Limited	8	1,000,000	8,000,000	6M KIBOR + 0.50%	22-Sep-26	Not available	AA
Name of the Investee Company	Number of shares		As at December 31, 2018			Market value as a % of the paid-up capital of the investee company	
	As at July 01, 2018	Re-classified under IFRS 9 (see note 3.1)	As at December 31, 2018	Cost	Market value	Appreciation / (diminution)	Market value as a % of net assets of the sub-fund

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Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise

5.4 Commercial paper - at amortised cost

Debt Sub-Fund Hascol Petroleum Limited K-Electric Limited	(Rupees)	
	4,996,725	-
	14,792,331	-
	19,789,056	-
Money Market Sub-Fund K-Electric Limited	3,944,570	-

Significant terms and conditions of commercial papers outstanding at the period end are as follows:

Name of security	Interest / mark-up rates	Issue date	Maturity date	Carrying value as a % of net assets of sub-funds
Debt Sub-Fund				
Hascol Petroleum Limited	8.29%	4-Jul-18	4-Jan-19	1.99%
K-Electric Limited	8.95%	29-Aug-18	1-Mar-19	5.90%
Money Market Sub-Fund				
K-Electric Limited	8.95%	29-Aug-18	1-Mar-19	4.09%

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

6. ACCRUED EXPENSES AND OTHER LIABILITIES

		December 31, 2018 (Un-Audited)				June 30, 2018 (Audited)
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Note		(Rupees)				
Provision for Federal Excise Duty on remuneration of Pension Fund Manager	6.1	1,450,564	1,031,540	548,228	3,030,332	3,030,332
Donation / charity payable		142,911	-	-	142,911	265,533
Auditors' remuneration		144,146	73,063	27,788	244,997	523,333
Withholding tax payable		48,053	6,391	1,312	55,756	45,571
Provision for Sindh Workers' Welfare Fund	6.2	2,350,689	594,979	207,615	3,153,283	2,963,420
Brokerage payable		34,500	-	(9)	34,491	108,549
		4,170,863	1,705,973	784,934	6,661,770	6,936,738

6.1 Provision for Federal Excise Duty on remuneration of Pension Fund Manager

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in note 11.1 to the annual financial statements of the Fund for the year ended June 30, 2018. Had the provision not been made, the net assets value per unit of the Fund would have been higher by Rs.1.5 per unit in respect of Equity Sub-Fund, Re.0.84 per unit in respect of Debt Sub-Fund and Rs.1.05 per unit in respect of Money Market Sub-Fund as at December 31, 2018 (June 30, 2018: Rs.1.64 per unit in respect of Equity Sub-Fund, Re.0.90 per unit in respect of Debt Sub-Fund and Rs.1.10 per unit in respect of Money Market Sub-Fund).

6.2 Provision for Sindh Workers' Welfare Fund

There is no change in the status of the SWWF as reported in note 11.2 to the annual financial statements of the Fund for the year ended June 30, 2018. Had the provision not been made, the net assets value per unit of the Fund would have been higher by Rs.2.43 per unit in respect of Equity Sub-Fund, Re.0.49 per unit in respect of Debt Sub-Fund and Re.0.39 per unit in respect of Money Market Sub-Fund as at December 31, 2018 (June 30, 2018: Rs.2.65 per unit in respect of Equity Sub-Fund, Re.0.40 per unit in respect of Debt Sub-Fund and Re.0.31 per unit in respect of Money Market Sub-Fund).

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018.

8. 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.

9. CONTRIBUTION TABLE

		December 31, 2018 (Unaudited)							
		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
Individuals:		Units	(Rupees)	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)
Issuance of units		130,314	66,493,534	232,652	46,790,108	110,748	20,128,167	473,714	133,411,809
Redemption of units		(50,080)	(24,492,281)	(153,785)	(30,929,485)	(88,059)	(15,956,679)	(291,924)	(71,378,445)

		December 31, 2017 (Unaudited)							
		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
Individuals:		Units	(Rupees)	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)
Issuance of units		68,238	36,121,761	133,075	25,341,679	43,896	7,726,782	245,209	69,190,222
Redemption of units		(45,308)	(22,970,958)	(88,622)	(16,706,085)	(14,088)	(2,479,103)	(148,018)	(42,156,146)

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

10. NUMBER OF UNITS IN ISSUE

	December 31, 2018 (Unaudited)		
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	----- (Number of units) -----		
Total units outstanding at beginning of the period	886,195	1,147,018	499,903
Units issued during the period	130,314	232,652	110,748
Units redeemed during the period	(50,080)	(153,785)	(88,059)
Total units in issue at end of the period	966,429	1,225,885	522,592

	June 30, 2018 (Audited)		
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	----- (Number of units) -----		
Total units outstanding at beginning of the period	775,229	1,048,189	417,574
Units issued during the period	199,471	334,935	165,636
Units redeemed during the period	(88,505)	(236,106)	(83,307)
Total units in issue at end of the period	886,195	1,147,018	499,903

11. (LOSSES) / EARNINGS PER UNIT

(Losses) / earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

12. TRANSACTIONS WITH CONNECTED PERSONS

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations and constitutive documents of the Fund respectively.

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

12.1 Transactions during the period:

	Half year ended December 31, 2018 (Un-Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Half year ended December 31, 2017 (Un-Audited)
	----- (Rupees) -----				
MCB Arif Habib Savings and Investments Limited - Pension Fund Manager					
Remuneration (include indirect taxes)	4,043,248	2,048,850	779,082	6,871,180	5,908,662

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half year ended December 31, 2018 (Un-Audited)				Half year ended December 31, 2017 (Un-Audited)
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees)				
Central Depository Company of Pakistan Limited - Trustee					
Remuneration (include indirect taxes)	404,361	204,912	77,922	687,195	590,750
Arif Habib Limited - Brokerage House					
Brokerage expense*	40,603	-	-	40,603	15,435
Next Capital Limited - Brokerage House					
Brokerage expense*	9,922	-	-	9,922	47,273

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

12.2 Balances outstanding at period end:

	December 31, 2018 (Un-Audited)				June 30, 2018 (Audited)
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees)				
MCB Arif Habib Savings and Investments Limited - Pension Fund Manager *					
Remuneration payable	587,775	317,572	122,102	1,027,449	946,119
Sindh sales tax payable on remuneration	76,247	41,285	15,872	133,404	122,831
Investment in seed capital of					
- Equity Sub-Fund: 305,160 (June 2018: 305,160) units	176,724,259	-	-	176,724,259	156,726,073
- Debt Sub-Fund: 289,051 (June 2018: 289,051) units	-	50,474,086	-	50,474,086	57,639,660
- Money Market Sub-Fund: 281,918 (June 2018: 218,918) units	-	-	42,623,182	42,623,182	50,700,133
Central Depository Company of Pakistan Limited - Trustee					
Remuneration payable	58,723	31,792	12,225	102,740	94,573
Sindh sales tax payable on remuneration	7,665	4,132	1,551	13,348	12,254
Security deposit	201,000	200,000	100,000	501,000	3,001,000
MCB Islamic Bank Limited					
Bank balance	10,119	10,043	-	20,162	-

12.3 Unit Holders' Fund

	For the half year ended December 31, 2018 (Un-Audited)							
	As at July 01, 2018	Issued for cash	Redeemed	As at December 31, 2018	As at July 01, 2018	Issued for cash	Redeemed	As at December 31, 2018
	(Units)				(Rupees)			
Key management personnel								
Equity Sub-Fund	21,070	14,099	(4,415)	30,754	10,821,191	7,089,716	(2,095,859)	17,810,256
Debt Sub-Fund	10,211	3,600	(1,488)	12,323	2,036,194	727,511	(300,247)	2,151,842
Money Market Sub-Fund	725	9,214	(9,414)	525	130,387	1,678,259	(1,718,284)	79,375

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

For the half year ended December 31, 2017 (Un-Audited)								
As at July 01, 2017	Issued for cash		As at December 31, 2017	As at July 01, 2017	Issued for cash		As at July 01, 2017	
		Redeemed				Redeemed		
----- (Units) -----				----- (Rupees) -----				
Key management personnel								
Equity Sub-Fund	14,719	8,598	(6,939)	16,378	7,602,938	4,390,505	(3,673,492)	7,983,743
Debt Sub-Fund	27,342	3,733	(10,711)	20,364	5,366,461	725,859	(2,076,417)	3,992,402
Money Market Sub-Fund	4,308	535	(1,243)	3,600	762,498	93,818	(217,322)	636,528

* The unit holder also holds 10% or more of the units in the Sub-Funds.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

Level 1:	quoted prices in active markets for identical assets or liabilities;
Level 2:	those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
Level 3:	those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2018 and June 30, 2018, the Fund held the following instruments measured at fair values:

	Note	Level 1	Level 2	Level 3	Total
December 31, 2018 (Un-Audited)					
Equity Sub-Fund					
Listed equity securities		415,962,132	-	-	415,962,132
Debt Sub-Fund					
GoP Ijarah Sukuk Bonds	13.1	-	85,017,000	-	85,017,000
Debt securities - Sukuks	13.1	-	25,842,333	-	25,842,333
Money Market Sub-Fund					
GoP Ijarah Sukuk Bonds	13.1	-	2,000,400	-	2,000,400
		415,962,132	112,859,733	-	528,821,865

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Level 1	Level 2	Level 3	Total
Note	-----	(Rupees in '000)	-----	-----
June 30, 2018 (Audited)				
Equity Sub-Fund				
Listed equity securities	405,149,042	-	-	405,149,042
Debt Sub-Fund				
GoP Ijarah Sukuk Bonds	-	60,729,900	-	60,729,900
Debt securities - Sukuks	-	26,343,416	-	26,343,416
Money Market Sub-Fund				
GoP Ijarah Sukuk Bonds	-	2,008,600	-	2,008,600
	405,149,042	89,081,916	-	494,230,958

During the period ended December 31, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

13.1 Investments in GoP Ijarah sukuk bonds and sukuks, issued by Government of Pakistan or a company or a body corporate for the purpose of raising funds in the form of redeemable capital, are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

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

14. GENERAL

14.1 Figures have been rounded off to the nearest thousand rupee unless otherwise stated.

14.2 Certain prior year's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report other than as disclosed in note 3.1.

15. DATE OF AUTHORISATION FOR ISSUE

These interim financial statements were authorised for issue on February 18, 2019 by the Board of Directors of the Pension Fund Manager.

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



Chief Executive Officer










Director







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