

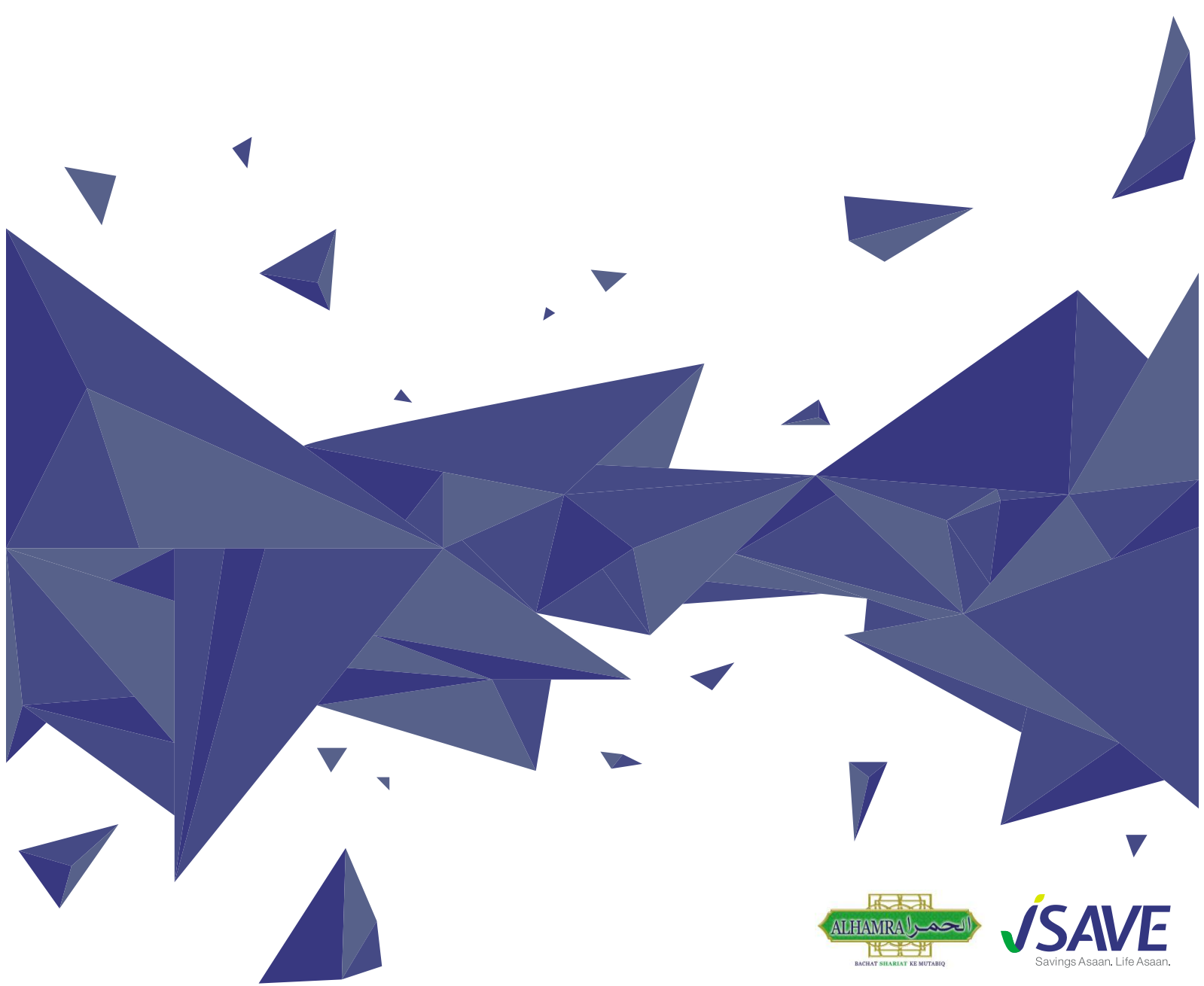


**MCB-ARIF HABIB**  
Savings and Investments Limited

# HALF YEARLY REPORT

DECEMBER  
**2022**  
(UNAUDITED)

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



# **PAKISTAN PENSION FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
<b>Credit Committee</b>	Mr. Nasim Beg Mr. Ahmed Jahangir	Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> 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	
<b>Bankers</b>	Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Allied Bank Limited National Bank Pakistan Askari Bank Limited JS Bank Limited Faysal Bank Limited Habib Bank Limited MCB Bank Limited Bank Al Habib Limited Soneri Bank Limited HBL Micro Finance Bank Limited	
<b>Auditors</b>	<b>Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	

# REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Pension Fund** accounts review for the half year December 31, 2022.

## **ECONOMY AND MONEY MARKET REVIEW**

The macroeconomic landscape continued to remain challenging. The economy was jolted with the worst floods in more than a decade, which caused severe damage to the infrastructure, wiped off crops, devastated livestock and resulted in the loss of precious lives. Earlier, elevated commodity prices due to pent up demand post covid restrictions saw another upward push due to escalation of Russia-Ukraine conflict.

SBP foreign exchange reserves have fallen to critically low levels of USD 3.2 billion (import cover of less than 3 weeks) compared to USD 9.8 billion at the start of the fiscal year. Due to tough impact on vast majority of poor population, government has been reluctant to agree to harsh steps which are pre-condition to IMF loans such as increasing electricity, gas and petrol prices. Unlocking IMF funding however remains critical as the delay in the IMF program is leading to a slowdown in foreign flows from bilateral and multilateral partners.

The country posted a current account deficit (CAD) of USD 3.1 billion in first five months of the fiscal year 2023 (5MFY23) declining by 57% YoY compared to a deficit of USD 7.2 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as a 2.0% decrease in exports coupled with 16.2% drop in imports led to 26% contraction in trade deficit. The government initially kept a lid on imports through administrative measures such as imposing import quotas on selective imports. These import restrictions helped the Rupee gain some strength against the USD, from a low of 240 in July 2022 to PKR 226.4 at December 2022 end.

Headline inflation represented by CPI averaged 25.0% during the half as compared to 9.8% in the corresponding period last year. Higher food prices as an aftermath of floods coupled with higher electricity tariff and rising petroleum prices were the major contributors towards rising CPI. The inflationary pressures were broad based which is depicted by core inflation increasing to 16.4% compared to 12.3% at the end of last fiscal year. SBP increased the policy rate by a further 100bps to 16.0% in the latest monetary policy held in November 2022. On the fiscal side, FBR tax collection increased by 17.0% in 1HFY23 to PKR 3,428 billion compared to PKR 2,929 billion in the same period last year. This missed the target by 218 billion.

Secondary markets yields increased in the half on account of monetary tightening and an additional bout of inflationary pressures post floods. The 3,6 and 12 Month T-Bills yield increased by 171, 184 and 170 basis points (bps) respectively while 3,5 and 10 Years Bond yields rose by 219,168 and 78bps respectively during 1HFY23.

## **EQUITY MARKET REVIEW**

The KSE-100 index closed in negative territory, declining by 1,120 points (-2.7%) in 1HFY23 to close at 40,420 points. The initial exuberance on the account of the resumption of the IMF program and support from friendly countries soon washed away with catastrophic floods, which further deteriorated the already ailing economic conditions of the country. The period under review was marked with elevated inflation (CPI clocking in at a 47-year high), depleting SBP Reserves (lowest levels since April 2014), and a surprise interest rate hike by 100bps, which kept investors in a grim situation. Moreover, continuous delay in the completion of the 9th review under the IMF Program amid political turbulence in the country further dented investors' sentiments.

Foreigners remained net sellers with an outflow of USD 1 million, while on the local front, Mutual Funds offloaded about USD 64 million, which was largely absorbed by Banks and individuals with net buying of

## REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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USD 50 million and USD 48 million respectively. During the first half, average trading volumes saw a decline to 219 million shares compared to about 240 million shares during the preceding half. Similarly, the average trading value during the half saw a drop of 23% over the last half to near USD 30 million.

Commercial Banks, Auto Assemblers, Pharmaceuticals and Chemicals sector were the major contributors to the index decline posting -542/-429/-322/-160 points, respectively. Banking sector struggled to foreign selling pressure despite positing healthy earnings growth and strong balance sheets. Automobile Assemblers struggled due to poor volumetric sales thanks to restrictions imposed by SBP. On the flip side, Technology sector added 964 points to the index.

### FUND PERFORMANCE

#### ***Debt Fund***

The debt sub-fund generated an annualized return of 16.19% during the period under review. The fund's exposure towards PIBs stood at 55.70%, T-Bills stood at 21.8%, TFC/Sukuk stood at 19.1% and exposure in cash was 1.9% at period end.

The Net Assets of the Fund as at December 31, 2022 stood at Rs. 620.20 million as compared to Rs. 558.59 million as at June 30, 2022 registering an increase of 11.03%.

The Net Asset Value (NAV) per unit as at December 31, 2022 was Rs. 375.38 as compared to opening NAV of Rs. 347.06 per unit as at June 30, 2022 registering an increase of Rs. 28.32 per unit.

#### ***Money Market Fund***

The money market sub-fund generated a return of 15.51% during the period. The fund's exposure towards cash stood at 1.3%, 7.7% TFC and T-Bills stood at 84.30%.

The Net Assets of the Fund as at December 31, 2022 stood at Rs. 1029.57 as compared to Rs. 716.24 million as at June 30, 2022 registering an increase of 43.75%.

The Net Asset Value (NAV) per unit as at December 31, 2022 was Rs. 331.44 as compared to opening NAV of Rs. 307.40 per unit as at June 30, 2022 registering an increase of Rs. 24.04 per unit.

#### ***Equity Fund***

The Equity sub-fund generated a return of -4.38% against the KSE-100 return of -2.70%. The sub-fund slightly increased its overall equity exposure to 93.1%. Sector-wise, the sub-fund mainly held exposure in Commercial Banks and Cement.

The Net Assets of the Fund as at December 31, 2022 stood at Rs. 742.91 million as compared to Rs. 831.98 million as at June 30, 2022 registering a decrease of 10.7058%.

The Net Asset Value (NAV) per unit as at December 31 2022 was Rs. 464.86 as compared to opening NAV of Rs. 486.14 per unit as at June 30, 2022 registering a decrease of Rs 21.28 per unit.

### ECONOMY & MARKET – FUTURE OUTLOOK

We expect FY23 GDP growth to decline to 0.6% as monetary tightening, rupee devaluation and the prevailing uncertainty will lead to slowdown in the economy. The loss of cotton and rice crop in the aftermath of floods would trim agriculture growth to 0.4% while industrial growth is expected at clock at -6.8% owing to demand slowdown and shortage of raw materials. The government is taking administrative measures to control imports, which may reduce service sector growth to 3.1%.

We expect the government to keep a tight leash on imports and discourage unnecessary dollar outflows. The imports are expected to decrease by 18% YoY to USD 59 billion as we will witness volumetric compression in several segments of the economy. Thus we expect the CAD to ease to USD 6.8 billion (2.0% of GDP) in FY23, a massive drop, when compared with USD 17.4 billion (4.5% of GDP) in FY22.

## REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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The successful resumption of IMF program will unlock funding from bilateral and multilateral sources. The aid commitment by multilateral agencies in the aftermath of floods should lend support to foreign inflows. However, our external position still remains precarious as we are unlikely to issue international Eurobond or Sukuk owing to the challenging global conditions. The proceeds from FDI and RDA are also likely to remain muted owing to the current economic challenges. Thus we would have to ensure a sustainable current account in the medium term to stave off external concerns.

The rupee has recovered from its recent low due to continuous drain in forex reserves encouraging spreads in Interbank and open market to widen significantly. We believe that restoring a market based exchange rate would bring equilibrium by incentivizing exports and remittances and discouraging imports. Thus we expect USD/PKR to close at 251 by fiscal year end on an assumed REER of 90.

We expect Average FY23 inflation to clock at 24.8% compared to 12.1% in FY22. We foresee the second round impact of the currency devaluation and expected increase in petroleum, electricity and gas prices, which will keep inflation numbers elevated for remainder of the year. SBP has increased the policy rate to 16.0% to cool aggregate demand and deescalate inflationary pressures. Given the significant economic challenges, we do not rule out a scenario where SBP further increases interest rates in the next monetary policy. We expect monetary easing cycle to begin in second half of CY23 where decline in inflation can provide some breather.

From capital market perspective, particularly equities, the correction in stock prices has further opened up valuation. The market appears to have priced in the interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 9.1%, a discount of 55% from its historical average. Similarly, Earning Yield Minus Risk Free Rate are close to 7.1%, compared to historical average of 2.7% signifying deep discount at which market is trading. We believe a micro view of sectors and stock will remain important and investment selection should focus on companies which trade at a deep discount to their intrinsic value. However, we do not see this potential translating into gains, unless issues on the external fronts are dealt with. The market is currently trading at PER of 4.8x, while offering a dividend yield of 11.2%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. We would continue to monitor the data points and capitalize on opportunities to add government bonds in Income Funds at attractive rates to benefit from the expected monetary easing in the medium term.

### MUTUAL FUND INDUSTRY REVIEW

The Net Assets of the open end mutual funds industry increased by about 26.1% during 1HFY23 to PKR 1,531 billion. Total money market funds grew by about 34.2% since June 2022. Within the money market sphere, the conventional funds showed a growth of 19.8% to PKR 535 billion while Islamic funds increased by 62.7% to PKR 367 billion. In addition, the total fixed Income funds increased by about 24.1% since June 2022 to PKR 370 billion. Equity and related funds declined by 13.3% as market witnessed a drop in 1HFY23, eroding AUMs as concern over macroeconomic factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 58.9%, followed by Income funds with 24.2% and Equity and Equity related funds having a share of 13.0% as at the end of 1HFY23.

### MUTUAL FUND INDUSTRY OUTLOOK

The current interest rates would encourage higher flows in the money market funds as they are ideal for investors with a short term horizon and low risk profile. However, a correction in stock prices has opened up valuations and the long term investors may look to add equity exposure at these highly attractive levels. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

## REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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### ACKNOWLEDGEMENT

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

On behalf of Directors,



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**Muhammad Saqib Saleem**

Chief Executive Officer  
February 03, 2023



## ڈائریکٹرز رپورٹ

اظہار تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کے مسلسل تعاون اور حمایت کے لیے شکر گزار ہے۔ نیز، ڈائریکٹرز انتظامیہ ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

من جانب ڈائریکٹرز



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
03 فروری 2023ء

## ڈائریکٹر رپورٹ

اور پٹرول، بجلی اور گیس کی قیمتوں میں اضافہ بھی متوقع ہے، جس کے باعث سال کے بقیہ حصے کے دوران مہنگائی کے عدد بلند سطح پر رہیں گے۔ ایس بی پی نے پالیسی شرح کو بڑھا کر 16.0 فیصد کر دیا ہے تاکہ مجموعی مانگ اور مہنگائی کے دباؤ سے نمٹا جاسکے۔ معیشت میں قابل ذکر منسبت روی اور مانگ میں کمی کے باعث اس بات کا امکان خارج از بحث نہیں ہے کہ ایس بی پی اگلی مانیٹری پالیسی میں شروع سود میں مزید اضافہ کرے۔ ہمیں اُمید ہے کہ مالی سال 2023ء کی دوسری ششماہی میں مالیاتی تسہیل کا دور شروع ہوگا، اور مہنگائی میں کمی سے حالات میں بہتری آئے گی۔

کیپٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے اسٹاک کی قیمتوں میں تصحیح سے تعین قدر مزید کھل گئی ہے۔ مارکیٹ نے بظاہر شرح سود میں اضافے اور روپے کی قدر میں کمی کو مد نظر رکھا ہے۔ مارکیٹ کی قدر کا جی ڈی پی کے ساتھ تناسب کم ہو کر 9.1 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 55 فیصد کمی ہے۔ اسی طرح، Earning Yield Minus Risk Free Rate تقریباً 7.1 فیصد ہیں، اور ان کے قدیم اوسط 2.7 فیصد سے موازنہ کرنے پر مارکیٹ میں ہونے والی تجارت میں بھرپور کمی کا پتہ چلتا ہے۔ ہم سمجھتے ہیں کہ شعبہ جات اور اسٹاکس کا بہت قریبی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے اُن کمپنیوں پر توجہ مرکوز کی جانی چاہیے جو اپنی اصل قدر کے مقابلے میں بہت کم پر فروخت ہو رہی ہیں۔ تاہم ہمیں نہیں لگتا کہ خارجی جہات کے مسائل سے نمٹے بغیر اس استعداد سے منافع حاصل ہوں گے۔ موجودہ حالات پر مارکیٹ میں 4.8x کے PER پر تجارت چل رہی ہے جبکہ ڈیویڈنڈ کی آمدنی 11.2 فیصد پر ہے۔

حاملین قرض کے لیے ہم توقع کرتے ہیں کہ منی مارکیٹ فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ ہم ڈیٹا پوائنٹس کی نگرانی، اور پُرکشش شرحوں پر انکم فنڈز میں حکومتی بانڈز شامل کرنے کے مواقع سے استفادہ، جاری رکھیں گے تاکہ درمیانی مدت میں متوقع مالیاتی تسہیل سے فائدہ اٹھایا جاسکے۔

### میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے خالص اثاثہ جات مالی سال 2023ء کے نصف اول کے دوران تقریباً 26.1 فیصد بڑھ کر 1,531 بلین روپے ہو گئے۔ مجموعی منی مارکیٹ فنڈز میں جون 2022ء سے اب تک تقریباً 34.2 فیصد اضافہ ہوا ہے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 19.8 فیصد بڑھ کر 535 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 62.7 فیصد بڑھ کر 367 بلین روپے ہو گئے۔ مزید براں، مجموعی فکسلڈ انکم فنڈز جون 2022ء سے اب تک تقریباً 24.1 فیصد بڑھ کر 370 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 13.3 فیصد کم ہو گئے جس کی وجہ مالی سال 2023ء کے نصف اول میں مارکیٹ میں انحطاط اور اثاثہ جات تحت الانتظامیہ میں کمی ہے کیونکہ مجموعی معاشی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔ شعبہ جاتی اعتبار سے مالی سال 2023ء کے نصف اول کے اختتام پر منی مارکیٹ فنڈز تقریباً 58.9 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم فنڈز تھے جن کا 24.2 فیصد حصہ تھا، اور تیسرے نمبر پر ایکویٹی اور ایکویٹی سے متعلقہ فنڈز تھے جن کا 13.0 فیصد حصہ تھا۔

### میوچل فنڈ کی صنعت کے مستقبل کا منظر

سود کی موجودہ شرحوں سے منی مارکیٹ فنڈز میں زیادہ آمدورفت کی حوصلہ افزائی ہوگی کیونکہ یہ مختصر المیعاد سرمایہ کاروں کے لیے موزوں ترین ہیں جو خطرے کی کم سطح پر رہنا چاہتے ہیں۔ تاہم اسٹاک کی قیمتوں میں تصحیح سے تعینات قدر کھل گئی ہیں اور طویل المیعاد سرمایہ کاران پُرکشش سطحوں پر ایکویٹی میں مزید پیسہ لگانا چاہیں گے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

## ایکویٹی فنڈ

ایکویٹی ڈیلی فنڈ نے (4.38) فیصد منافع حاصل کیا، جبکہ KSE-100 انڈیکس کا منافع (2.70) فیصد تھا۔ ڈیلی فنڈ نے ایکویٹی میں اپنی مجموعی سرمایہ کاری میں تھوڑا سا اضافہ کر کے اسے 93.1 فیصد کر دیا۔ شعبہ جاتی اعتبار سے ڈیلی فنڈ کی زیادہ تر سرمایہ کاری کمرشل بینکوں اور سیمنٹ میں تھی۔ 31 دسمبر 2022 کو فنڈ کے خالص اثاثہ جات قدر 742.91 ملین روپے تھے، جو 30 جون 2022 کو 831.98 ملین روپے کے مقابلے میں 10.7058 فیصد کمی ہے۔ 31 دسمبر 2022ء کو خالص اثاثہ جاتی قدر (NAV) نی یونٹ 464.86 روپے تھی، جو 30 جون 2022ء کو ابتدائی اثاثہ جاتی قدر (NAV) 486.14 روپے نی یونٹ کے مقابلے میں 21.28 روپے نی یونٹ کی کمی ہے۔

## معیشت اور بازار - مستقبل کے امکانات

مالی سال 2023ء میں جی ڈی پی کی ترقی میں 0.6 فیصد کمی متوقع ہے کیونکہ مالیاتی سختی، روپے کی قدر میں کمی اور موجودہ غیر یقینی صورتحال کے نتیجے میں معیشت سنست روی کا شکار ہو جائے گی۔ سیلاب کی تباہ کاریوں کے ضمن میں کپاس اور چاول کی فصلوں کے ضیاع کے باعث زراعت کی ترقی متاثر ہو کر 0.4 فیصد ہو جائے گی جبکہ صنعتی ترقی 6.8- فیصد متوقع ہے جس کی وجہ مانگ میں سنست روی اور خام مال کی قلت ہیں۔ حکومت درآمدات پر قابو پانے کے لیے انتظامی اقدامات کر رہی ہے جس کے باعث خدمات کے شعبے کی ترقی کم ہو کر 3.1 فیصد ہو جائے گی۔

ہم حکومت سے توقع کرتے ہیں کہ وہ درآمدات کی لگام مضبوطی سے کھینچ کر رکھے گی اور ڈالر کے غیر ضروری اخراجات کی بہاؤ کی حوصلہ شکنی کرے گی۔ درآمدات متوقع طور پر 18 فیصد YoY کم ہو کر 59 بلین ڈالر ہو جائیں گی کیونکہ معیشت کے متعدد گوشوں کے حجم سکڑ جائیں گے۔ چنانچہ ہمیں توقع ہے کہ مالی سال 2023ء میں کرنٹ اکاؤنٹ خسارہ (CAD) کم ہو کر 6.8 بلین ڈالر (جی ڈی پی کا 2.0 فیصد) ہو جائے گا جو مالی سال 2022ء کے 17.4 بلین ڈالر (جی ڈی پی کے 4.5 فیصد) کے مقابلے میں ایک بڑی کمی ہے۔

آئی ایم ایف پروگرام کی کامیابی بحالی ایک کلیدی مثبت پیش رفت ہے کیونکہ اس کی بدولت ہم دو جہتی اور کثیر الجہتی ذرائع سے رقم حاصل کر سکیں گے۔ سیلاب کی تباہ کاریوں کے ضمن میں کثیر الجہتی ایجنسیوں کی طرف سے امداد کے وعدے سے غیر ملکی آمداتی بہاؤ کو معاونت حاصل ہوگی۔ تاہم ہماری خارجی حالت اب بھی غیر یقینی ہے کیونکہ وقت طلب عالمی حالات کے باعث اس بات کا امکان کم ہے کہ ہم بین الاقوامی یورو بانڈ یا سسٹک جاری کریں۔ ایف ڈی آئی اور آر ڈی اے سے حاصل ہونے والی آمدنیاں بھی موجودہ معاشی مشکلات کے باعث متوقع طور پر رُک رہیں گی۔ چنانچہ ہمیں درمیانی مدت میں قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی خدشات ختم ہو سکیں۔

غیر ملکی زرمبادلہ کے ذخائر میں مسلسل کمی کی وجہ سے روپیہ اپنی حالیہ کم ترین سطح سے بحال ہوا ہے جس سے انٹر بینک اور اوپن مارکیٹ میں فرق کو نمایاں طور پر وسیع کرنے کی حوصلہ افزائی ہوئی ہے۔ ہم سمجھتے ہیں کہ مارکیٹ پر مبنی شرح زرمبادلہ سے توازن پیدا ہوگا کیونکہ برآمدات اور ترسیلات زر میں ترغیبات پیدا ہوں گی اور درآمدات کی حوصلہ شکنی ہوگی۔ چنانچہ ہماری توقع ہے کہ 90 کے مفروضہ REER پر مالی سال کے اختتام پر ڈالر/روپیہ تقریباً 251 روپے پر ہوگا۔

مالی سال 2023ء میں اوسط مہنگائی 24.8 فیصد متوقع ہے، بالمقابل مالی سال 2022ء میں 12.1 فیصد کے۔ روپے کی قدر میں کمی کے اثر کا دوسرا دور،

## ڈائریکٹر رپورٹ

### ایکویٹی مارکیٹ کا جائزہ

کراچی اسٹاک ایکسچینج KSE-100 انڈیکس منفی علاقے میں بند ہوا؛ دورانِ ششماہی 1,120 پوائنٹس (2.7 فیصد) کم ہو کر 40240 پوائنٹس پر بند ہوا۔ آئی ایم ایف پروگرام کی بحالی اور دوست ممالک کی طرف سے تعاون کے حوالے سے جوابدہائی جوش و خروش تھا وہ جلد ہی تباہ کن سیلابوں کی نذر ہو گیا جس کے نتیجے میں پہلے سے بد حال ملکی معیشت مزید ابتر ہو گئی۔ زیر جائزہ مدت میں مہنگائی میں اضافہ ہوا (سی پی آئی گزشتہ 47 برسوں کی بلند ترین سطح پر پہنچ گیا) جس کے باعث ایس بی پی کے ذخائر کم ہو گئے (اور اپریل 2014ء سے اب تک کی پست ترین سطح پر پہنچ گئے)، اور شرح سود میں 100bps کے غیر متوقع اضافے کے باعث سرمایہ کار تشویش کا شکار رہے۔ مزید برآں، آئی ایم ایف پروگرام کے تحت نویں (9th) جائزے میں مسلسل تاخیر اور ملک میں سیاسی افراتفری نے سرمایہ کاروں کو مزید پریشانی سے دوچار کر دیا۔

غیر ملکی افراد 1 ملین ڈالر اخراجی بہاؤ کے ساتھ خالص خریدار رہے، جبکہ مقامی جہت میں میوچل فنڈز نے 64 ملین ڈالر کی فروخت کی جس کے بڑے خریدار بینک (50 ملین ڈالر) اور افراد (48 ملین ڈالر) تھے۔ دورانِ نصف اول اوسط تجارتی حجم 219 ملین حصص رہا، جبکہ سابقہ نصف میں تقریباً 240 ملین حصص رہا تھا۔ اسی طرح، دورانِ ششماہی اوسط تجارتی قدر گزشتہ ششماہی کے مقابلے میں 23 فیصد کم ہو کر تقریباً 30 ملین ڈالر ہو گئی۔ انڈیکس میں کمی میں اہم ترین کردار کمرشل بینکوں، گاڑیوں کی اسمبلنگ، دوسازی اور کیمیکل کے شعبوں نے ادا کیا جنہوں نے بالترتیب -429، -332 اور -160 پوائنٹس کم کیے۔ بینکاری کے شعبے کی ناقص کارکردگی کی وجہ گھانا کا ڈیفالٹ ہے جہاں مقامی قرض کو دوبارہ شیڈیول کیا گیا۔ گاڑیوں کی اسمبلنگ کی کمپنیاں فروخت کے ناقص حجم کے باعث مشکل کا شکار ہوئیں جس کی وجہ ایس بی پی کی عائد کردہ پابندیاں ہیں۔ دوسری جانب ٹیکنالوجی کے شعبے نے انڈیکس میں 964 پوائنٹس کا اضافہ کیا۔

### فنڈ کی کارکردگی

#### ڈیٹ فنڈ

زیر جائزہ مدت کے دوران ڈیٹ ذیلی فنڈ کا ایک سال پر محیط منافع 16.19 فیصد تھا۔ اختتام مدت پر فنڈ کی سرمایہ کاری PIBs میں 55.70 فیصد، ٹی۔ بیلز میں 21.8 فیصد، ٹی آف سی/سٹیک میں 19.1 فیصد اور نقد میں 1.9 فیصد تھی۔ 31 دسمبر 2022ء کو فنڈ کے خالص اثاثہ جات 620.20 ملین روپے تھے، جو 30 جون 2022ء کو 558.59 ملین روپے کے مقابلے میں 11.03 فیصد کا اضافہ ہے۔ 31 دسمبر 2022ء کو خالص اثاثہ جاتی قدر (NAV) فی یونٹ 375.38 روپے تھی، جو 30 جون 2022ء کو ابتدائی اثاثہ جاتی قدر (NAV) 347.06 روپے فی یونٹ کے مقابلے میں 28.32 روپے فی یونٹ کا اضافہ ہے۔

#### منی مارکیٹ فنڈ

دورانِ مدت منی مارکیٹ ذیلی فنڈ نے 15.51 فیصد منافع حاصل کیا۔ فنڈ کی سرمایہ کاری نقد میں 1.3 فیصد، ٹی آف سی میں 7.7 فیصد، اور ٹی۔ بیلز میں 84.30 فیصد تھی۔ 31 دسمبر 2022ء کو فنڈ کے خالص اثاثہ جات 1029.57 ملین روپے تھے، جو 30 جون 2022ء کو 716.24 ملین روپے کے مقابلے میں 43.75 فیصد کا اضافہ ہے۔ 31 دسمبر 2022ء کو خالص اثاثہ جاتی قدر (NAV) فی یونٹ 331.44 روپے تھی، جو 30 جون 2022ء کو ابتدائی اثاثہ جاتی قدر (NAV) 307.40 روپے فی یونٹ کے مقابلے میں 24.04 روپے فی یونٹ کا اضافہ ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان پینشن فنڈ کے اکاؤنٹس مختتمہ 31 دسمبر 2022ء کا جائزہ پیش خدمت ہے۔

## معیشت اور بازار کا جائزہ

ملک کا مجموعی معاشیاتی منظر بدستور ناخوشگوار رہا۔ معیشت گزشتہ دہائی سے زیادہ کے بدترین سیلاب کے باعث شدید متاثر ہوئی جس سے انتظامی ڈھانچے کو گھمبیر نقصان پہنچا، فصلوں کا صفایا ہو گیا، مویشی ہلاک ہوئے اور قیمتی جانیں ضائع ہوئیں۔ اس سے قبل، کووڈ پابندیوں کے بعد اجناس کی بڑھتی ہوئی مانگ کی وجہ سے اشیاء کی قیمتوں میں روس-یوکرین کے تنازعہ کی وجہ سے مزید اضافہ دیکھا گیا۔

ایس بی پی کے زرمبادلہ کے ذخائر کم ہو کر 3.2 بلین ڈالر ہو گئے ہیں (جو صرف تین ہفتوں کا درآمداتی ادائیگیوں کو پورا کر سکتے ہیں) بالمقابل مالی سال کے آغاز پر جو 9.8 بلین ڈالر تھے۔ غریب آبادی کی اکثریت پر کڑے اثرات کی وجہ سے حکومت سخت اقدامات پر راضی ہونے سے گریزاں ہے جو آئی ایم ایف کے قرضوں کی پیشگی شرط ہیں جیسے بجلی، گیس اور پیٹرول کی قیمتوں میں اضافہ۔ تاہم آئی ایم ایف کی فنڈنگ کو غیر مقفل کرنا بہت اہم ہے کیونکہ آئی ایم ایف پروگرام میں تاخیر دو طرفہ اور کثیر جہتی شراکت داروں سے غیر ملکی بہاؤ میں سست روی کا باعث بن رہی ہے۔

ملک نے مالی سال 2023 کے پہلے پانچ ماہ میں 3.1 بلین ڈالر کرنٹ اکاؤنٹ خسارہ (CAD) پوسٹ کیا جو 57 سال در سال کم تھا، بالمقابل گزشتہ سال مماثل مدت میں 7.2 بلین ڈالر تجارتی خسارے میں کمی کرنٹ اکاؤنٹ خسارے (CAD) میں بہتری کا اہم ترین سبب تھی کیونکہ برآمدات میں 2 فیصد کمی کے ساتھ ساتھ درآمدات میں 16.2 فیصد کمی کے نتیجے میں تجارتی خسارہ 26 فیصد سکڑ گیا۔ حکومت نے انتظامی اقدامات مثلاً منتخب اشیاء پر درآمداتی کوٹے عائد کرنے کے ذریعے درآمدات کو قابو میں رکھا۔ ان درآمداتی پابندیوں سے روپے کو بمقابلہ ڈالر کچھ تقویت حاصل ہوئی اور روپے کی قدر جولائی 2022ء میں 240 کی پست سطح سے اٹھ کر دسمبر 2022ء کے اختتام تک 226.4 ہو گئی۔

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط دورانِ ششماہی 25.0 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 9.8 فیصد تھا۔ سیلابوں کے نتیجے میں اشیاء خورد و نوش کی قیمتوں میں اضافے کے ساتھ ساتھ بجلی کے نرخ میں اضافہ اور پیٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے اہم ترین اسباب تھے۔ مہنگائی کا دباؤ وسیع پیمانے پر تھا جس کا اظہار بنیادی افراط زر (core inflation) میں 16.4 فیصد کی سطح تک اضافے سے ہوا جو گزشتہ مالی سال کے اختتام پر 12.3 فیصد تھا۔ ایس بی پی نے نومبر 2022ء کی تازہ ترین ماہی پالیسی میں پالیسی شرح کو مزید 100 بیسیس پوائنٹس (بی پی ایس) بڑھا کر 16.0 فیصد کر دیا۔ مالیاتی جہت میں ایف بی آر کی ٹیکس وصولی میں مالی سال 2023ء کی پہلی ششماہی میں 17.0 فیصد اضافہ ہوا اور 3,428 بلین روپے ٹیکس جمع ہوا، جبکہ گزشتہ سال مماثل مدت میں 2,929 بلین روپے تھا۔ اس طرح ہدف سے 218 بلین روپے کم ٹیکس وصول ہوا۔

ثانوی مارکیٹوں کی پیداوار میں دورانِ ششماہی اضافہ ہوا جس کے اسباب مالیاتی سختی اور بعد از سیلاب مہنگائی کے دباؤ کی نئی لہر ہیں۔ دورانِ ششماہی 3، 6 اور 12 ماہانہ ٹی-بلنز کے منافع جات میں بالترتیب 171، 184 اور 170 بی پی ایس، جبکہ 3، 5 اور 10 سالہ بانڈز کے منافع جات میں بالترتیب 168، 219 اور 78 بی پی ایس کا اضافہ ہوا۔



# AUDITOR'S REPORT TO THE PARTICIPANTS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS



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## INDEPENDENT AUDITORS' REVIEW REPORT TO THE PARTICIPANTS OF PAKISTAN PENSION FUND

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Pakistan Pension Fund** ("the Fund") as at December 31, 2022, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in participants' sub fund, condensed interim statement of cash flow and notes to the condensed interim financial information (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2022. The Board of the Management Company (MCB Arif Habib Savings and Investments Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### 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 condensed 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 condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matters

The figures of the condensed interim financial information for the quarter ended December 31, 2022, have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

The engagement partner on the review resulting in this independent auditor's review report is Hena Sadiq.

  
Chartered Accountants

Place: Karachi  
Dated: February 17, 2023

UDIN: RR202210057zKet3coS8

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2022

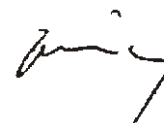
December 31, 2022 (Un-audited)					June 30, 2022 (Audited)				
	Equity	Debt	Money		Equity	Debt	Money		
	Sub-Fund	Sub-Fund	Market	Total	Sub-Fund	Sub-Fund	Market	Total	
Note	(Rupees '000)				(Rupees '000)				
<b>Assets</b>									
Balances with banks	4	40,756	15,498	12,939	69,193	29,651	452,486	707,121	1,189,258
Investments	5	726,761	706,550	870,622	2,303,933	798,740	334,195	-	1,132,935
Dividend receivable		-	-	-	-	-	-	-	-
Markup receivable		657	10,674	4,417	15,748	299	11,387	11,110	22,796
Advance against IPO subscription of sukuk	6	-	65,000	80,000	145,000	-	10,000	-	10,000
Receivable against sale of investments		8,406	-	-	8,406	4,088	-	-	4,088
Advances, deposits and other receivables		3,770	928	64,893	69,591	3,723	398	282	4,403
<b>Total assets</b>		<b>780,350</b>	<b>798,650</b>	<b>1,032,871</b>	<b>2,611,871</b>	<b>836,501</b>	<b>808,466</b>	<b>718,513</b>	<b>2,363,480</b>
<b>Liabilities</b>									
Payable to Pension Fund Manager		1,100	681	630	2,411	1,170	511	311	1,992
Payable to Central Depository Company of Pakistan Limited - Trustee		91	74	111	276	99	65	78	242
Annual fee payable to the Securities and Exchange Commission of Pakistan		166	119	174	459	359	198	223	780
Payable against purchase of investments		33,175	174,394	-	207,569	-	246,473	-	246,473
Accrued expenses and other liabilities	7	2,912	3,185	2,390	8,487	2,896	2,626	1,657	7,179
<b>Total liabilities</b>		<b>37,444</b>	<b>178,453</b>	<b>3,305</b>	<b>219,202</b>	<b>4,524</b>	<b>249,873</b>	<b>2,269</b>	<b>256,666</b>
<b>NET ASSETS</b>		<b>742,906</b>	<b>620,197</b>	<b>1,029,566</b>	<b>2,392,669</b>	<b>831,977</b>	<b>558,593</b>	<b>716,244</b>	<b>2,106,814</b>
Participants' sub funds (as per condensed interim Statement of Movement in Participants' sub funds)									
		<u>742,906</u>	<u>620,197</u>	<u>1,029,566</u>		<u>831,977</u>	<u>558,593</u>	<u>716,244</u>	
		----- (Number of units) -----				----- (Number of units) -----			
<b>NUMBER OF UNITS IN ISSUE</b>	13	<u>1,598,139</u>	<u>1,652,192</u>	<u>3,106,369</u>		<u>1,711,394</u>	<u>1,609,508</u>	<u>2,330,009</u>	
		----- (Rupees) -----				----- (Rupees) -----			
<b>NET ASSETS VALUE PER UNIT</b>		<u>464.86</u>	<u>375.38</u>	<u>331.44</u>		<u>486.14</u>	<u>347.06</u>	<u>307.40</u>	
<b>Contingencies and commitments</b>	8								

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

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, 2022

Half year ended December 31, 2022					Half year ended December 31, 2021					
	Equity	Debt	Money		Equity	Debt	Money			
	Sub-Fund	Sub-Fund	Market	Total	Sub-Fund	Sub-Fund	Market	Total		
Note	(Rupees '000)				(Rupees '000)					
<b>Income</b>										
Investments at fair value through profit or loss:										
- Net capital (loss) / gain on sale of investments	(7,018)	6,983	2,522	2,487	(7,144)	(1,595)	153	(8,586)		
- Dividend income from investments	39,484	-	-	39,484	27,727	-	-	27,727		
- Income from Government securities	-	17,106	14,145	31,251	-	13,260	9,697	22,957		
- Income from term finance and sukuk certificates	-	9,198	2,227	11,425	-	2,963	-	2,963		
Unrealised (loss) / gain in fair value of investments classified as 'at fair value through profit or loss' - net	5.4	(59,854)	(2,068)	387	(61,535)	(45,920)	274	-	(45,646)	
Profit on bank and term deposits		2,933	19,751	49,100		71,784	921	5,699	13,668	20,288
Other income		-	-	-		-	104	-	-	104
<b>Total income</b>		(24,455)	50,970	68,381		94,896	(24,416)	20,705	23,518	19,807
<b>Expenses</b>										
Remuneration of Pension Fund Manager		6,232	3,054	2,317		11,603	7,228	3,881	4,185	15,294
Sindh sales tax on remuneration of Pension Fund Manager		810	397	301		1,508	940	505	544	1,989
Remuneration of Central Depository Company Limited - Trustee		507	364	528		1,399	601	323	348	1,272
Sales tax on remuneration of trustee		66	47	69		182	78	42	45	165
Annual fee - Securities and Exchange Commission of Pakistan (SECP)		166	119	173		458	172	92	100	364
Auditors' remuneration		75	74	123		272	132	60	78	270
Custody and settlement charges		225	182	2		409	259	185	4	448
Securities transaction cost		900	168	75		1,143	1,221	93	80	1,394
Reversal of Sindh Workers' Welfare Fund	6.1	-	-	-		-	(8,551)	(4,532)	(2,234)	(15,317)
Bank charges		9	128	76		213	16	101	56	173
<b>Total expenses</b>		8,990	4,533	3,664		17,187	2,096	750	3,206	6,052
<b>Net (loss) / income from operating activities</b>		(33,445)	46,437	64,717		77,709	(26,512)	19,955	20,312	13,755
Taxation	9	-	-	-		-	-	-	-	-
<b>Net (loss) / income for the period</b>		(33,445)	46,437	64,717		77,709	(26,512)	19,955	20,312	13,755
<b>Earnings per unit</b>									12	

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

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, 2022

	Quarter ended December 31, 2022				Quarter ended December 31, 2021			
	Equity	Debt	Money Market		Equity	Debt	Money Market	
	Sub-Fund	Sub-Fund	Sub-Fund	Total	Sub-Fund	Sub-Fund	Sub-Fund	Total
Note	(Rupees '000)				(Rupees '000)			
<b>Income</b>								
Investments at fair value through profit or loss:								
- Net capital gain / (loss) on sale of investments	(6,313)	4,151	2,273	111	(9,395)	(1,606)	(573)	(11,574)
- Dividend income from investments	18,666	-	-	18,666	15,058	-	-	15,058
- Income from Government securities	-	11,451	14,145	25,596	-	6,402	4,566	10,968
- Income from term finance and sukuk certificates	-	5,529	2,227	7,756	-	1,898	-	1,898
Net unrealised gain on revaluation of investments	(48,750)	1,808	-	(46,942)	20,003	(360)	-	19,643
Profit on bank and term deposits	1,595	(14,798)	(31,789)	(44,992)	404	(2,316)	(5,243)	(7,155)
Other income	-	19,751	49,100	68,851	-	5,699	13,668	19,367
<b>Total income</b>	<b>(34,802)</b>	<b>27,892</b>	<b>35,956</b>	<b>29,046</b>	<b>26,070</b>	<b>9,717</b>	<b>12,418</b>	<b>48,205</b>
<b>Expenses</b>								
Remuneration of Pension Fund Manager	3,050	1,630	1,299	5,979	3,638	1,932	2,122	7,692
Sindh sales tax and Federal Excise Duty on remuneration of Pension Fund Manager	396	212	169	777	473	252	276	1,001
Remuneration of Central Depository Company Limited - Trustee	247	189	279	715	302	161	176	639
Sales tax on remuneration of trustee	32	24	37	93	39	21	23	83
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	81	62	92	235	97	51	57	205
Auditors' remuneration	23	40	74	137	67	26	43	136
Custody and settlement charges	108	90	-	198	141	93	2	236
Securities transaction cost	510	142	63	715	846	114	26	986
Provision for Sindh Workers' Welfare Fund	-	-	-	-	-	-	-	-
Bank charges	5	79	61	145	13	34	23	70
<b>Total expenses</b>	<b>4,452</b>	<b>2,468</b>	<b>2,074</b>	<b>8,994</b>	<b>5,616</b>	<b>2,684</b>	<b>2,748</b>	<b>11,048</b>
<b>Net (loss) / income from operating activities</b>	<b>(39,254)</b>	<b>25,424</b>	<b>33,882</b>	<b>20,052</b>	<b>20,454</b>	<b>7,033</b>	<b>9,670</b>	<b>37,157</b>
Taxation	9	-	-	-	-	-	-	-
<b>Net (loss) / income for the period</b>	<b>(39,254)</b>	<b>25,424</b>	<b>33,882</b>	<b>20,052</b>	<b>20,454</b>	<b>7,033</b>	<b>9,670</b>	<b>37,157</b>

Earnings per unit

12

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

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, 2022**

	Half year ended December 31, 2022				Half year ended December 31, 2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees '000)				(Rupees '000)			
<b>Net (loss) / income for the period after taxation</b>	<b>(33,445)</b>	<b>46,437</b>	<b>64,717</b>	<b>77,709</b>	<b>(26,512)</b>	<b>19,955</b>	<b>20,312</b>	<b>13,755</b>
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive (Loss) / income for the period</b>	<b>(33,445)</b>	<b>46,437</b>	<b>64,717</b>	<b>77,709</b>	<b>(26,512)</b>	<b>19,955</b>	<b>20,312</b>	<b>13,755</b>

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

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



Chief Executive Officer



Director

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER YEAR ENDED DECEMBER 31, 2022

	Quarter ended December 31, 2022				Quarter ended December 31, 2021			
	Equity	Debt	Money		Equity	Debt	Money	
	Sub-Fund	Sub-Fund	Market	Total	Sub-Fund	Sub-Fund	Market	Total
	(Rupees '000)				(Rupees '000)			
Net (loss) / income for the period after taxation	(39,254)	25,424	33,882	20,052	20,454	7,033	9,670	37,157
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	(39,254)	25,424	33,882	20,052	20,454	7,033	9,670	37,157

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

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, 2022

	Half year ended December 31, 2022				Half year ended December 31, 2021			
	Equity	Debt	Money		Equity	Debt	Money	
	Sub-Fund	Sub-Fund	Market	Total	Sub-Fund	Sub-Fund	Market	Total
	(Rupees '000)				(Rupees '000)			
<b>Net assets at the beginning of the period</b>	831,977	558,593	716,244	2,106,814	904,780	495,006	533,359	1,933,145
Amount received on issuance of units	252,770	269,987	465,537	988,294	155,459	82,962	108,260	346,681
Amount paid on redemption of units	(308,396)	(254,820)	(216,932)	(780,148)	(67,177)	(88,673)	(74,065)	(229,915)
	(55,626)	15,167	248,605	208,146	88,282	(5,711)	34,195	116,766
Net income for the period	(33,445)	46,437	64,717	77,709	(26,512)	19,955	20,312	13,755
<b>Net assets at the end of the period</b>	742,906	620,197	1,029,566	2,392,669	966,550	509,250	587,866	2,063,666

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

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



Chief Executive Officer



Director

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Half year ended December 31, 2022				Half year ended December 31, 2021			
	Equity	Debt	Money Market		Equity	Debt	Money Market	
	Sub-Fund	Sub-Fund	Sub-Fund	Total	Sub-Fund	Sub-Fund	Sub-Fund	Total
	(Rupees '000)				(Rupees '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net (loss) / income for the period	(33,445)	46,437	64,717	77,709	(35,668)	19,493	21,149	4,974
<b>Adjustments for non cash and other items:</b>								
Unrealised (gain) / loss on revaluation of investments - at fair value through profit or loss - net	59,854	2,068	(387)	61,535	45,920	(274)	-	45,646
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those redeemed:	-	-	-	-	9,156	462	(837)	8,781
	59,854	2,068	(387)	61,535	55,076	188	(837)	54,427
<b>Decrease / (Increase) in assets</b>								
Investments	12,125	(199,997)	387	(187,485)	(119,043)	(119,317)	-	(238,360)
Dividend receivable	-	-	-	-	1,378	-	-	1,378
Mark up receivable	(358)	713	6,693	7,048	(24)	(1,582)	(2,731)	(4,337)
Advance against IPO	-	(55,000)	(80,000)	(135,000)	-	-	-	-
Receivable against sale of investment	(4,318)	-	-	(4,318)	-	-	-	-
Advance, deposits and other receivables	(47)	(530)	(64,611)	(65,188)	17,494	134,859	-	152,353
	7,402	(254,814)	(137,531)	(380,625)	(100,195)	13,960	(2,731)	(88,966)
<b>Increase / (decrease) in liabilities</b>								
Payable to Pension Fund Manager	(70)	170	319	419	76	50	81	207
Payable to Central Depository Company of Pakistan Limited - Trustee	(8)	9	33	34	5	4	7	16
Annual fee - Securities and Exchange Commission of Pakistan	(193)	(79)	(49)	(321)	(40)	(35)	(25)	(100)
Payable against purchase of investments	33,175	(72,079)	-	(38,904)	(7,434)	-	-	(7,434)
Payable against redemption of units	-	-	-	-	-	(64,742)	-	(64,742)
Accrued and other liabilities	16	559	733	1,308	(8,122)	(4,581)	(2,301)	(15,004)
	32,920	(71,420)	1,036	(37,464)	(15,515)	(69,304)	(2,238)	(87,057)
<b>Net cash (used in) / generated from operating activities</b>	66,731	(277,729)	(72,165)	(278,845)	(96,302)	(35,663)	15,343	(116,622)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Receipts from issuance of units	252,770	269,987	465,537	988,294	155,459	82,962	108,260	346,681
Payments on redemption of units	(308,396)	(254,820)	(216,932)	(780,148)	(67,177)	(88,673)	(74,065)	(229,915)
<b>Net cash generated from / (used in) financing activities</b>	(55,626)	15,167	248,605	208,146	88,282	(5,711)	34,195	116,766
<b>Net decrease in cash and cash equivalents</b>	11,105	(262,562)	176,440	(70,699)	(8,020)	(41,374)	49,538	144
Cash and cash equivalents at beginning of the period	29,651	452,486	707,121	1,189,813	19,575	441,179	534,910	995,664
<b>Cash and cash equivalents at end of the period</b>	11 40,756	189,924	883,561	1,119,114	11,555	399,805	584,448	995,808

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

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 (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The Pakistan 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. The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is registered under the Sindh Trust Act on August 13, 2021.
- 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 Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.4 The Pakistan Credit Rating Agency (PACRA) has assigned Management quality rating of "AM1" dated October 06, 2022 to the Management Company.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company Limited as Trustee of the Fund.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

This condensed interim financial information 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 Constitutive Documents, Voluntary Pension System Rules, 2005 (VPS Rules), The Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and the directives issued by the SECP.

Wherever the requirements of the Constitutive Documents, the VPS Rules, NBFC Regulations 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 This condensed interim financial information 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, 2022.
- 2.3 This condensed interim financial information are presented in Pakistani Rupee, which is the functional and presentation currency of the Fund.

## 3. ACCOUNTING POLICIES AND ESTIMATES

- 3.1 The accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2022.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

December 31, 2022 (Un-audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	(Rupees in '000)			
<b>4 BALANCES WITH BANKS</b>				
Savings Accounts	4.1	40,756	15,498	12,939
		40,756	15,498	12,939
				69,193

June 30, 2022 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000's)			
Savings accounts	29,651	452,486	707,121	1,189,258
	29,651	452,486	707,121	1,189,258

- 4.1 These carry interest rates ranging from 11.25% to 15.7% (June 30, 2022: 5.5% to 21%) per annum. These included balance of Rs. 2.4 Million in Equity Sub Fund (June 30, 2022: Rs 5.3 Million) , Rs. 2.83 Million in Debt Sub Fund (June 30, 2022: Nil) and Rs 2.82 Million in Money Market Sub Fund (June 30, 2022: Nil) held with MCB Bank Limited, a related party.

December 31, 2022 (Un-audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	(Rupees in '000)			
<b>5 INVESTMENTS</b>				
At fair value through profit or loss				
Listed equity securities	5.1	726,761	-	726,761
Government securities	5.2	-	619,234	870,622
Debt securities - Term 'Finance Certificates / 'Sukuks	5.3	-	87,316	87,316
		726,761	706,550	870,622
				2,303,933

June 30, 2022 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)			
At fair value through profit or loss				
Listed equity securities	798,740	-	-	798,740
Government securities	-	243,640	-	243,640
Term 'Finance Certificates / 'Sukuks	-	90,555	-	90,555
	798,740	334,195	-	1,132,935

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

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

**Equity Sub-Fund**

Name of the Investee Company	Note	Number of shares				Balance as at December 31, 2022			Market value as a % of net assets of the sub-fund	Market value as a % of the paid up capital of the investee company
		As at July 01, 2022	Purchased during the period	Bonus / right issue during the period / Dividend in Specie	Sold during the period	As at December 31, 2022	Carrying Value	Market value		
(Rupees in '000')										
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
<b>Automobile parts and accessories</b>										
Agriauto Industries Limited	43,500	-	-	10,875	-	54,375	5,829	4,666	(1,163)	0.63%
Atlas Battery Limited	50	-	-	12	62	-	-	-	-	0.00%
Ghandhara Tyre & Rubber Company Limited	108,000	-	-	-	26,500	81,500	2,772	2,201	(571)	0.05%
Thal Limited	30,000	5,000	-	-	-	35,000	9,045	6,764	(2,281)	0.91%
							17,646	13,631	(4,015)	1.54%
<b>Cable and electrical goods</b>										
Pak Elektron Limited	774,000	-	-	-	-	774,000	12,299	10,023	(2,276)	1.35%
							12,299	10,023	(2,276)	1.35%
<b>Cement</b>										
Attock Cement Pakistan Limited	22,000	59,000	-	-	-	81,000	5,594	4,581	(1,013)	0.62%
Bestway Cement Limited	65,000	-	-	-	65,000	-	-	-	-	0.00%
Cherat Cement Company Limited	120,000	-	-	-	56,400	63,600	5,917	6,481	564	0.87%
Fauji Cement Company Limited	2,651,000	819,000	433,750	-	573,750	3,330,000	42,410	40,027	(2,383)	5.39%
Kohat Cement Company Limited	134,210	-	-	-	39,210	95,000	12,362	14,032	1,670	1.89%
Lucky Cement Limited	57,000	28,000	-	-	54,000	31,000	14,153	13,844	(309)	1.86%
Maple Leaf Cement Factory Limited	1,367,000	56,500	-	-	753,500	670,000	18,061	15,122	(2,939)	2.04%
Pioneer Cement Limited	-	35,000	-	-	35,000	-	-	-	-	0.00%
D.G. Khan Cement Company Limited**	139,000	70,000	-	-	209,000	-	-	-	-	-
							98,497	94,087	(4,410)	12.67%
<b>Chemical</b>										
Archroma Pakistan Limited	10,000	-	-	-	-	10,000	5,490	4,360	(1,130)	0.59%
							5,490	4,360	(1,130)	0.59%
<b>Commercial banks</b>										
Bank Alfalah Limited	580,000	725,000	-	-	-	1,305,000	42,158	39,333	(2,825)	5.29%
BankIslami Pakistan Limited	1,383,000	225,000	-	-	150,000	1,458,000	17,358	19,479	2,121	2.62%
Faysal Bank Limited	1,231,000	-	-	-	531,000	700,000	16,142	18,081	1,939	2.43%
Habib Bank Limited	480,500	120,000	-	-	381,353	219,147	17,314	13,966	(3,348)	1.88%
Habib Metropolitan Bank Limited	670,500	-	-	-	-	670,500	26,183	22,763	(3,420)	3.06%
Meezan Bank Limited	348,035	161,662	34,803	-	40,500	504,000	52,882	50,168	(2,714)	6.75%
United Bank Limited	230,000	373,000	-	-	93,000	510,000	57,674	51,383	(6,291)	6.92%
							229,711	215,173	(14,538)	28.95%
<b>Engineering</b>										
Aisha Steel Mills Limited**	700,000	-	-	-	700,000	-	-	-	-	0.00%
International Industries Limited	2,136	-	-	-	-	2,136	222	162	(60)	0.02%
Amreli Steels Limited	220,000	-	-	-	220,000	-	-	-	-	0.00%
Mughal Iron & Steel Industries Limited	200,000	-	-	-	-	200,000	11,528	9,662	(1,866)	1.30%
										0.07%



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

Name of the Investee Company	Note	Number of shares					Balance as at December 31, 2022			Market value as a % of net assets of the sub-fund	Market value as a % of the paid up capital of the investee company
		As at July 01, 2022	Purchased during the period	Bonus / right issue during the period / Dividend in Specie	Sold during the period	As at December 31, 2022	Carrying Value	Market value	Unrealised gain / (loss)		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise											
----- (Number of shares) ----- (Rupees in '000') ----- (%) -----											
<b>Fertilizer</b>							<b>11,750</b>	<b>9,824</b>	<b>(1,926)</b>	<b>1.32%</b>	<b>0.49%</b>
Engro Corporation Limited		250,474	-	-	-	250,474	22,202	19,259	(2,943)	2.59%	0.00%
Engro Fertilizer Limited		97,000	68,000	-	-	165,000	44,160	43,232	(928)	5.82%	0.03%
Fatima Fertilizer Company Limited		275,000	-	-	-	275,000	10,395	9,240	(1,155)	1.24%	0.03%
							<b>76,757</b>	<b>71,731</b>	<b>(5,026)</b>	<b>9.65%</b>	<b>0.06%</b>
<b>Food and personal care products</b>											
Murree Brewery Company Limited		14,500	-	-	-	14,500	5,872	5,275	(597)	0.71%	0.05%
National Foods Limited		843	-	-	843	-	-	-	-	0.00%	0.00%
Ghezan International Limited		14,580	-	-	-	14,580	2,479	2,160	(319)	0.29%	0.15%
The Organic Meat Company Limited		300,000	125,000	35,587	60,000	400,587	7,885	8,276	391	1.11%	0.21%
							<b>16,236</b>	<b>15,711</b>	<b>(525)</b>	<b>2.11%</b>	<b>0.41%</b>
<b>Glass and Ceramics</b>											
Shabbir Tiles & Ceramics Limited		460,000	-	-	-	460,000	6,730	3,956	(2,774)	0.53%	0.12%
Tariq Glass Industries Limited		86,000	-	-	86,000	-	-	-	-	0.00%	0.04%
							<b>6,730</b>	<b>3,956</b>	<b>(2,774)</b>	<b>2.64%</b>	<b>0.16%</b>
<b>Insurance</b>											
EFU General Insurance Limited		2,300	-	-	-	2,300	256	213	(43)	0.03%	0.00%
							<b>256</b>	<b>213</b>	<b>(43)</b>	<b>2.67%</b>	
<b>Leather and tanneries</b>											
Bata Pakistan Limited		3,280	60	-	-	3,340	7,917	7,225	(692)	0.97%	0.06%
							<b>7,917</b>	<b>7,225</b>	<b>(692)</b>	<b>0.97%</b>	<b>0.06%</b>
<b>Miscellaneous</b>											
Shifa International Hospitals		83,660	2,800	-	-	86,460	15,407	9,260	(6,147)	1.25%	0.13%
							<b>15,407</b>	<b>9,260</b>	<b>(6,147)</b>	<b>1.25%</b>	<b>0.13%</b>
<b>Oil and gas exploration companies</b>											
Mari Petroleum Company Limited	5.1.1	41,860	-	-	1,160	40,700	70,807	62,961	(7,846)	8.47%	0.02%
Oil & Gas Development Company Limited		184,530	235,000	-	39,530	380,000	29,465	30,271	806	4.07%	0.01%
Pakistan Oilfields Limited		-	18,000	-	-	18,000	7,126	7,071	(55)	0.95%	0.00%
Pakistan Petroleum Limited		301,500	190,000	-	39,000	452,500	30,522	30,833	311	4.15%	0.02%
							<b>137,920</b>	<b>131,136</b>	<b>(6,784)</b>	<b>17.64%</b>	<b>0.05%</b>
<b>Oil and gas marketing companies</b>											
Attock Petroleum Limited		25,500	-	-	25,500	-	-	-	-	0.00%	0.05%
							<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.05%</b>
<b>Paper and board</b>											
Packages Limited		45,950	900	-	4,950	41,000	16,353	15,177	(1,176)	2.04%	0.05%
Security Papers Limited		4,600	-	-	-	5,500	639	515	(124)	0.07%	0.01%
							<b>16,992</b>	<b>15,692</b>	<b>(1,300)</b>	<b>2.11%</b>	<b>0.06%</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

Name of the Investee Company	Note	Number of shares				Balance as at December 31, 2022			Market value as a % of net assets of the sub-fund	Market value as a % of the paid up capital of the investee company
		As at July 01, 2022	Purchased during the period	Bonus / right issue during the period / Dividend in Specie	Sold during the period	As at December 31, 2022	Carrying Value	Unrealised gain / (loss)		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Pharmaceuticals										
Abbott Laboratories (Pakistan) Limited		-	-	-	-	-	-	-	-	0.00%
Glaxosmithkline Consumer Healthcare Pakistan Limited		43,000	10,000	-	-	53,000	12,448	8,687	(3,761)	1.17%
Ferozsons Laboratories Limited		-	25,500	5,100	30,600	-	-	-	-	0.00%
Highnoon Laboratories Limited		11,000	-	-	11,000	-	-	-	-	0.04%
The Searle Company Limited		-	-	-	-	-	-	-	-	0.02%
Citi Pharma Limited		508,000	-	-	-	508,000	16,581	12,268	(4,313)	1.65%
IBL Healthcare Limited		1	-	-	1	-	-	-	-	0.00%
							29,029	20,955	(8,074)	1.17%
Power generation and distribution										
Hub Power Company Limited	5.1.1	167,986	-	-	30,986	137,000	9,339	8,642	(697)	1.16%
Nishat Chunian Power Limited		-	-	429,671	429,671	-	-	-	-	0.03%
							9,339	8,642	(697)	1.16%
Power generation and distribution										
Attock Refinery Limited		34,000	-	-	34,000	-	-	-	-	0.03%
							-	-	-	0.03%
Technology and communication										
Air Link Communication Limited		193,000	-	-	186,000	7,000	283	207	(76)	0.03%
Systems Limited		57,000	35,000	-	15,500	76,500	29,576	37,021	7,445	4.98%
Avanceon Limited		55,000	-	-	-	55,000	4,286	3,628	(658)	0.49%
							34,145	40,856	6,711	5.50%
Textile composite										
Gul Ahmed Textile Mills Limited		278,501	100,000	-	-	378,501	12,246	9,326	(2,920)	1.26%
Interloop Limited		130,675	194,570	10,709	-	335,954	19,980	19,032	(948)	2.56%
Kohinoor Textile Mills Limited		151,300	-	-	-	151,300	7,565	7,149	(416)	0.96%
Nishat (Chunian) Limited**		720,549	120,000	-	790,549	50,000	1,010	1,042	32	0.14%
Nishat Mills Limited**		99,259	80,000	-	25,000	154,259	11,302	8,483	(2,819)	1.14%
							52,103	45,032	(7,071)	4.78%
Tobacco										
Pakistan Tobacco Company Limited		-	9,600	-	-	9,600	8,391	9,254	863	1.25%
							8,391	9,254	863	1.25%
Total as at December 31, 2022 (Un-audited)										
							786,615	726,761	(59,854)	
Total as at June 30, 2022 (Audited)										
							955,274	798,740	(156,534)	

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

\*\* These transactions relating to shares of related parties

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**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, 2022	(Audited) June 30, 2022	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees in '000') -----			
Oil & Gas Development Company Limited	100,000	100,000	7,966	7,867
Bank Alfalah Limited	50,000	50,000	1,507	1,600
The Hub Power Company Limited	110,995	110,995	7,002	7,567
	260,995	260,995	16,475	17,034

**5.1.2** As at December 31, 2022 the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.0.37 million (June 30, 2022: Rs.0.825 million).

**5.2 Government securities - at fair value through profit or loss**

**Debt Sub-Fund**

Name of security	Issue date	Face value			Balance as at December 31, 2022			Market value as % of net assets of sub- funds
		As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying Value	Unrealised Market value (loss) / gain	
(Rupees in '000')								%

**Pakistan Investment Bonds**

Pakistan Investment Bonds - 3 years	4-Aug-22	-	1,100,000	1,100,000	-	-	-
Pakistan Investment Bonds - 3 years	5-Aug-21	-	250,000	250,000	-	-	-
Pakistan Investment Bonds - 5 years	29-Apr-22	100,000	550,000	650,000	-	-	-
Pakistan Investment Bonds - 5 years	13-Oct-22	-	300,000	300,000	-	-	-
Pakistan investment bonds - 10 years	10-Dec-20	50,000	-	50,000	-	-	-
Pakistan investment bonds - 20 years	10-Jun-04	1,900	-	-	1,900	1,809	0.28%
						1,743	(66)
Total as at December 31, 2022 (Un-Audited)						1,809	1,743
							(66)
Total as at June 30, 2022 (Audited)						120,737	120,245
							(492)

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

Name of security	Issue date	Face value			Balance as at December 31, 2022			Market value as % of net assets of sub-funds
		As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying Value	Unrealised (loss) / gain	
(Rupees in '000')								
Pakistan Investment Bonds-FRB								
Pakistan Investment Bonds - 2 years	26-Aug-21	50,000	-	50,000	-			
Pakistan Investment Bonds - 2 years	8-Sep-22	-	350,000		350,000	346,444	346,395	55.85%
Pakistan Investment Bonds - 5 years	6-May-21	75,000	25,000		100,000	97,999	96,670	15.59%
Pakistan Investment Bonds - 5 years	17-Nov-22	-	25,000	25,000	-	-	-	
Total as at December 31, 2022 (Un-Audited)						444,443	443,065	(1,378)
Total as at June 30, 2022 (Audited)						123,515	123,395	(120)

Name of security	Issue date	Face value			Balance as at December 31, 2022			Market value as % of net assets of sub-funds
		As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying Value	Unrealised (loss) / gain	
----- (Rupees in '000') -----								
Treasury Bills								
Market Treasury Bills - 3 months	30-Jun-22	-	500,000	500,000	-	-	-	-
Market Treasury Bills - 3 months	28-Jul-22	-	500,000	500,000	-	-	-	-
Market Treasury Bills - 3 months	22-Sep-22	-	59,000	59,000	-	-	-	-
Market Treasury Bills - 3 months	6-Oct-22	-	1,245,000	1,245,000	-	-	-	-
Market Treasury Bills - 3 months	20-Oct-22	-	175,000	-	175,000	174,394	174,426	32
Market Treasury Bills - 3 months	3-Nov-22	-	1,000,000	1,000,000	-	-	-	-
Market Treasury Bills - 3 months	17-Nov-22	-	1,045,000	1,045,000	-	-	-	-
Market Treasury Bills - 6 months	30-Jun-22	-	10,000	10,000	-	-	-	-
Market Treasury Bills - 6 months	6-Oct-22	-	500,000	500,000	-	-	-	-
Market Treasury Bills - 6 months	20-Oct-22	-	500,000	500,000	-	-	-	-
Market Treasury Bills - 12 months	6-Oct-22	-	200,000	200,000	-	-	-	-
Total as at December 31, 2022 (Un-audited)					174,394	174,426	32	28.12%
Total as at June 30, 2022 (Audited)					-	-	-	
Total as at December 31, 2022 (Un-audited)					620,646	619,234	(1,412)	
Total as at June 30, 2022 (Audited)					244,252	243,640	(612)	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**Money Market Sub-Fund**

	Issue Date	Face value			Balance as at December 31, 2022			Market value as % of net assets of sub-funds
		As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying Value	Unrealised gain / (loss)	
(Rupees in '000')								
Treasury Bills								
Market Treasury Bills - 3 months	30-Jun-22	-	500,000	500,000	-	-	-	-
Market Treasury Bills - 3 months	28-Jul-22	-	500,000	500,000	-	-	-	-
Market Treasury Bills - 3 months	22-Sep-22	-	57,000	57,000	-	-	-	-
Market Treasury Bills - 3 months	6-Oct-22	-	1,573,000	1,573,000	-	-	-	-
Market Treasury Bills - 3 months	20-Oct-22	-	500,000	500,000	-	-	-	-
Market Treasury Bills - 3 months	3-Nov-22	-	1,000,000	1,000,000	-	-	-	-
Market Treasury Bills - 3 months	17-Nov-22	-	2,530,000	1,645,000	885,000	870,235	870,622	387
Market Treasury Bills - 6 months	6-Oct-22	-	983,000	983,000	-	-	-	-
Market Treasury Bills - 6 months	20-Oct-22	-	500,000	500,000	-	-	-	-
Total as at December 31, 2022 (Un-audited)					870,235	870,622	387	

Total as at June 30, 2022 (Audited)

**5.3 Debt securities - Term finance certificates / Sukuks - at fair value through profit or loss**

**Debt Sub-Fund**

Name of security	Issue date	Number of certificates			Balance as at December 31, 2022			Market value as % of net assets of sub-funds	
		As at July 01, 2022	Purchased during the period	Sold during the period	As at December 31, 2022	Carrying Value	Market value		Unrealised gain / (loss)
(Number of certificates)									
Term finance certificates									
Bank Al Habib Limited	30-Sep-21	5,000	-	-	5,000	25,715	25,590	(125)	3.44%
The Bank of Punjab	23-Dec-16	50	-	-	50	5,008	4,988	(20)	0.67%
Jahangir Siddiqui & Co. Ltd.	18-Jul-17	5,000	-	-	5,000	6,445	6,362	(83)	0.86%
Sukuks									
Pak Elektron Limited	15-Nov-21	20	-	-	20	19,886	19,920	34	2.68%
Meezan Bank Limited - 2nd Issue	9-Jan-20	30	-	-	30	30,917	30,456	(461)	4.10%
Total as at December 31, 2022 (Un-audited)						87,971	87,316	(655)	
Total as at June 30, 2022 (Audited)						89,789	90,555	766	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**5.3.1** Significant terms and conditions of term finance certificates / sukuks outstanding at the period end are as follows:

Name of security	Number of certificates	Principal Outstanding / redemption value		Interest rate per annum	Maturity	Secured / unsecured	Rating
		Per certificate	Total ('000)				
Un-Listed							
The Bank of Punjab	50	99,760	4,988	6M KIBOR + 1.00%	23-Dec-26	Unsecured	AA
Jahangir Siddiqui & Co.Limited - 10th Issue	5,000	1,250	6,250	6M KIBOR + 1.40%	18-Jul-23	Secured	AA+
Meezan Bank Limited	30	1,000,000	30,000	6M KIBOR + 0.90%	9-Jan-30	Unsecured	AAA
Pak Elektron Limited	20	1,000,000	20,000	3M KIBOR + 1.30%	15-Feb-23	Secured	A+
Bank Al Habib Limited	5,000	4,988	24,990	6M KIBOR + 0.75%	30-Sep-31	Unsecured	AAA

**5.4** Unrealised appreciation / (diminution) in fair value of

Notes	Half Year Ended December 31, 2022				Half Year Ended December 31, 2021			
	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
-----Rupees in 000s-----								
Market value of investments	5.1, 5.2, 5.3	726,761	706,550	870,622	2,303,933	956,327	252,204	1,208,531
Carrying value of investments	5.1, 5.2, 5.3	786,615	708,618	870,235	2,365,468	1,002,247	251,930	1,254,177
		(59,854)	(2,068)	387	(61,535)	(45,920)	274	(45,646)

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

## 6 ADVANCE AGAINST IPO SUBSCRIPTION OF SUKUK

This includes an amount of Rs. 80 million (June 30, 2022: Nil) in Sub fund money market , Rs. 55 million (June 30, 2022: Nil) and Rs. 10 million (June 30, 2022: Rs. 10 million) in Sub fund Debt , paid as advance against subscription of IPO of Nishat Mills Limited , Meezan Bank Limited respectively.

## 7 ACCRUED EXPENSES AND OTHER LIABILITIES

December 31, 2022 (Un-audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
<b>Note----- (Rupees in '000') -----</b>				
Provision for Federal Excise Duty on remuneration of Pension Fund Manager	7.1	2,420	2,405	1,151
Brokerage payable		391	29	25
Withholding tax payable		3	8	65
Auditors' remuneration		98	70	101
Payable against redemption of units		-	-	22
Others		-	673	1,026
	2,912	3,185	2,390	8,487

June 30, 2022(Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
<b>----- (Rupees in '000') -----</b>				
Provision for Sindh Workers' Welfare Fund	-	-	-	-
Provision for Federal Excise Duty on remuneration of Pension Fund Manager		2,420	2,405	1,151
Brokerage payable		301	6	-
Withholding tax payable		-	-	-
Auditors' remuneration		175	98	109
Payable against redemption of units		-	-	22
Others		-	117	375
	2,896	2,626	1,657	7,179

### 7.1 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 Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in note 12.2 to the annual financial statements. Had the provision not been made, the net assets value per unit of the Fund would have been higher by Rs.1.51 (June 30, 2022: Rs.1.43) per unit in respect of Equity Sub-Fund, Rs.1.46 (June 30, 2020: Rs.1.56) per unit in respect of Debt Sub-Fund, Rs.0.37 (June 30, 2020: Rs.0.57) per unit in respect of Money Market Sub-Fund as at December 31, 2022.

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2022 (June 30, 2022: Nil).

## 9 EXPENSE RATIO

### Equity Sub Fund

The annualized Total Expense Ratio (TER) of the Fund as at December 31, 2022 is 2.16% which includes 0.26% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. The prescribed limit for the total expense ratio of pension fund under equity sub fund (excluding government levies) is 4.5%.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

## Debt Sub Fund

The annualized Total Expense Ratio (TER) of the Fund as at December 31, 2022 is 1.52% which includes 0.19% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. The prescribed limit for the total expense ratio of pension fund under debt sub fund (excluding government levies) is 2.5%.

## Money Sub Fund

The annualized Total Expense Ratio (TER) of the Fund as at December 31, 2022 is 0.85% which includes 0.14% representing government levies on the Fund such as provision sales taxes, annual fee to the SECP, etc. The prescribed limit for the total expense ratio of pension fund under money market sub fund (excluding government levies) is 2%.

## 10 TAXATION

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

## 11 CASH AND CASH EQUIVALENTS

Bank Balances  
Market Treasury Bills

December 31, 2022 (Un-audited)			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000')			

40,756	15,498	12,939	69,193
-	174,426	870,622	1,045,048
40,756	189,924	883,561	1,114,241

Bank Balances  
Market Treasury Bills

June 30, 2022 (Un-audited)			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000')			
38,291	250,081	396,096	684,468
-	-	-	-
38,291	250,081	396,096	684,468

## 12. CONTRIBUTION TABLE

December 31, 2022 (Un-audited)							
Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
Units	(Rupees' 000)	Units	(Rupees' 000)	Units	(Rupees' 000)	Units	(Rupees' 000)
Individuals:							
Issuance of units	508,063	252,770	744,540	269,988	1,458,890	465,537	2,711,493
Redemption of units	(621,318)	(308,396)	(701,856)	(254,820)	(682,530)	(216,934)	(2,005,704)
							(780,150)



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	December 31, 2021 (Un-audited)							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	(Rupees' 000)	Units	(Rupees' 000)	Units	(Rupees' 000)	Units	(Rupees' 000)
Individuals:								
Issuance of units	269,293	155,459	256,463	82,962	378,187	108,260	903,943	346,681
Redemption of units	(118,155)	(67,177)	(272,636)	(88,673)	(258,971)	(74,065)	(649,762)	(229,915)

	December 31, 2022 (Un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Number of units) -----			
13. NUMBER OF UNITS IN ISSUE				
Total units outstanding at beginning of the period	1,711,394	1,609,508	2,330,009	5,650,911
Units issued during the period	508,063	744,540	1,458,890	2,711,493
Units redeemed during the period	(621,318)	(701,856)	(682,530)	(2,005,704)
Total units in issue at end of the period	1,598,139	1,652,192	3,106,369	6,356,700

	June 30, 2022 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Number of units) -----			
Total units outstanding at the beginning of the year	1,546,460	1,560,015	1,904,728	5,011,203
Units issued during the year	668,420	732,348	1,266,952	2,667,720
Units redeemed during the year	(503,486)	(682,855)	(841,671)	(2,028,012)
Total units in issue at the end of the year	1,711,394	1,609,508	2,330,009	5,650,911

**14. EARNINGS PER UNIT**

Earnings per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company the determination of the same is not practicable.

**15 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 Pension Fund Manager and the Trustee is determined in accordance with the provision of the VPS Rules and constitutive documents of the Fund respectively.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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

	Half year ended December 31, 2022 (Un-audited)				Half year ended December 31, 2021 (Un-audited)
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees in '000')				
<b>15.1 Transactions during the period</b>					
<b>MCB Arif Habib Savings and Investments Limited - Pension Fund Manager</b>					
Remuneration (including indirect taxes)	7,042	3,451	2,618	13,111	17,282
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Remuneration (include indirect taxes)	573	411	596	1,580	1,437
Settlement charges	16	2	2	20	45
<b>Group / Associated companies</b>					
<b>MCB Bank Limited</b>					
Mark-up earned	52	66	70	188	82
Bank charges	2	2	3	7	7
Purchase NIL (2021: 75,000) shares	-	-	-	-	11,582
Sale NIL (2021: 30,000) shares	-	-	-	-	4,635
<b>D.G. Khan Cement Company Limited</b>					
Purchase of 70,000 (2021: Nil) shares	4,229	-	-	-	-
Sale of 209,000 (2021: NIL) shares	11,815	-	-	-	-
Dividend Income	209	-	-	-	-
<b>Aisha Steel Mills Limited</b>					
Purchase NIL (2021: 1,294,500) shares	-	-	-	-	-
Sale of 700,000 (2021: 294,500) shares	6,678	-	-	-	-
<b>Fatima Fertilizer Company Limited</b>					
Purchase NIL (2021: 275,000) shares	-	-	-	-	-
<b>Nishat (Chunian) Limited</b>					
Purchase of 120,000 (2021: 275,000) shares	3,609	-	-	-	-
Sale 790,549 (2021: NIL) shares	25,806	-	-	-	-
Dividend Income including Specie Dividend	8,641	-	-	-	-
<b>Nishat Chunian Power Limited</b>					
Receipt of 429,671 (2021: NIL) shares (Specie Dividend)	6,901	-	-	-	-
Sale 429,671 (2021: NIL) shares	7,311	-	-	-	-
Dividend Income	3,327	-	-	-	-
<b>Nishat Mills Limited</b>					
Purchase of 80,000 (2021: NIL) shares	5,797	-	-	-	-
Sale 25,000 (2021: NIL) shares	1,448	-	-	-	-
Dividend Income	717	-	-	-	-
<b>Arif Habib Limited - Brokerage House</b>					
Brokerage expense*	21	0	-	21	7

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	December 31, 2022 (Un-audited)				June 30, 2022 (Audited)
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
<b>15.2 Balances outstanding at period end:</b>					
	(Rupees in '000')				
<b>MCB Arif Habib Savings and Investments Limited - Pension Fund Manager</b>					
Remuneration payable	974	603	558	2,135	1,762
Sindh sales tax payable on remuneration	127	78	72	277	230
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Remuneration payable	80	65	98	243	213
Sindh sales tax payable on remuneration	11	9	13	33	29
Security deposit	200	200	200	600	600
<b>Group / Associated companies</b>					
<b>MCB Bank Limited</b>					
Bank Balances	2,400	2,830	2,817	8,047	5,302
<b>Aisha Steel Mills Limited</b>					
NIL Shares (June 2022: 700,000)	-	-	-	-	7,735
<b>Fatima Fertilizer Company Limited</b>					
275,000 Shares (June 2022: 275,000)	9,240	-	-	-	10,395
<b>Nishat (Chunian) Limited</b>					
50,000 Shares (June 2022: 720,549)	1,042	-	-	-	32,273
<b>Nishat Mills Limited</b>					
154,259 Shares (June 2022: 99,259)	8,483	-	-	-	7,336
<b>D.G. Khan Cement Company Limited</b>					
NIL Shares (June 2022: 139,000)	-	-	-	-	8,688
<b>Arif Habib Limited - Brokerage House</b>					
Brokerage payable*	67	10	-	77	90

\* 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**15.3 Unit Holders' Fund**

**FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (Un-audited)**

	As at July 01, 2022	Issued for cash	Redeemed	As at December 31, 2022	As at July 01, 2022	Issued for cash	Redeemed	As at December 31, 2022
	(Units)							
	(Rupees in '000')							

**MCB Arif Habib Savings and**

**Investments Limited -**

**Pension Fund Manager**

- Pakistan Pension Fund - Equity

- Pakistan Pension Fund - Debt

- Pakistan Pension Fund - Money Market

252,196	-	-	252,196	122,603	-	-	117,236
253,109	-	-	253,109	87,844	-	-	95,012
300,000	-	-	300,000	92,220	-	-	99,432

**Key management personnel**

- Pakistan Pension Fund - Equity

- Pakistan Pension Fund - Debt

- Pakistan Pension Fund - Money Market

3,345	16,192	18,527	1,010	1,626	7,138	9,299	470
1,730	399	519	1,610	600	167	183	604
390	42,164	34,676	7,878	120	11,196	11,008	2,611

**FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (Un-audited)**

As at July 01, 2021	Issued for cash	Redeemed	As at December 31, 2021	As at July 01, 2021	Issued for cash	Redeemed	As at December 31, 2021
(Units)							
(Rupees in '000')							

**MCB Arif Habib Savings and**

**Investments Limited -**

**Pension Fund Manager**

- Pakistan Pension Fund - Equity

- Pakistan Pension Fund - Debt

- Pakistan Pension Fund - Money Market

252,196	-	-	252,196	147,552	-	-	143,590
253,109	-	-	253,109	80,314	-	-	83,491
300,000	-	-	300,000	84,006	-	-	87,138

**Key management personnel**

- Pakistan Pension Fund - Equity

- Pakistan Pension Fund - Debt

- Pakistan Pension Fund - Money Market

7,095	957	7,486	566	4,151	553	4,086	322
936	428	49	1,315	297	139	16	434
192	103	14	281	54	30	4	82

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

## 16. 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 statement of assets and liabilities date. The estimated fair value of all other financial assets and financial 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, 2022 and June 30, 2022, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3	Total
<u>December 31, 2022 (Un-audited)</u>	----- (Rupees) -----			
<b>Equity Sub-Fund</b>				
Listed equity securities	726,761	-	-	726,761
<b>Debt Sub-Fund</b>				
Government Securities -				
Pakistan Investment Bonds	-	1,743	-	1,743
Pakistan Investment Bonds-FRB		443,065	-	443,065
Government Securities - Treasury Bills	-	174,426	-	174,426
Term Finance Certificates / Sukuks	-	87,316	-	87,316
<b>Money Market Sub-Fund</b>				
Government Securities - Treasury Bills	-	870,622	-	870,622
Term Deposit Receipts	-	-	-	-
	<b>726,761</b>	<b>1,577,172</b>	<b>-</b>	<b>2,303,933</b>
<u>June 30, 2022 (Audited)</u>				
<b>Equity Sub-Fund</b>				
Listed equity securities	798,740	-	-	798,740
<b>Debt Sub-Fund</b>				
Government Securities -				
Pakistan Investment Bonds	-	243,640	-	243,640
Government Securities - Treasury Bills	-	-	-	-
Term Finance Certificates / Sukuks	-	90,555	-	90,555
Commercial paper	-	-	-	-
	<b>798,740</b>	<b>334,195</b>	<b>-</b>	<b>1,132,935</b>

During the period ended December 31, 2022, 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

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**16.1 Valuation techniques used in determination of fair values within level 2**

**16.1.1** Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (MUFAP).

**16.1.2** Investments in Term Finance Certificates and Sukuks issued by 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.

**16.1.3** The valuation of commercial papers and term deposit receipt has been done based on amortisation of commercial paper and term deposit receipt to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

**16.2** 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.

**17 GENERAL**

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


**18 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on February 03, 2023 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

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

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