

Half Year Report December 31, 2014 (Unaudited)



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

Vision

To become synonymous with Savings.

Mission

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

Core Values

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

PAKISTAN ISLAMIC PENSION FUND

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Board of Directors of the Management Company	Mian Mohammad Mansha Mr. Nasim Beg Mr. Yasir Qadri Dr. Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Mahmood Ahmad	Chairman Executive Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib	Chairman Member Member
Human Resource & Remuneration Committee	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Yasir Qadri	Chairman Member Member Member Member
Company Secretary & Chief Operating Officer	Mr. Muhammad Saqib Saleem	
Chief Financial Officer	Mr. Umair Ahmed	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi.	
Bankers	Habib Metropolitan Bank Limited	
Auditors	Ernts & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road, P.O. Box 15541, Karachi, Sindh-75530, Pakistan.	
Legal Advisor	Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Rating	AM 2 - Management Quality Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED DECEMBER 31, 2014

Dear Investor,

On behalf of the Board of Directors, I am pleased to present Pakistan Islamic Pension Fund's accounts review for the first half ended December 31st 2014.

ECONOMY AND MONEY MARKET OVERVIEW

In the wake of decline in oil prices in the international market, the country witnessed significant improvement in the macroeconomic indicators. Oil prices fell by 48 percent during the first half of the current fiscal year, aided by increase in global oil production amid weak demand.

Consequently, inflation remained subdued with CPI averaging around 6.11 percent during the 1HFY15. If oil prices, which eased down to a five-year low in December, stabilize below \$60 per barrel, inflation is likely to persist in lower ranges during the second half of the current fiscal year.

Despite decline in oil prices, the country's trade deficit widened to \$ 9.7 billion during 1HFY15 as opposed to deficit of \$ 8.6 billion during the corresponding period last year. Exports remained subdued perhaps due to lower cotton prices and disruptive power supplies. With oil imports accounting for one-third of the country's total import bill, trade deficit is forecasted to narrow down in the coming months reflecting significant drop in oil prices.

At the same time, financial account registered a surplus of \$ 2.4 billion as compared to a surplus of \$ 0.24 billion recorded during the same period last year. This is mainly due to increase in portfolio investments after the government successfully raised \$ 1 billion through Sukuk auction. However, foreign direct investment yet failed to pick up pace during the first half.

The country's foreign reserve balance also improved towards the end of the year after the country received \$1 billion through Sukuk auction in November and IMF released 4th and 5th tranche amounting to \$1.1 billion in December. The country's reserve balance totaled to \$14.9 billion at the end of December 2014.

Keeping in view lower inflationary pressure and stable foreign reserves position, the government had announced 50 bps cut in the discount rate in the monetary policy held in November, bringing the discount rate to 9.5 percent. Moreover, the gap between discount rate and inflation is still hovering above 5 percent which supports the case for further monetary easing down the line.

M2 has expanded by 3.08 percent during the 1HFY15 (till 26th December) as opposed to expansion of 4.76 percent during the same period last year. While borrowing from the banking system stood at Rs 243 billion as opposed to borrowing of around Rs 539 billion during the same period last year.

In the money market, short term market rates remained on the higher side amid tight liquidity in the system. PIB rates moved downwards in anticipation of cut in the discount rate. Major activity was witnessed in the longer tenor bonds causing the yield curve to move sharply in the downward direction.

EQUITIES MARKET OVERVIEW

Despite poor performance of oil and gas sector in the wake of continuous decline in oil prices, KSE-100 index managed to surge by 8.4 percent during 1HFY15. Decline in energy cost has made manufacturing sector attractive, while anticipation of discount rate cut has brought leveraged and high dividend yield companies into limelight.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED DECEMBER 31, 2014

Cement, fertilizer, and power sector remained top performers. Cement companies benefited from decline in coal prices and lower distribution cost. While high dividend yield made fertilizer and power sectors attractive. Performance of E&P, Refineries and Oil Marketing Companies remained dismal and Banking sector stayed range-bound in anticipation of monetary easing down the line.

Foreigners remained net buyers with a cumulative net inflow of US\$ 113 million during the first half of the fiscal year.

FUND PERFORMANCE

Debt Fund

The debt sub-fund generated an annualized return of 2.44% during the period under review. The sub-fund's exposure from GoP Ijarah Sukuk increased to 92.7% from 90.5%.

The Net Assets of the Fund as at December 31, 2014 stood at Rs.122.83 million as compared to Rs.118.91 million as at June 30, 2014 registering an increase of 3.3%.

The Net Asset Value (NAV) per unit as at December 31, 2014 was Rs.172.16 as compared to opening NAV of Rs.170.07 per unit as at June 30, 2014 registering an increase of Rs.2.09 per unit.

Money Market Fund

The money market sub-fund generated an annualized return of 2.54% during the period under review. The sub-fund increased its exposure in GoP Ijarah Sukuks, which at period end stood at around 95.3%. Simultaneously the fund reduced exposure in cash to 3.1% from 17.5% at the beginning of the period.

The Net Assets of the Fund as at December 31, 2014 stood at Rs.66.79 million as compared to Rs.69.06 million as at June 30, 2014 registering a decrease of 3.29%.

The Net Asset Value (NAV) per unit as at December 31, 2014 was Rs.158.31 as compared to opening NAV of Rs.156.31 per unit as at June 30, 2014 registering an increase of Rs.2 per unit.

Equity Fund

The Equity sub-fund generated a return of 19.89% while the KSE-100 posted a return of 8.36%. The sub-fund increased exposure to equities from 86.5% to 87.5% during the period. The sub-fund increased its exposure towards Construction and Materials, Chemicals while decreased its exposure towards Oil & Gas.

The Net Assets of the Fund as at December 31, 2014 stood at Rs.177.43 million as compared to Rs.133.29 million as at June 30, 2013 registering an increase of 33.12%.

The Net Asset Value (NAV) per unit as at December 31, 2014 was Rs.328.40 as compared to opening NAV of Rs.273.92 per unit as at June 30, 2014 registering an increase of Rs.54.48 per unit.

FUTURE OUTLOOK

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED DECEMBER 31, 2014

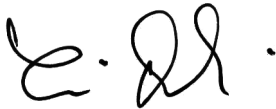
Economic activity is expected to gain momentum in 2015. The manufacturing activity will be driven by lower energy cost, weak raw material prices, improvement in gas supply situation and progress on the political front. In a major positive development, the government is planning to import LNG to ease off gas shortage in the country.

Although the government is eyeing increase in foreign inflows through pledges made by multilateral agencies, approved project financing and divestment of strategic assets, improvement in reserve position largely hinges on volatile law and order situation. In the near-term, realization of expected inflows-through divestment of shares of HBL would be crucial, where the country is expected to raise around \$1 billion. We believe that the sustainability of external account, in the presence of subdued inflationary pressures, would be a key factor in shaping up interest rate direction.

ACKNOWLEDGMENT

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

On behalf of Directors,



Yasir Qadri
Chief Executive Officer

February 02, 2015

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



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

Introduction

We have reviewed the accompanying condensed interim Balance Sheet of **Pakistan Islamic Pension Fund** (the Fund) as at **31 December 2014**, the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Statement of Cash Flows, condensed interim Statement of Movement in Participants' Sub-Funds, condensed interim Statement of Investments by Category, condensed interim Statement of Investments Portfolio, condensed interim Statement of other investments, condensed interim Contribution Table and condensed interim Statement of Number of Units in Issue and notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial information"). The Pension Fund Manager is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

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

A member firm of Ernst & Young Global Limited

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



:- 2 :-

Emphasis of matter

We draw attention to note 9 to the accompanying condensed interim financial information which explains the contingency with respect to the contribution for Workers' Welfare Fund aggregating to Rs.1.295 million.

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

Chartered Accountants

Engagement Partner: Shabbir Yunus

Date: 02 February 2015

Karachi

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CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2014

----- (Un-Audited) -----						
December 31, 2014						
(Audited)						
		Equity sub fund	Debt sub fund	Money market sub fund	Total	June 30, 2014
Note		----- (Rupees) -----				
Assets						
Balances with banks	5	11,375,179	7,066,706	2,069,199	20,511,084	38,618,632
Investments (as per condensed interim statement of investments by category)		163,352,106	114,788,326	64,231,510	342,371,942	287,355,221
Profit receivable		13,973	1,661,253	958,960	2,634,186	2,134,872
Receivable against sale of investments		9,134,500	-	-	9,134,500	-
Deposits and other receivables	6	2,816,372	310,000	110,000	3,236,372	3,006,371
Total assets		186,692,130	123,826,285	67,369,669	377,888,084	331,115,096
Liabilities						
Payable to Pension Fund Manager	7	249,842	180,392	98,311	528,545	435,774
Payable to CDC-Trustee		21,726	15,687	8,547	45,960	46,198
Annual fee payable to the Securities and Exchange Commission of Pakistan		24,779	20,352	11,593	56,724	85,363
Payable against purchase of investments		6,225,300	-	-	6,225,300	6,680,310
Accrued expenses and other liabilities	8	2,737,000	784,029	460,823	3,981,852	2,610,360
Total liabilities		9,258,647	1,000,460	579,274	10,838,381	9,858,005
Net assets		177,433,483	122,825,825	66,790,395	367,049,703	321,257,091
Participants' sub funds (as per condensed interim Statement of Movement in Participants' sub funds)						
		177,433,483	122,825,825	66,790,395		
----- Number of units -----						
Number of units in issue		540,293	713,419	421,894		
----- (Rupees) -----						
Net assets value per unit		328.40	172.16	158.31		
Contingency						

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


 Chief Executive Officer


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


 Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Note	Half year ended December 31, 2014			Half year ended December 31, 2013
		Equity sub fund	Debt sub fund	Money market sub fund	
		Total			
		(Rupees)			
Income					
Capital gain on sale of investments					
'available-for-sale'		-	-	-	-
'designated at fair value through profit or loss'		11,522,061	-	-	8,163,843
Dividend income on shares					
'available for sale'		200,000	-	-	56,772
'designated at fair value through profit or loss'		4,026,882	-	-	2,858,202
Income from Government Securities					
'designated at fair value through profit or loss'		-	5,302,488	2,811,604	5,705,065
Income from sukuk certificates					
'available-for-sale'		-	70,761	-	33,420
Profit on bank and other deposits		138,054	222,338	289,410	687,866
Unrealised gain on revaluation of investments					
'designated at fair value through profit or loss' - net		13,775,910	(2,625,710)	(1,373,860)	11,778,369
Total income		29,662,907	2,969,877	1,727,154	29,283,537
Expenses					
Remuneration of Pension Fund Manager	11	1,115,021	915,855	521,663	1,761,768
Sindh sales tax and federal excise duty on remuneration of Pension Fund Manager		372,417	305,896	174,236	608,868
Remuneration of CDC - Trustee		121,260	100,165	57,130	226,486
Annual fee - Securities and Exchange Commission of Pakistan (SECP)		24,778	20,352	11,594	39,151
Auditors' remuneration		115,465	96,019	55,459	269,370
Custody and settlement charges		580,215	7,736	900	390,251
Legal and professional charges		-	-	-	35,290
Provision for Workers' Welfare Fund		579,794	30,606	17,200	528,728
Bank charges		2,056	2,545	14,509	10,019
Donation and charity expense		65,086	-	-	41,915
Total expenses		2,976,092	1,479,174	852,691	3,911,846
Net income from operating activities		26,686,815	1,490,703	874,463	25,371,692
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those redeemed		1,723,126	23,149	(31,662)	564,340
Net income for the period before taxation		28,409,941	1,513,852	842,801	25,936,032
Taxation	12	-	-	-	-
Net income for the period after taxation		28,409,941	1,513,852	842,801	25,936,032
Earnings per unit	13	56.45	2.14	1.92	58.96

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


Chief Executive Officer

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


Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2014

	Note	Quarter ended December 31, 2014			Quarter ended December 31, 2013
		Equity sub fund	Debt sub fund	Money market sub fund	
		(Rupees)			
Income					
Capital gain on sale of investments					
'available-for-sale'					
'designated at fair value through profit or loss'		11,013,231	-	-	1,269,098
Dividend income on shares					
'available for sale'		-	-	-	44,821
'designated at fair value through profit or loss'		2,114,051	-	-	1,157,623
Income from Government Securities					
'designated at fair value through profit or loss'		-	2,742,616	1,459,269	2,849,812
Income from sukuk certificates					
'available-for-sale'		-	35,410	-	-
Profit on bank and other deposits		43,756	70,028	98,137	360,155
Unrealised gain on revaluation of investments					
'designated at fair value through profit or loss' - net		10,700,160	(1,230,545)	(630,350)	13,521,314
Total income		23,871,198	1,617,509	927,056	19,202,823
Expenses					
Remuneration of Pension Fund Manager	11	797,708	618,354	346,851	1,211,494
Remuneration of CDC-Trustee		58,442	45,207	25,338	115,552
Annual fee - Securities and Exchange					
Commission of Pakistan (SECP)		13,288	10,300	5,779	20,008
Auditors' remuneration		65,928	52,670	30,383	143,246
Custody and settlement charges		401,657	6,170	900	226,137
Legal and professional charges		-	-	-	17,644
Provision for Workers' Welfare Fund		480,925	17,761	9,427	358,074
Bank charges		1,494	1,896	14,170	7,877
Donation and charity expense		48,240	-	-	19,932
Total expenses		1,867,682	752,358	432,848	2,119,964
Net income from operating activities		22,003,516	865,151	494,208	17,082,859
Element of income / (loss) and capital gains / (losses)					
included in prices of units issued less those redeemed		1,561,857	5,145	(32,291)	476,903
Net income for the period before taxation		23,565,373	870,296	461,917	17,559,762
Taxation	12	-	-	-	-
Net income for the period after taxation		23,565,373	870,296	461,917	17,559,762
Earnings per unit	13	45.95	1.22	1.06	

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


Chief Executive Officer

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


Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

Half year ended December 31, 2014					Half year ended December 31, 2013
Note	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund (Rupees)	Total	
Net income for the period	28,409,941	1,513,852	842,801	30,766,594	25,936,032
Other comprehensive income					
Items to be reclassified to profit or loss in subsequent periods					
Net unrealised gain on revaluation of available-for-sale investments	10 1,177,307	-	-	1,177,307	249,100
Reclassification adjustment on sale / maturity of available-for-sale investments	-	-	-	-	(4,885,732)
	1,177,307	-	-	1,177,307	(4,636,632)
Total comprehensive income for the period	29,587,248	1,513,852	842,801	31,943,901	21,299,400

The annexed notes from 1 to 21 form an integral part of these financial statements.


Chief Executive Officer

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


Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED DECEMBER 31, 2014**

Quarter ended December 31, 2014					Quarter ended December 31, 2013	
Note	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total		
	(Rupees)					
Net income for the period	23,565,373	870,296	461,917	24,897,586	17,559,762	
Other comprehensive income						
Items to be reclassified to profit or loss in subsequent periods						
Net unrealised gain on revaluation of available-for-sale investments	10	915,307	-	-	915,307	4,718,231
Reclassification adjustment on sale / maturity of available-for-sale investments		-	-	-	-	(4,666,591)
		915,307	-	-	915,307	51,640
Total comprehensive income for the period		24,480,680	870,296	461,917	25,812,893	17,611,402

The annexed notes from 1 to 21 form an integral part of these financial statements.


Chief Executive Officer

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


Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half year ended December 31, 2014				Half year ended December 31, 2013
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	(Rupees)				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income before taxation	28,409,941	1,513,852	842,801	30,766,594	25,936,030
Adjustments for non cash items:					
Capital gain on sale of investments	(11,522,061)	-	-	(11,522,061)	(8,163,843)
Unrealised (gain) / loss on revaluation of investments designated at fair value through profit or loss' - net	(13,775,910)	2,625,710	1,373,860	(9,776,340)	(11,778,369)
Element of income / loss and capital gains losses included in prices of units issued less those redeemed	(1,723,126)	(23,149)	31,662	(1,714,613)	(564,340)
	(27,021,097)	2,602,561	1,405,522	(23,013,014)	(20,506,552)
(Increase) / decrease in assets					
Investments - net	(14,374,508)	(9,081,000)	(9,085,500)	(32,541,008)	(9,446,174)
Dividend receivable	-	-	-	-	115,972
Profit receivable	6,272	(273,559)	(232,027)	(499,314)	(150,223)
Receivable against sale of investments	(9,134,500)	-	-	(9,134,500)	-
Deposits and other receivables	(110,001)	(110,000)	(10,000)	(230,001)	5,742,985
	(23,612,737)	(9,464,559)	(9,327,527)	(42,404,823)	(3,737,440)
Increase / (decrease) in liabilities					
Payable to Pension Fund Manager	68,398	22,464	1,909	92,771	36,998
Payable to the Trustee	2,491	(1,056)	(1,673)	(238)	6,896
Annual fee - SECP	(9,281)	(10,756)	(8,608)	(28,645)	(21,829)
Payable against purchase of securities	(455,010)	-	-	(455,010)	-
Accrued and other liabilities	1,079,075	190,343	102,075	1,371,493	(1,397,117)
	685,673	200,995	93,703	980,371	(1,375,052)
Cash (used in) / generated from operating activities	(21,538,220)	(5,147,151)	(6,985,501)	(33,670,872)	316,986
CASH FLOW FROM FINANCING ACTIVITIES					
Receipt of contribution	19,914,954	17,480,348	3,723,781	41,119,083	21,372,035
Payment against redemptions	(3,634,351)	(15,051,076)	(6,870,332)	(25,555,759)	(6,266,720)
Net cash (used in) / generated from financing activities	16,280,603	2,429,272	(3,146,551)	15,563,324	15,105,315
Net (decrease) / increase in cash and cash equivalent during the period	(5,257,617)	(2,717,879)	(10,132,052)	(18,107,548)	15,422,301
Cash and cash equivalents at beginning of the period	16,632,796	9,784,585	12,201,251	38,618,632	15,353,802
Cash and cash equivalents at end of the period	11,375,179	7,066,706	2,069,199	20,511,084	30,776,103

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


Chief Executive Officer

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


Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2014

	Quarter ended December 31, 2014				Quarter ended December 31, 2013
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	(Rupees)				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income before taxation	23,565,373	870,296	461,917	24,897,586	17,559,761
Adjustments for non cash items:					
Capital gain on sale of investments	(11,013,238)	-	-	(11,013,238)	(1,269,098)
Unrealised (gain) / loss on revaluation of investments designated 'at fair value through profit or loss' - net	(10,700,160)	1,230,545	630,350	(8,839,265)	(13,521,314)
Element of income and capital gains included in prices of units issued less those redeemed	(1,561,857)	(5,145)	32,291	(1,534,711)	(476,903)
	(23,275,255)	1,225,400	662,641	(21,387,214)	(15,267,315)
(Increase) / decrease in assets					
Investments - net	(6,777,638)	(9,081,000)	(9,085,500)	(24,944,138)	2,142,813
Dividend receivable	2,112,831	-	-	2,112,831	1,351,004
Profit receivable	8,808	326,268	457,421	792,497	1,131,688
Receivable against sale of investments	(9,134,500)	-	-	(9,134,500)	-
Deposits and other receivables	(10,001)	(110,000)	(10,000)	(130,001)	-
	(13,800,500)	(8,864,732)	(8,638,079)	(31,303,311)	4,625,505
Increase / (decrease) in liabilities					
Payable to Pension Fund Manager	39,445	(615)	(6,223)	32,607	44,536
Payable to the Trustee	846	(2,257)	(1,814)	(3,225)	4,639
Payable against purchase of securities	(455,010)	-	-	(455,010)	-
Annual Fee SECP	115,050	10,300	5,778	131,128	20,007
Accrued and other liabilities	7,354,646	51,164	27,361	7,433,171	338,779
	7,054,977	58,592	25,102	7,138,671	407,961
Cash (used in) / generated from operating activities	(6,455,405)	(6,710,444)	(7,488,419)	(20,654,268)	7,325,912
CASH FLOW FROM FINANCING ACTIVITIES					
Receipt of contribution	15,695,319	14,933,197	2,933,740	33,562,255	13,393,781
Payment against redemptions	(2,739,633)	(12,954,646)	(6,024,643)	(21,718,922)	(3,216,650)
Net cash generated from / (used in) financing activities	12,955,686	1,978,551	(3,090,903)	11,843,333	10,177,131
Net increase / (decrease) in cash and cash equivalent during the period	6,500,281	(4,731,893)	(10,579,322)	(8,810,935)	17,503,043
Cash and cash equivalents at beginning of the period	4,874,898	11,798,600	12,648,521	29,322,019	13,273,060
Cash and cash equivalents at end of the period	11,375,179	7,066,706	2,069,199	20,511,084	30,776,103

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


Chief Executive Officer

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


Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half year ended December 31, 2014				Half year ended December 31, 2013
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
Net assets at the beginning of the period	133,288,758	118,905,850	69,062,483	321,257,091	218,311,134
Amount received on issue of units	19,914,954	17,480,348	3,723,781	41,119,083	21,372,035
Amount paid on redemption of units	(3,634,351)	(15,051,076)	(6,870,332)	(25,555,759)	(6,266,720)
	16,280,603	2,429,272	(3,146,551)	15,563,324	15,105,315
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net					
Amount representing (income) / loss and realised capital (gains) / losses - net	(1,723,126)	(23,149)	31,662	(1,714,613)	(564,340)
Amount representing unrealised appreciation / (diminution) in fair value of investments	9,187,885	981,338	(1,122,639)	9,046,584	5,093,318
	7,464,759	958,189	(1,090,977)	7,331,971	4,528,978
Net unrealised (loss) / gain during the period in the market value of investments classified as available-for-sale	1,177,307	-	-	1,177,307	(4,636,632)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - amount representing unrealised (appreciation) / diminution - net	(9,187,885)	(981,338)	1,122,639	(9,046,584)	(5,093,318)
Net income after taxation for the period	28,409,941	1,513,852	842,801	30,766,594	25,936,030
Net assets at the end of the period	177,433,483	122,825,825	66,790,395	367,049,703	254,151,507

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


Chief Executive Officer

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


Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2014**

	Quarter ended December 31, 2014				Quarter ended December 31, 2013
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
Net assets at the beginning of the period	141,558,974	119,982,123	69,387,090	330,928,187	226,839,878
Amount received on issue of units	15,695,319	14,933,197	2,933,740	33,562,256	13,393,781
Amount paid on redemption of units	(2,739,633)	(12,954,646)	(6,024,643)	(21,718,922)	(3,216,650)
	12,955,686	1,978,551	(3,090,903)	11,843,334	10,177,131
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net					
Amount representing (income) / loss and realised capital (gains) / losses - net	(1,561,857)	(5,145)	32,291	(1,534,711)	(476,903)
Amount representing unrealised appreciation / (diminution) in fair value of investments	11,122,977	1,149,508	(1,143,426)	11,129,059	3,550,469
	9,561,120	1,144,363	(1,111,135)	9,594,348	3,073,566
Net unrealised (loss) / gain during the period in the market value of investments classified as available-for-sale	915,307	-	-	915,307	51,640
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - amount representing unrealised (appreciation) / diminution - net	(11,122,977)	(1,149,508)	1,143,426	(11,129,059)	(3,550,469)
Net income after taxation for the period	23,565,373	870,296	461,917	24,897,586	17,559,761
Net assets at the end of the period	177,433,483	122,825,825	66,790,395	367,049,703	254,151,507

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


Chief Executive Officer

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


Director

**CONDENSED INTERIM STATEMENT OF INVESTMENTS BY CATEGORY
AS AT DECEMBER 31, 2014**

----- (Un-Audited) -----				
December 31, 2014				
	Equity sub fund	Debt sub fund	Money market sub fund	Total
	----- (Rupees) -----			(Audited) June 30, 2014
Investment 'designated at fair value through profit or loss'				
Listed equity securities	148,579,045	-	-	148,579,045
Government Ijarah Sukuks	-	114,788,326	64,231,510	179,019,836
	148,579,045	114,788,326	64,231,510	327,598,881
				119,565,314
				164,852,907
				284,418,221
'Available-for-sale' investments				
Listed equity securities	14,773,061	-	-	14,773,061
Government Ijarah Sukuks	-	-	-	-
	14,773,061	-	-	14,773,061
				2,937,000
				-
				2,937,000
	163,352,106	114,788,326	64,231,510	342,371,942
				287,355,221

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


Chief Executive Officer

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


Director

CONDENSED INTERIM STATEMENT OF INVESTMENTS PORTFOLIO

AS AT DECEMBER 31, 2014

EQUITY SUB FUND

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

Name of the Investee Company	Number of shares					As at December 31, 2014			Market value as a % of net assets of the sub-fund	% of the issued capital of the investee company
	As at July 01, 2014	Purchases during the period	Bonus / Right issue during the period	Sales during the period	As at December 31, 2014	Cost	Market value	Appreciation / (Diminution)		
	(Number of shares)					(Rupees)			%	%
Oil and gas										
Pakistan State Oil Company Limited	26,074	18,000	-	34,511	9,563	3,453,666	3,422,693	(30,973)	1.9290	0.0035%
Shell Pakistan Limited	-	5,000	-	-	5,000	1,329,400	1,294,400	(35,000)	0.7295	0.0047%
Pakistan Petroleum Limited	56,203	42,500	-	51,500	47,203	9,319,515	8,332,274	(987,241)	4.6960	0.0024%
Mari Petroleum Company	-	8,500	400	8,500	400	136,939	190,180	53,241	0.1072	0.0004%
Attock Petroleum Limited	4,600	9,300	-	-	13,900	7,906,708	7,500,162	(406,546)	4.2270	0.0168%
National Refinery Limited	20,500	-	-	20,500	-	-	-	-	-	-
Oil & Gas Development Company Limited	-	10,000	-	10,000	-	-	-	-	-	-
Pakistan Oilfields Limited	22,170	-	-	22,170	-	-	-	-	-	-
						22,146,228	20,739,709	-1,406,519	12	
Chemicals										
Fauji Fertilizer Company Limited	-	30,000	-	-	30,000	3,555,000	3,513,300	(41,700)	1.9801	0.0014%
Engro Corporation Limited	-	52,000	-	6,000	46,000	9,813,553	10,189,460	375,907	5.7427	0.0088%
Fauji Fertilizers Bin Qasim Limited	-	113,000	-	113,000	-	-	-	-	-	-
						13,368,553	13,702,760	334,207	8	
Personal goods										
Colgate-Palmolive (Pakistan) Limited	-	2,580	-	-	2,580	4,738,884	5,160,000	421,116	2.9081	0.0000%
Bata Pakistan Limited	2,260	-	-	-	2,260	7,313,360	7,887,400	574,040	4.4453	0.0299%
						12,052,244	13,047,400	995,156	7.3534	
Automobile and parts										
Pak Suzuki Motor Company Limited	25,200	18,500	-	18,800	24,900	3,747,491	5,017,824	1,270,333	2.8280	0.0000%
Indus Motors Company Limited	-	12,200	-	6,500	5,700	8,892,286	9,240,886	348,600	5.2081	0.0073%
Sazgar Engineering Works Limited	54,500	-	-	54,500	-	-	-	-	-	-
						12,639,777	14,258,710	1,618,933	8	
Construction and materials										
Maple Leaf Cement	174,000	460,000	-	468,000	166,000	5,470,547	7,345,500	1,874,953	4.1399	0.0315%
Lucky Cement Limited	22,500	13,400	-	6,500	29,400	12,756,016	14,708,232	1,952,216	8.2894	0.0091%
Attock Cement Pakistan Limited	26,012	14,000	-	-	40,012	6,550,841	7,809,142	1,258,301	4.4012	0.0349%
Fauji Cement Company Limited	-	310,000	-	-	310,000	6,464,151	8,010,400	1,546,249	4.5146	0.0233%
Berger Paints Pakistan Limited	-	22,500	-	22,500	-	-	-	-	-	-
Cherat Cement Company Ltd.	19,800	25,000	-	44,800	-	-	-	-	-	-
Kohat Cement Limited	30,000	32,000	-	62,000	-	-	-	-	-	-
Pioneer Cement Limited	-	15,000	-	15,000	-	-	-	-	-	-
						31,241,555	37,873,274	6,631,719	21	
General industrials										
Ghani Glass Ltd	-	81,000	-	-	81,000	5,321,522	5,505,570	184,048	3.1029	0.0657%
Thal Limited	20,000	12,000	-	11,100	20,900	4,962,977	5,622,727	659,750	3.1689	0.0516%
Packages Limited	11,900	3,900	-	15,800	-	-	-	-	-	-
						10,284,499	11,128,297	843,798	6	
Household Goods										
Tariq Glass Industries Limited	-	79,500	-	79,500	-	-	-	-	-	-
						-	-	-	-	-
Industrial Transportation										
Pakistan National Shipping Corporation Limited	-	62,000	-	62,000	-	-	-	-	-	-
						-	-	-	-	-
Engineering										
Millat Tractors Limited	7,900	4,300	-	12,200	-	-	-	-	-	-
Al-Ghazi Tractors Limited	-	15,000	-	15,000	-	-	-	-	-	-
						-	-	-	-	-
Pharma and bio tech										
IBL Health Care Ltd	-	38,000	-	-	38,000	5,959,878	5,643,760	(316,118)	-	0.0000%
Ferozsons Laboratories Limited	103	-	-	103	-	-	-	-	-	-
Abbot Laboratories Limited	3,500	-	-	3,500	-	-	-	-	-	-
						5,959,878	5,643,760	-316,118	-	
Electricity										
The Hub Power Company Limited	170,484	45,000	-	37,500	177,984	10,957,425	13,946,826	2,989,401	7.8603	0.0154%
Kot Addu Power Company Limited	187,000	147,500	-	164,000	170,500	11,526,192	13,459,270	1,933,078	7.5855	0.0000%
						22,483,617	27,406,096	4,922,479	15	
Food producers										
Nestle Pakistan Limited	-	520	-	-	520	4,576,000	4,732,000	156,000	2.6669	0.1147%
Engro Foods Limited	-	51,000	-	51,000	-	-	-	-	-	-
						4,576,000	4,732,000	156,000	3	
Banks										
Meezan Bank Limited	-	1,000	-	-	1,000	50,789	47,039	(3,750)	0.0265	0.0001%
						50,789	47,039	(3,750)	0.0265	
Total for Equity Sub-Fund						134,803,140	148,579,045	13,775,905	80	

Total -----
(Un-Audited) (Audited)
December 31,
2014 June 30, 2014
----- (Rupees) -----
148,579,045 67,243,817

Market value

This investment includes securities with fair value aggregating to Rs.7.836 million (June 30, 2014: Rs.Nil) which have been pledged with National Clearing Company of Pakistan Limited as security against settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

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


Chief Executive Officer

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


Director

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

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

14,773,061 2,937,000

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

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


Director

CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS

AS AT DECEMBER 31, 2014

PIPF DEBT SUB-FUND
GOVERNMENT IJARAH SUKUKS

			Face value				As at December 31, 2014			Market value as a % of net asset of the sub fund
			As at July 01, 2014	Purchases during the period	Sales / maturities during the period	As at December 31, 2014	Carrying value	Market value	Appreciation	
Name of Investments	Issue	Maturity	(Rupees)							
'Designated at fair value through profit or loss'										
Government Ijarah Sukuk (3 years)										
GoP Ijarah sukuk XII	28-Jun-12	28-Jan-15	43,000,000	-	-	43,000,000	44,216,901	43,103,201	(1,113,700)	35.09%
GoP Ijarah sukuk X	02-Mar-12	02-Mar-15	600,000	9,000,000	-	9,600,000	9,692,760	9,616,320	(76,440)	7.83%
GoP Ijarah sukuk XIII	18-Sep-12	18-Sep-15	39,050,000	-	-	39,050,000	40,201,975	39,132,005	(1,069,970)	31.86%
GoP Ijarah sukuk VIII	26-Dec-11	21-Nov-15	8,000,000	-	-	8,000,000	8,102,400	8,010,400	(92,000)	6.52%
GoP Ijarah sukuk VIII	25-Jun-14	25-Jun-17	15,200,000	-	-	15,200,000	15,200,000	14,926,400	(273,600)	12.15%
			105,850,000	9,000,000	-	114,850,000	117,414,036	114,788,326	(2,625,710)	

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

Market value

114,788,326 108,333,036

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



Chief Executive Officer

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



Director

CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED)

AS AT DECEMBER 31, 2014

PIPF DEBT SUB-FUND
SUKUK CERTIFICATES

Name of Investment	Issue Date	Number of Certificates				As at December 31, 2014			Market value as a percentage of net asset of the sub fund	Market value as a percentage of total investments	Percentage in relation to the total size of the issue
		As at July 01, 2014	Purchases during the period	Sales / matured during the period	As at December 31, 2014	Cost	Market value	Appreciation / (Diminution)			
(Rupees)											
'Available-for-sale' investments'											
Pak Elektron Limited - Sukuk (28-09-2007)	28-Sep-07	550	-	-	550	1,011,220	-	(1,011,220)	-	-	0.10%
		550	-	-	550	1,011,220	-	(1,011,220)			

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

Market value

----- - -----

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


Chief Executive Officer

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


Director

CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED) AS AT DECEMBER 31, 2014

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

Name of Investments	Issue	Maturity	Face value				As at December 31, 2014			Market value as a % of net asset of the sub fund
			As at July 01, 2014	Purchases during the period	Sales / maturities during the period	As at December 31, 2014	Carrying value	Market value	Appreciation	
----- (Rupees) -----										
'At fair value through profit or loss'										
Government Ijarah Sukuk (3 years)										
GoP Ijarah sukuk VIII	26-Dec-11		70,000			70,000	7,089,600	7,009,100	(80,500)	
GoP Ijarah sukuk XII	28-Jun-12		294,000			294,000	30,232,020	29,470,560	(761,460)	
GoP Ijarah sukuk XIII	18-Sep-12		135,000	90,000		225,000	22,983,750	22,547,250	(436,500)	
GoP Ijarah sukuk VIII	25-Jun-14		53,000			53,000	5,300,000	5,204,600	(95,400)	
			552,000	90,000	-	642,000	65,605,370	64,231,510	(1,373,860)	

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

Market value

64,231,510 **46,670,430**

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


Chief Executive Officer

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


Director

CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

Contributions net of front end fee	Half year ended December 31, 2014							Half year ended December 31, 2013
	Equity sub fund		Debt sub fund		Money market sub fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
	----- (Rupees) -----							
Opening balance	486,596	60,269,559	699,171	91,723,265	441,817	50,237,237	202,230,061	146,823,142
Individuals - issue of units	65,675	19,914,954	101,819	17,480,348	23,614	3,723,781	41,119,083	21,372,035
- redemption of units	(11,979)	(3,634,351)	(87,571)	(15,051,076)	(43,537)	(6,870,332)	(25,555,759)	(6,266,720)
	53,696	16,280,603	14,248	2,429,272	(19,923)	(3,146,551)	15,563,324	15,105,315
Closing balance	540,292	76,550,162	713,419	94,152,537	421,894	47,090,686	217,793,385	161,928,457

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


Chief Executive Officer

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


Director

CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2014

Contributions net of front end fee	Quarter ended December 31, 2014							Quarter ended December 31, 2013
	Equity sub fund		Debt sub fund		Money market sub fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
	----- (Rupees) -----							
Opening balance	498,882	63,594,476	701,816	92,173,987	441,462	50,181,589	205,950,052	151,751,330
Individuals - issue of units	50,146	15,695,319	86,891	14,933,197	18,575	2,933,740	33,562,256	13,393,777
- redemption of units	(8,736)	(2,739,633)	(75,288)	(12,954,647)	(38,143)	(6,024,643)	(21,718,923)	(3,216,650)
	41,410	12,955,686	11,603	1,978,550	(19,568)	(3,090,903)	11,843,333	10,177,127
Closing balance	540,292	76,550,162	713,419	94,152,537	421,894	47,090,686	217,793,385	161,928,457

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


Chief Executive Officer

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


Director

**CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Half year ended December 31, 2014				Half year ended December 31, 2013
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	No. of units				
Total units outstanding at the beginning of the period	486,596	699,171	441,817	1,627,584	1,317,287
Add: Units issued during the period	65,675	101,819	23,614	191,108	127,042
Less: Units redeemed during the period	(11,979)	(87,571)	(43,537)	(143,087)	(32,565)
Total units in issue at the end of the period	<u>540,292</u>	<u>713,419</u>	<u>421,894</u>	<u>1,675,605</u>	<u>1,411,764</u>

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


Chief Executive Officer

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


Director

**CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2014**

	Quarter ended December 31, 2014				Half year ended December 31, 2013
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	No. of units				
Total units outstanding at the beginning of the period	498,882	701,816	441,462	1,642,160	1,350,045
Add: Units issued during the period	50,146	86,891	18,575	155,612	78,616
Less: Units redeemed during the period	(8,736)	(75,288)	(38,143)	(122,167)	(16,897)
Total units in issue at the end of the period	<u>540,292</u>	<u>713,419</u>	<u>421,894</u>	<u>1,675,605</u>	<u>1,411,764</u>

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


Chief Executive Officer

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


Director

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** The Pakistan Islamic Pension Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as Pension Fund Manager and Muslim Commercial Financial Services (Private) Limited (MCFSL) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 24, 2007 and was executed on June 04, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). Habib Metropolitan Bank Limited (HMBL) was appointed as the new Trustee in place of MCFSL through a revised Trust Deed dated June 16, 2011 which was approved by SECP on July 07, 2011. Central Depository Company of Pakistan Limited was appointed as the new Trustee in place of HMBL through a revised Trust Deed dated July 21, 2014 which was approved by SECP on July 23, 2014. PIPF is an open-ended pension fund consisting of three sub-funds namely PIPF Equity Sub-Fund, PIPF Debt Sub-Fund and PIPF Money Market Sub-Fund. Units are offered for public subscription on a continuous basis. The number of units of any sub-fund purchased out of contributions depends on the Allocation Scheme selected by the respective Participant out of the allocation schemes offered by the Pension Fund Manager.
- 1.2** MCB-Arif Habib Savings and Investments Limited has been licensed to act as a Pension Fund Manager under VPS Rules through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at Techno City Corporate Tower, Hasrat Mohani Road, Karachi, Pakistan.
- 1.3** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.
- 1.4** Title to the assets of the Fund is held in the name of Central Depository Company Limited as Trustee of the Fund.

2. STATEMENT OF COMPLIANCE

- 2.1** This condensed interim financial information has been prepared in accordance with the approved accounting standards with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', the Trust Deed, the VPS Rules and the directives issued by SECP. Wherever, the requirements of the Trust Deed, the VPS Rules or the said directives differ with the requirements of IFRS, the requirements of the Trust Deed, the VPS Rules or the said directives take precedence.
- 2.2** This condensed interim financial information comprises of the condensed interim balance sheet as at December 31, 2014 and the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of movement in participants' sub funds, condensed interim statement of investments by category, condensed interim statement of investment portfolio, condensed interim contribution table, condensed interim statement of number of units in issue and notes forming part thereof. The disclosures made in this condensed interim financial report have, however, been limited based on the requirements of the IAS 34: 'Interim Financial Reporting' and guidelines issued by the SECP for the preparation of the quarterly reports of a pension fund. It does not include all the information and disclosures made in the annual published financial statements and should be read in conjunction with the financial statements for the year ended June 30, 2014. Comparative information of the condensed interim income statement, condensed interim cash flow statement, condensed interim statement of movement in participants' sub funds and condensed interim contribution table for the half year ended December 31, 2013 and the quarter ended December 31, 2013 are un-audited and have been included to facilitate comparison.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

2.3 This condensed interim financial information is un-audited. However, limited scope review has been performed by the statutory auditors.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

New / Revised Standards, Interpretations and Amendments

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

IAS 19 – Employee Benefits - Employee Contributions (Amendment)

IAS 32 – Financial Instruments : Presentation – (Amendment)
– Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment)
– Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)
– Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

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

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

4. FINANCIAL RISK MANAGEMENT

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

5. BALANCES WITH BANKS

	----- (Un-audited) ----- As at December 31, 2014			Audited As at June 30, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total
	----- (Rupees) -----			
Current accounts	6,144,043	-	-	6,144,043
Saving accounts	5,231,136	7,066,706	2,069,199	14,367,041
	<u>11,375,179</u>	<u>7,066,706</u>	<u>2,069,199</u>	<u>20,511,084</u>

Saving accounts carry a rate of return ranging from December 31, 2014: 4.73% to 5.56% (June 30, 2014: 4.73% to 9.38%) per annum.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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6. DEPOSITS AND OTHER RECEIVABLES

Security deposit - Central Depository Company of Pakistan	301,000	300,000	100,000	701,000	501,000
Security deposit - National Clearing Company of Pakistan Limited	2,500,000	-	-	2,500,000	2,500,000
Others	15,372	10,000	10,000	35,372	5,371
	<u>2,816,372</u>	<u>310,000</u>	<u>110,000</u>	<u>3,236,372</u>	<u>3,006,371</u>

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

7. PAYABLE TO PENSION FUND MANAGER

Remuneration payable to Pension Fund Manager	217,254	156,862	85,488	459,604	375,667
Sindh sales tax payable on remuneration of Pension Fund Manager	32,588	23,530	12,823	68,941	60,107
	<u>249,842</u>	<u>180,392</u>	<u>98,311</u>	<u>528,545</u>	<u>435,774</u>

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for federal excise duty on remuneration of Pension Fund Manager (note 8.1)	501,078	438,761	272,124	1,211,963	742,297
Donation / charity payable	144,121	-	-	144,121	-
Payable to auditors	135,556	114,212	67,174	316,942	338,000
Brokerage expense payable	296,779	-	900	297,679	67,483
Workers' Welfare Fund (note 9.1)	1,637,626	231,056	120,393	1,989,075	1,361,476
Others	21,840	-	232	22,072	22,069
	<u>2,737,000</u>	<u>784,029</u>	<u>460,823</u>	<u>3,981,852</u>	<u>2,610,360</u>

8.1 As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the services of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED results in double taxation, does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies and Central Depository Company of Pakistan Limited on behalf of schemes through a constitutional petition filed in the Honourable Sindh High Court (SHC) during September 2013 which is pending adjudication. However, the SHC has issued a stay order against the recovery of FED. The Fund, as a matter of abundant caution, has charged FED and sales tax on service thereon in its financial statements with effect from June 13, 2013.

9. CONTINGENCY

9.1 Contribution to Workers' Welfare Fund

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, all Collective Investment Schemes (CISs) mutual funds whose income exceeds Rs.0.5 million in a tax year have been brought within the scope of the WWF Ordinance thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain Collective Investment Schemes (CISs) through their trustees in the Honourable Sindh High Court (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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In 2011, a single judge of the Lahore High Court (LHC) issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts, 2006 and 2008 have been declared unconstitutional and therefore struck down.

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

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

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

The Pension Fund Manager as a matter of abundant caution has started making provision effective from May 10, 2013 in view of the afore mentioned developments and uncertainties created by the recent decision by Honorable Sindh High Court. The unrecognised liability for the period from July 01, 2008 to May 09, 2013 amounts to Rs.0.697 million, Rs.0.353 million and Rs.0.245 million for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund (aggregating to Rs.1.295 million) respectively. Had the said provision of WWF not been recorded in the books of account of the Fund, the NAV of the Fund would have been higher by Rs.3.03 (0.92%) (June 30, 2014: Rs.1.43 (0.79%)), Re.0.32 (0.19%) (June 30, 2014: Re.0.50 (0.17%)) and Re.0.29 (0.18%) (June 30, 2014: Re.0.55 (0.15%)) for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively. Moreover, provision against WWF as at December 31, 2014 amounts to Rs.1.637 million (June 30, 2014: Rs.1.060 million), Rs.0.231 million (June 30, 2014: Rs.0.200 million) and Rs.0.120 million (June 30, 2014: Rs.0.103 million) for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively.

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

	----- (Un-audited) -----				
	As at December 31, 2014				
	Equity sub fund	Debt sub fund	Money market sub fund	Total	As at December 31, 2013
	----- (Rupees) -----				
Market value	14,773,061	-	-	14,773,061	18,152,619
Average cost	13,488,954	1,011,220	-	14,500,174	(18,919,963)
	1,284,107	(1,011,220)	-	272,887	(767,344)
Provision against debt securities					
Opening	-	1,093,601	-	1,093,601	1,093,601
Charged during the period	-	-	-	-	-
Reversal / derecognised	-	-	-	-	-
	-	1,093,601	-	1,093,601	1,093,601
Reversal during the period	-	-	-	-	-
Less: Net unrealised (appreciation) in value of investment at the beginning of the period	(106,800)	(82,381)	-	(189,181)	(4,962,889)
	1,177,307	-	-	1,177,307	(4,636,632)

11. REMUNERATION OF PENSION FUND MANAGER

This represents remuneration of the Pension Fund Manager at the rate of 1.5 percent of the average amount of net assets of each sub-fund calculated during the year for determining the prices of units of the sub-funds.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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12. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance 2001. Since the management intends to distribute the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these financial statements.

13. EARNINGS PER UNIT

Earnings per unit (EPU) for the half year and quarter ended December 31, 2014 in respect of each sub-fund has been calculated by dividing the net income after taxation of a sub fund by the weighted average number of units of the sub-fund in circulation during the period, which are given below:

	Half year ended December 31, 2014		
	----- (Un-Audited) -----		
	Equity sub fund	Debt sub fund	Money market sub fund
Weighted average number of units	503,238	707,830	438,854
Net income after taxation (Rupees)	28,409,941	1,513,852	842,801
Earnings per unit (Rupees)	<u>56.45</u>	<u>2.14</u>	<u>1.92</u>
Earnings per unit (Half year ended December 31, 2013 (Rupees)	<u>47.01</u>	<u>6.55</u>	<u>5.40</u>
	Quarter ended December 31, 2014		
	----- (Un-Audited) -----		
	Equity sub fund	Debt sub fund	Money market sub fund
Weighted average number of units	512,836	714,332	436,077
Net income after taxation (Rupees)	23,565,373	870,296	461,917
Earnings per unit (Rupees)	<u>45.95</u>	<u>1.22</u>	<u>1.06</u>
Earnings per unit (Quarter ended December 31, 2013 (Rupees)	<u>33.22</u>	<u>3.69</u>	<u>2.90</u>

14. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include the Pension Fund Manager and MCB Bank Limited being the Holding Company of the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Pension Fund Manager as Management Company and directors and key management personnel of the Pension Fund Manager.

Remuneration to the Pension Fund Manager and Trustee are determined in accordance with the provisions of VPS Rules, 2005 and the Trust Deed of the Fund. All other transactions with connected persons are in the normal course of business and are carried out on agreed terms.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

Detail of transactions with connected persons during the period and balances with them at period end are as follows:

14.1 Transactions during the period

	----- (Un-Audited) -----				
	Half year ended December 31, 2014				Half year ended December 31, 2013
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
MCB-Arif Habib Savings and Investments Limited - Pension Fund Manager					
Remuneration including indirect taxes	1,487,438	1,221,751	695,899	3,405,088	2,370,636
Issue of PIPF Equity sub fund nil units (2013: 5,520 units)	-	-	-	-	1,000,000
Habib Metropolitan Bank Limited - Trustee					
Remuneration	55,043	48,389	27,995	131,427	226,486
Profit received on saving bank accounts	87,911	94,353	39,804	222,068	183,838
Bank charges	551	348	339	1,238	10,019
Central Depository Company Limited - Trustee					
Remuneration	66,217	51,776	29,135	147,128	-
Security Deposit	100,000	-	-	100,000	-
Directors and officers					
Issue of PIPF Equity sub fund 2,566 units (2013: 3,249 units)	742,844	-	-	742,844	681,633
Issue of PIPF Debt sub fund 2,851 units (2013: 3,326 units)	-	488,232	-	488,232	534,114
Issue of PIPF Money Market sub fund 1,103 units (2013: 2,062 units)	-	-	173,418	173,418	308,503
Redemption of PIPF Equity sub fund 4,169 units (2013: 1,297 units)	1,233,933	-	-	1,233,933	256,924
Redemption of PIPF Debt sub fund 4,153 units (2013: 695 units)	-	711,339	-	711,339	110,969
Redemption of PIPF Money Market sub fund 3,361 units (2013: 472 units)	-	-	529,255	529,255	69,463

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	(Un-Audited)				
	Quarter ended December 31, 2014				
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Quarter ended December 31, 2013
	----- (Rupees) -----				
MCB-Arif Habib Savings and Investments Limited - Pension Fund Manager					
Remuneration including indirect taxes	797,708	618,354	346,851	1,762,913	1,211,494
Issue of PIPF Equity sub fund nil units (2013: 5,520 units)	-	-	-	-	1,000,000
Central Depository Company Limited - Trustee					
Remuneration	58,442	45,207	25,338	128,987	-
Directors and Officers					
Issue of PIPF Equity sub fund 1,143 units (2013: 1,631 units)	354,762	-	-	354,762	344,669
Issue of PIPF Debt sub fund 1,418 units (2013: 2,174 units)	-	243,445	-	243,445	350,893
Issue of PIPF Money Market sub fund 526 units (2013: 1,860 units)	-	-	82,879	82,879	278,629
Redemption of PIPF Equity sub fund 2,292 units (2013: 1,297 units)	710,210	-	-	710,210	256,924
Redemption of PIPF Debt sub fund 3,033 units (2013: 402 units)	-	520,003	-	520,003	64,683
Redemption of PIPF Money Market sub fund 3,328 units (2013: Nil units)	-	-	509,939	509,939	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

14.2 Amounts outstanding as at the period / year end

	----- (Un-Audited) -----				
	As at December 31, 2014				
	Equity sub fund	Debt sub fund	Money market sub fund	Total	(Audited) June 30, 2014
	----- (Rupees) -----				
MCB-Arif Habib Savings and Investments Limited - Pension Fund Manager					
Remuneration payable	217,254	156,862	85,488	459,604	375,667
Sindh sales tax payable	32,588	23,530	12,823	68,941	60,107
Investment in seed capital 305,520 units (June 2014: 305,520 units)	100,332,768	-	-	100,332,768	83,589,667
Investment in seed capital 300,000 units (June 2014: 300,000 units)	-	51,648,000	47,493,000	99,141,000	97,914,486
Central Depository Company Limited - Trustee					
Remuneration payable	21,726	15,687	8,547	45,960	46,198
Security Deposit	301,000	300,000	100,000	701,000	501,000
Directors and Officers					
Balance as at December 31, 2014					
Investment in PIPF Equity sub fund 15,052 units (June 2014: 15,799 units)	4,943,185	-	-	4,943,185	4,327,674
Investment in PIPF Debt sub fund 15,742 units (2014: 15,695 units)	-	2,710,146	-	2,710,146	2,669,200
Investment in PIPF Money Market sub fund 2,982 units (2014: 4,976 units)	-	-	472,075	472,075	777,822

15. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on 02 February, 2015 by the Board of Directors of the Pension Fund Manager.

16. GENERAL

16.1 Figures for the quarter ended December 31, 2014 and the corresponding figures for the quarter ended December 31, 2013 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.

16.2 Figures have been rounded off to the nearest Rupee.


Chief Executive Officer

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


Director

Please find us on



by typing: **Bachat Ka Doosra Naam**

MCB-Arif Habib Savings and Investments Limited

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