



MCB-ARIF HABIB
Savings and Investments Limited

AM2++
BY PACRA

QUARTERLY REPORT

MARCH
2019
(UNAUDITED)

Voluntary Pension Scheme Managed by
MCB-Arif Habib Savings and Investments Limited

CONTENTS

1	Pakistan Pension Fund	02
2	ALHAMRA Islamic Pension Fund	32

PAKISTAN PENSION FUND

CONTENTS

1	Fund's Information	04
2	Report of the Directors of the Pension Fund Manager	05
3	Condensed Interim Statement of Assets and Liabilities	12
4	Condensed Interim Income Statement (Un-audited)	13
5	Condensed Interim Statement of Comprehensive Income (Un-audited)	15
6	Condensed Interim Statement of Movement in Participants 'Sub-Fund (Un-audited)	17
7	Condensed Interim Cash Flow Statement (Un-audited)	18
8	Notes to and forming part of the Condensed Interim Financial Statements (un-audited)	19

FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
Board of Directors	Mian Muhammad Mansha Mr. Nasim Beg Mr. Muhammad Saqib Saleem Dr. Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Qamar Beg	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director Director
Audit Committee	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mirza Qamar Beg Mr. Nasim Beg	Chairman Member Member Member
Risk Management Committee	Mr. Mirza Qamar Beg Mr. Ahmed Jahangir Mr. Nasim Beg	Chairman Member Member
Human Resource & Remuneration Committee	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Company Secretary	Mr. Muhammad Asif Mehdi Rizvi	
Chief Financial Officer	Mr. Abdul Basit	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B' S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcPakistan.com	
Bankers	Habib Metropolitan Bank Limited Allied Bank Limited Habib Bank Limited National Bank of Pakistan Askari Bank Limited Bank Alfalah Limited MCB Bank Limited JS Bank Limited Zarai Taraqiati Bank Limited MCB Islamic Bank Limited Silk Bank Limited	
Auditors	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.. Box 15541 Karachi, Sindh-75530, Pakistan	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited 24th Floor, Center point, off Shaheed-e-Millat Express Way Near K.P.T. Interchange, Karachi.	
Rating	AM2++ Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

Dear Investor,

On behalf of the Board of Directors, We are pleased to present Pakistan Pension Fund's Nine Months Report for the period ended March 31, 2019.

MARKET & ECONOMIC REVIEW

Economy and Money Market Review

At the onset of the fiscal year, the economy inherited deep challenges in the form of external crisis as it was facing a huge current account deficit along with depleting foreign reserves. To cope with the underlying challenges, the central bank took major policy actions (currency depreciation of 16% along with interest rate hike of 425 bps in the current fiscal year). Stabilization efforts finally paid off as indicated by a declining current account deficit, which shrank by 22% during the first 8 months of FY19. Moreover, the recent trend is even more promising as current account deficit for Feb'19 was recorded below USD 400 million, a 3 year low.

While the government remained tentative about IMF program sign-up, it was able to secure funding from friendly allies which has bridged the gap in external account balance for short term. Saudi Arabia, UAE & China provided balance of payment support to the tune of USD 8 billion. Meanwhile Saudi Arabia announced USD 20 billion of investments for Pakistan, along with providing a USD 3 billion deferred credit facility for oil.

GDP growth is expected to set in a range of 2.5-3.0% as last year's record twin deficits restrict the ability of the government to carry on expansionary fiscal policies. Large scale manufacturing (LSM) is already down by 1.5% during the 7MFY19, while weak agricultural growth (cotton and wheat are expected to miss the targets) along with a considerable decline in Retail and Wholesale trade (Import Compression) will slowdown the overall aggregate demand during the current year.

Amid currency depreciation and utility prices adjustment, CPI has also indicating higher inflationary pressures and the inflation which on average has yet remained below 7% for the year but now looking to remain near 9% in coming months which is also likely to continue to remain in the next fiscal year due to utility tariff adjustments along with the lagged impact of currency depreciation. Central bank raised the interest rates by 500 bps during the current year owing to anticipated higher inflation and a weak balance of payment profile.

The government has indicated that it is close to sign the IMF program. Alongside, the government will have to address the key structural issues to tread on the path of long term sustainable economic growth.

The yield curve showed an upward trajectory during the fiscal year due to continued expectations of monetary tightening by the market participants. During the first 9 months, State Bank of Pakistan increased the policy rate by 425 bps in line with the expectations of most of the market. Several PIB auctions during the period under review had to be rejected by State Bank of Pakistan due to thin volume and participation at higher levels. Concerns over external front kept market participants at bay from longer tenor Treasury instruments similarly participation in Pakistan Investment Bonds also price in healthy liquidity premium. During the period under review, 314.38 billion worth of GOP Ijara Sukuk matured against which no fresh GOP Ijara Sukuk were issued by SBP.

Equity Market Review

The benchmark Index KSE100 recouped some of its losses to post a gain of 4.3% during the third quarter of FY19, limiting the 9MFY19 loss to 7.8%. Balance of Payment Support by friendly allies along with investment commitment by Saudi Arabia provided a breather to the market. Foreigners also turned back to the market after a long haul as currency approached its real value. Foreign participants bought USD 31 million of equities during the quarter, reducing the total selling to USD 373 million for 9MFY19. Volumes and values averaged around 162 mn shares/ PKR 7.1 bn respectively.

During the nine months, Exploration & Petroleum Companies (E&P's) and Fertilizers outperformed the market generating positive returns of ~15% and 6% respectively. On the other hand, Refinery, Chemicals, Power and OMCs underperformed the market generating negative returns of ~19.4%, 10%, 8.5%, 7.2% respectively.

E&Ps rallied after offshore drilling started in one of the highly potential zone of Indus basin. Alongside, PKR depreciation garnered a lot of interest in the sector owing to USD denominated revenues. Fertilizers also outperformed as supply glut ended which resulted in enhanced pricing power of the manufacturers. On the flip side; Refineries suffered due to lower throughput and closure of plants amid limited offtake of Furnace Oil. Also, weak international petroleum products' margins dragged the returns. OMCs followed the thematic decline due to economic slowdown which was reflected in lower sales volumes (Total petroleum products' sales declining by ~23% and FO sales coming down by ~55%).

REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

FUND PERFORMANCE

Debt Fund

The debt sub-fund generated an annualized return of 7.09% during the period under review. The fund's exposure towards T-Bills increased from 19.9% to 27% and exposure towards TFCs increased from 17.8% to 22.7%. Exposure in Cash was 25.2%.

The Net Assets of the Fund as at March 31, 2019 stood at Rs. 507.26 million as compared to Rs. 590.36 million as at June 30, 2018 registering a decrease of 14.08%.

The Net Asset Value (NAV) per unit as at March 31, 2019 was Rs. 252.43 as compared to opening NAV of Rs. 239.67 per unit as at June 30, 2018 registering an increase of Rs. 12.76 per unit.

Money Market Fund

The money market sub-fund generated a return of 7.24% during the period. The fund's exposure decreased in T-bills from 29% to 14.1% while increased its exposure in cash from 42.9% to 50.9%.

The Net Assets of the Fund as at March 31, 2019 stood at Rs. 269.95 million as compared to Rs. 239.70 million as at June 30, 2018 registering an increase of 12.62%.

The Net Asset Value (NAV) per unit as at March 31, 2019 was Rs. 231.35 as compared to opening NAV of Rs. 219.42 per unit as at June 30, 2018 registering an increase of Rs. 11.93 per unit.

Equity Fund

The Equity sub-fund generated a negative return of 5.11% while the KSE-100 posted a negative return of 7.78% during the period under review. The sub-fund decreased its overall equity exposure from 98% to 90.5%.

The Net Assets of the Fund as at March 31, 2019 stood at Rs. 799.89 million as compared to Rs. 742.09 million as at June 30, 2018 registering an increase of 7.79%.

The Net Asset Value (NAV) per unit as at March 31, 2019 was Rs. 485.67 as compared to opening NAV of Rs. 511.85 per unit as at June 30, 2018 registering a decrease of Rs. 26.17 per unit.

MARKET & ECONOMY - FUTURE OUTLOOK

The tough measures taken by the incumbent government in the form of currency adjustments and monetary tightening for the purpose of reducing aggregate demand to control external imbalances is bearing fruit. The current account balance has begun to reflect the policy adjustments with the beginning 2 months of the current calendar registering decline of more than 50% in current account balance. The external account is expected to remain at sustainable levels with the impetus expected to come from lagged increase in exports. The balance of payments support availed from friendly nations would be adequate to support financing of the remaining year. Subsequently, we expect normalized PKR/USD adjustment given the Real Effective Exchange Rate is close to its fundamental value.

However, the entrance into IMF program is likely to provide the much needed financial stability relative to external inflows through multilateral agencies along with better policy management related to dealing with structural issues in the economy.

In IMF program, focus is expected to shift towards fiscal side. The substantial curtailment of development budget has failed to curtail the fiscal deficit given the higher cost of borrowing for the government and sluggish performance in revenue collection due to relief in income tax, curtailment of telecom duties and import slowdown. The impact of monetary tightening is expected to be more visible in this half towards expenditures side. The revenue shortfall is expected to lead towards a fiscal deficit of more than 6% for this year. The focus of next budget is expected to be towards revenue generation measures particularly, higher taxation, duties, etc.

Inflationary pressures are expected to become more visible as reflected in the recent reading of 9.4% as lagged impacts of currency depreciation, gas price increase and electricity price adjustments are incorporated. However, most of the monetary tightening has been done to reflect the upcoming inflationary pressures and room for further tightening would remain in the range of 50 bps.

REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

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

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

ACKNOWLEDGMENT

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

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
April 19, 2019

متوقع طور پر دشوار اور ممکنہ ناپسندیدہ پالیسی
اقدامات سے پرہیز ہوگا۔

ہم سمجھتے ہیں کہ ایکویٹی مارکیٹس نے معاشی حالات کی قبل از وقت حفاظت کی؛ چنانچہ یہ دیکھنا ضروری ہے کہ تمام معاشی ترقیات کی قیمت کا تعین کر دیا گیا ہے یا نہیں۔ لہذا
مجموعی تخمینہ جات اور عالمگیر کمپنیوں کی بنیاديات اہم کردار ادا کرتی ہیں۔ مجموعی لائحہ عمل کا جھکاؤ دفاعی شعبوں کی طرف ہونا چاہیے (E&Ps، بجلی، کھاد)، جبکہ وہ شعبے جو
کلاں معاشیات کے میدان میں تبدیل ہوتے

ہوئے محرکات مثلاً انٹریسٹ کی شرحوں میں اضافے سے مستفید ہوں گے (کمرشل بینک) اُن کا وزن زیادہ ہونا چاہیے۔ علاوہ ازیں، برآمدات کی بحالی پر حکومت
کی بھرپور توجہ کی بدولت برآمداتی شعبوں مثلاً ٹیکسٹائل اور IT کے لیے مستقبل کے امکانات روشن ہوں گے۔ گردشی شعبوں کے حوالے سے منفی سوچ کے باوجود ہم سمجھتے
ہیں کہ کچھ اثاثہ جاتی اور quality کمپنیاں مشکلات سے دوچار ہوں گی جن پر توجہ دی جانی چاہیے کیونکہ یہ غیر معمولی منافع کی صلاحیت رکھتی ہیں۔

اظہار تشکر

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

من جانب ڈائریکٹرز،



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

19 اپریل، 2019ء

31 مارچ 2019ء کو فنڈ کے net اثاثہ جات 269.95 ملین روپے تھے جو 30 جون 2018ء کی سطح 239.70 ملین روپے کے مقابلے میں 12.62% اضافہ ہے۔

31 مارچ 2019ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 231.35 روپے تھی، جو 30 جون 2018ء کی ابتدائی قدر 219.42 روپے فی یونٹ کے مقابلے میں 11.93 روپے فی یونٹ اضافہ ہے۔

ایکویٹی فنڈ

زیر جائزہ مدت کے دوران ایکویٹی سب-فنڈ کا 5.11% منفی منافع تھا جبکہ KSE-100 کا منفی منافع 7.78% تھا۔ سب-فنڈ نے ایکویٹی میں اپنی مجموعی شمولیت کو 98% سے کم کر کے 90.5% کر دیا۔

31 مارچ 2019ء کو فنڈ کے net اثاثہ جات 799.89 ملین روپے تھے جو 30 جون 2018ء کی سطح 742.09 ملین روپے کے مقابلے میں 7.79% اضافہ ہے۔

31 مارچ 2019ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 485.67 روپے تھی، جو 30 جون 2018ء کی ابتدائی قدر 511.85 روپے فی یونٹ کے مقابلے میں 26.17 روپے فی یونٹ کمی ہے۔

مستقبل کا منظر

موجودہ حکومت نے خارجی عدم توازن پر قابو پانے کے لیے مجموعی طلب میں کمی کرنے کے مقصد سے روپے کی قدر میں کمی پیشی اور مالیاتی تنگی کی صورت میں جو سخت اقدامات کیے تھے ان کے ثمرات حاصل ہو رہے ہیں۔ موجودہ کیلنڈر کے ابتدائی دو ماہ کے ساتھ ہی کرنٹ اکاؤنٹ میں پالیسی کی تبدیلیوں کی عکاسی ہونے لگی ہے اور 50% سے زائد کمی ہوئی۔ برآمدات میں سست رفتار اضافے سے ملنے والی متوقع قوت سے خارجی اکاؤنٹ کے پائیدار سطحوں پر برقرار رہنے کی توقع ہے۔ ادائیگیوں کے توازن کے ضمن میں دوستانہ ممالک سے حاصل ہونے والا تعاون سال کے بقیہ حصے کے دوران رقم کی فراہمی کے لیے کافی ہوگا۔ بعد ازاں، Real Effective شرح مبادلہ اپنی بنیادی قدر کے قریب ہے جس کے باعث پاکستانی روپے اور امریکی ڈالر میں عمومی باہمی کمی پیشی متوقع ہے۔

آئی ایم ایف پروگرام میں توجہ کا رخ مالیاتی جانب منتقل ہونے کا امکان ہے۔ ترقیاتی بجٹ میں قابل ذکر کمی کے نتیجے میں مالیاتی خسارے میں کمی نہیں ہو سکی جس کی وجہ حکومت کے لیے حصول قرض کی بلند تر قیمت، اور آمدنی ٹیکس میں چھوٹ، ٹیلی کام محصولات میں کمی اور درآمدات میں سست روی کے باعث آمدنی جمع کرنے کی سست رفتار کا کردار ہے۔ مالیاتی تنگی کے اثرات رواں ششماہی میں اخراجات کی جہت میں مزید ظاہر ہونے کی توقع ہے۔ کم آمدنی کے نتیجے میں رواں سال 6% سے زیادہ مالیاتی خسارہ ہونے کا امکان ہے۔ اگلے بجٹ کی زیادہ توجہ متوقع طور پر آمدنی پیدا کرنے کے اقدامات، بلند تر ٹیکس اور محصولات وغیرہ کی طرف ہوگی۔

افراط زر کے دباؤ متوقع طور پر مزید ظاہر ہوں گے جیسا کہ روپے کی قدر میں کمی کے سست رفتار اثرات، گیس کی قیمت میں اضافہ اور بجلی کی قیمت میں کمی پیشی کو شامل کرنے پر 9.4% کی حالیہ سطح سے عکاسی ہوتی ہے۔ تاہم زیادہ تر مالیاتی تنگی آئندہ افراط زر کے دباؤ کی عکاسی کے لیے کی گئی ہے، اور مزید تنگی کی وسعت 50 bps کی حد میں رہے گی۔ سال کے باقی حصے میں معاشی ترقی متوقع طور پر نسبتاً سست روی کا شکار رہے گی کیونکہ کرنسی میں کمی پیشی اور مالیاتی پالیسی میں مزید تنگی کھپت کے رجحان پر حاوی رہے گی۔ تاہم بجلی کی پہلے سے زیادہ فراہمی کے ساتھ ساتھ معیشت کی دستاویزی کی بدولت اس مشکل موڑ پر معاشی منتظمین کو سہولت فراہم ہوگی۔ نئی حکومت معاشی میدان کے دیرینہ مسائل کے حل پر توجہ دینے کی زیادہ مرکوز اور مخلص کاوشیں کر رہی ہے، چنانچہ ہم بہتر حکومت داری اور معاشی بحالی کے طویل المیعاد امکانات کے حوالے سے پُر امید ہیں؛ تاہم راستہ

ایکویٹی مارکیٹ کا جائزہ

مالی سال 2019ء کی تیسری سہ ماہی کے دوران بیچ مارک انڈیکس KSE100 نے اپنے کچھ خساروں کی تلافی کر کے 4.3% منافع حاصل کیا اور یوں نو ماہ کے خسارے کو 7.8% تک محدود کر دیا۔ دوستانہ اتحادیوں کی طرف سے ادائیگیوں کے توازن میں معاونت کے ساتھ ساتھ سعودی عرب کی طرف سے سرمایہ کاری کے وعدے نے مارکیٹ کو اطمینان کا سانس فراہم کیا۔ روپے کے اپنی اصل قدر کے قریب پہنچنے پر غیر ملکی بھی طویل عرصے بعد مارکیٹ لوٹے۔ دوران سہ ماہی غیر ملکی شرکاء نے 31 ملین ڈالر مالیت کی ایکویٹی خریدیں اور یوں مالی سال 2019ء کے نو ماہ کے لیے کل فروخت کم ہو کر 373 ملین ڈالر رہ گئیں۔ حجم اور قدر کا اوسط بالترتیب تقریباً 162 ملین حصص / 7.1

بلین روپے تھا۔

نو ماہ کے دوران ایکسپلوریشن اور پٹرولیم (E&Ps) اور فرٹیلائزرز نے بالترتیب 15% اور 6% مثبت منافع حاصل کر کے مارکیٹ سے بہتر کارکردگی کا مظاہرہ کیا۔ دوسری جانب ریفا ئنری، کیمیکل، پاور اور OMCs نے بالترتیب 19.4%، 10%، 8.5% اور 7.2% منفی منافع حاصل کر کے مارکیٹ سے کم تر کارکردگی کا مظاہرہ کیا۔

انڈسٹریل کے سب سے زیادہ استعداد کے حامل علاقوں میں سے ایک میں ڈرلنگ کے آغاز کے بعد E&Ps بھرپور انداز میں آگے بڑھے۔ ساتھ ساتھ امریکی ڈالر میں آمدنی کے باعث پاکستانی روپے کی قدر میں کمی سے شعبے کی طرف بہت دلچسپی مائل ہوئی۔ فرٹیلائزرز نے بھی عمدہ کارکردگی کا مظاہرہ کیا کیونکہ رسد کی بھرمار ختم ہوئی جس کے نتیجے میں مینوفیکچررز کی قیمتوں کے تعین کی قوت میں اضافہ ہوا۔ دوسری جانب فرنیس آئل کے محدود اخراج کے ساتھ ساتھ مال کی پست سطح اور پلانٹس کے بند ہونے کے باعث ریفا ئنریز متاثر ہوئیں۔ علاوہ ازیں، پٹرولیم مصنوعات کی کمزور بین الاقوامی margins نے منافع میں سُست رفتاری پیدا کر دی۔ معاشی سُست روی کے باعث OMCs بھی متاثر ہوئیں جس کی عکاسی فروخت کے حجم میں کمی سے ہوتی ہے (پٹرولیم مصنوعات کی مجموعی فروخت میں 23% کمی ہوئی اور FO فروخت میں 55% کمی ہوئی)۔

فنڈ کی کارکردگی

Debt فنڈ

زیر جائزہ مدت کے دوران Debt سب - فنڈ کا ایک سال پر محیط منافع 7.09% تھا۔ فنڈ کی ٹریڈری بلز میں شمولیت کو 19.9% سے بڑھا کر 27% کر دیا گیا جبکہ ٹرم فنانس سرٹیفکیٹس میں شمولیت کو 17.8% سے بڑھا کر 22.7% کر دیا گیا۔ نقد میں شمولیت 25.2% تھی۔ 31 مارچ 2019ء کو فنڈ کے net اثاثہ جات 507.26 ملین روپے تھے جو 30 جون 2018ء کی سطح 590.36 ملین روپے کے مقابلے میں 14.08% کمی ہے۔

31 مارچ 2019ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 252.43 روپے تھی، جو 30 جون 2018ء کی ابتدائی قدر 239.67 روپے فی یونٹ کے مقابلے میں 12.76 روپے فی یونٹ اضافہ ہے۔

Money مارکیٹ فنڈ

دوران مدت Money مارکیٹ سب - فنڈ کا منافع 7.24% تھا۔ فنڈ کی ٹریڈری بلز میں شمولیت کو 29% سے کم کر کے 14.1%، جبکہ نقد میں شمولیت کو 42.9% سے بڑھا کر 50.9% کر دیا گیا۔

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی طرف سے پاکستان پینشن فنڈ کی 31 مارچ 2019ء کو ختم ہونے والے نو ماہ کی رپورٹ پیش خدمت ہے۔

مارکیٹ اور معیشت کا جائزہ

معیشت اور بازار زر کا جائزہ

مالی سال کے آغاز ہی سے معیشت کو کرنٹ اکاؤنٹ کے خطیر خسارے اور غیر ملکی ذخائر میں کمی کے باعث خارجی بحران کی شکل میں سنگین چیلنجز وراثت میں ملے۔ ان مسائل سے نمٹنے کے لیے مرکزی بینک نے اہم پالیسی اقدامات اٹھائے (موجودہ مالی سال میں روپے کی قدر میں 16% کمی اور انٹریسٹ کی شرح میں 425 bps اضافہ)۔ بالآخر استحکام کی کوششوں کے ثمرات حاصل ہوئے اور مالی سال 2019ء کے پہلے آٹھ ماہ کے دوران کرنٹ اکاؤنٹ کے خسارے میں 22% کمی ہوئی۔ مزید براں، حالیہ رجحان زیادہ اُمید افزا ہے کیونکہ فروری 2019ء کا کرنٹ اکاؤنٹ کا خسارہ 400 بلین ڈالر سے کم تھا جو گزشتہ 3 برسوں کی پست ترین سطح ہے۔

اگرچہ حکومت آئی ایم ایف پروگرام کے حوالے سے غیر یقینی صورتحال سے دوچار رہی لیکن دوستانہ اتحادیوں سے رقم حاصل کرنے میں کامیاب ہوئی جس کی بدولت مختصر معیاد کے لیے خارجی اکاؤنٹ میں موجود خلا پُر ہوگئی۔ سعودی عرب، متحدہ عرب امارات اور چین نے ادا نیگیوں کے توازن میں 8 بلین ڈالر تک کی معاونت فراہم کی، جبکہ سعودی عرب نے پاکستان کے لیے 20 بلین ڈالر کی سرمایہ کاریوں کے اعلان کے ساتھ ساتھ تیل کے شعبے میں 3 بلین ڈالر کی پیشگی ادائیگی کی سہولت فراہم کی۔

مجموعی ملکی پیداوار (GDP) میں 2.5 سے 3 فیصد تک ترقی متوقع ہے کیونکہ گزشتہ برس بلند ترین جڑواں خساروں کے سبب توسیعی مالیاتی پالیسیاں جاری رکھنے کی حکومتی صلاحیت متاثر ہوئی۔ وسیع پیمانے کی مینوفیکچرنگ (LSM) مالی سال 2019ء کے ساتویں ماہ میں پہلے ہی پست سطح پر ہے، جبکہ کمزور زرعی ترقی (کپاس اور گندم ہدف تک نہیں پہنچ سکیں گے) کے ساتھ ساتھ خوردہ تجارت میں قابل ذکر کمی (درآمداتی کمپیشن) کے باعث موجودہ سال کے دوران کل مجموعی طلب سُست روی کا شکار ہوگی۔

روپے کی قدر اور بجلی اور گیس وغیرہ کی قیمتوں میں کمی کے ساتھ ساتھ CPI افراط زر کے دباؤ میں اضافے کی نشاندہی کرتا رہا ہے۔ افراط زر کا اوسط اس سال 7% سے کم رہا لیکن آنے والے مہینوں میں تقریباً 9% پر قائم رہنے کے لیے پُر امید ہے، اور توقع ہے کہ سطح بجلی اور گیس وغیرہ کی قیمتوں میں کمی پیشی کے ساتھ ساتھ روپے کی قدر میں کمی کے سُست رَو اثر کے باعث اگلے مالی سال میں برقرار رہے گی۔ افراط زر میں متوقع مزید اضافے اور ادا نیگیوں کے توازن کی کمزور صورتحال کے باعث موجودہ سال میں مرکزی بینک نے انٹریسٹ کی شرحوں میں 500 bps اضافہ کیا۔

حکومت نے اشارہ دیا ہے کہ وہ آئی ایم ایف پروگرام پر عنقریب دستخط کرنے والی ہے۔ ساتھ ساتھ حکومت کو اہم ترین بنیادی مسائل پر توجہ دینی ہوگی تاکہ طویل المیعاد پائیدار معاشی ترقی کی راہ پر گامزن ہو سکے۔

دوران مالی سال مارکیٹ کے شرکاء کی مالیاتی تنگی کی مسلسل توقعات کے باعث پیداواری خم بلندی کی طرف گامزن رہا۔ پہلے نو ماہ کے دوران اسٹیٹ بینک آف پاکستان نے پالیسی شرح میں 425 bps اضافہ کیا جو مارکیٹ کے بڑے حصے کی توقعات کے مطابق تھا۔ زیر جائزہ مدت کے دوران پاکستان انویسٹمنٹ بانڈز کی متعدد نیلامیوں کو کمزور حجم اور بلند سطحوں پر شرکت کے باعث اسٹیٹ بینک آف پاکستان کو مسترد کرنا پڑا۔ خارجی میدان میں خدشات نے مارکیٹ کے شرکاء کو طویل المیعاد ڈیڑھری انٹرنیشنل سے دور رکھا۔ زیر جائزہ مدت کے دوران 314.38 بلین مالیت کے حکومت پاکستان اجارہ سلک کی مدت مکمل ہوئی، اور ان کی جگہ اسٹیٹ بینک آف پاکستان کی طرف سے تازہ سلک جاری نہیں کیے گئے۔

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

March 31, 2019 (Un-Audited)						
		Equity	Debt	Money		
		Sub-Fund	Sub-Fund	Market	June 30, 2018	
				Sub-Fund	(Audited)	
Note		----- (Rupees) -----				
Assets						
Balances with banks	4	42,242,150	142,567,268	161,501,237	346,310,655	603,608,432
Investments	5	733,035,370	420,382,406	153,033,671	1,306,451,447	1,126,810,052
Dividend receivable		11,356,015	-	-	11,356,015	526,244
Profit receivable		275,567	3,476,244	1,854,665	5,606,476	5,450,298
Receivable against sale of investment		20,174,997	-	-	20,174,997	94,964,090
Advances, deposits and other receivables		3,013,227	924,857	261,371	4,199,455	4,061,895
Total assets		810,097,326	567,350,775	316,650,944	1,694,099,045	1,835,421,011
Liabilities						
Payable to Pension Fund Manager		1,145,224	748,629	384,262	2,278,115	2,164,038
Payable to Central Depository Company of Pakistan Limited - Trustee		100,755	65,833	33,771	200,359	191,104
Annual fee payable to the Securities and Exchange Commission of Pakistan		198,087	139,408	53,974	391,469	482,132
Payable against purchase of investment		-	54,388,455	44,499,645	98,888,100	247,349,750
Accrued expenses and other liabilities	6	8,766,068	4,744,730	1,724,495	15,235,293	13,083,528
Total liabilities		10,210,134	60,087,055	46,696,147	116,993,336	263,270,552
Net assets		799,887,192	507,263,720	269,954,797	1,577,105,709	1,572,150,459
Participants' sub funds (as per condensed interim Statement of Movement in Participants' sub funds)						
		799,887,192	507,263,720	269,954,797		
----- (Number of units) -----						
Number of units in issue	10	1,646,973	2,009,561	1,166,863		
----- (Rupees) -----						
Net assets value per unit		485.6700	252.4300	231.3500		

Contingencies and commitments 7

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

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



Chief Executive Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

Note	Nine months ended March 31, 2019				Nine Months
	Equity Sub-Fund	Debt Sub-Fund	Money market sub fund	Total	ended March 31, 2018
			Market Sub-Fund		
	----- (Rupees) -----				
Income					
Investments at fair value through profit or loss:					
- Net capital loss on sale of investments	(9,850,008)	(229,527)	(135,216)	(10,214,751)	(31,356,522)
- Dividend income on shares	31,583,397	-	-	31,583,397	25,793,049
- Income from Government Securities	-	12,639,928	6,531,510	19,171,438	9,842,743
- Income from Term Finance Certificates	-	9,180,622	-	9,180,622	5,581,416
- Income on Commercial Papers	-	2,504,706	482,771	2,987,477	183,261
- Unrealised (loss) / gain on revaluation of investments - net	(52,341,461)	(536,711)	2,025	(52,876,147)	46,524,682
Profit on bank and term deposits	2,081,181	13,871,854	7,880,916	23,833,951	20,180,515
Income on NCCPL Deposit Against Exposure Deposit	-	27,005	-	27,005	2,640
Total income	(28,526,891)	37,457,877	14,762,006	23,692,992	76,751,784
Expenses					
Remuneration of Pension Fund Manager	8,923,030	6,270,408	2,431,489	17,624,927	16,014,668
Sales tax and Federal Excise Duty on remuneration of Pension Fund Manager	1,159,994	815,154	316,094	2,291,242	2,081,906
Remuneration of Central Depository Company Limited - Trustee	784,906	551,504	213,892	1,550,302	1,443,200
Sales tax on remuneration of trustee	102,045	71,831	27,803	201,679	187,608
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	198,087	139,408	53,974	391,469	355,535
Auditors' remuneration	154,599	107,750	41,653	304,002	309,824
Custody and settlement charges	347,617	5,085	6,215	358,917	611,715
Securities transaction cost	1,132,507	275,639	4,870	1,413,016	1,707,597
Impairment loss on 'available-for-sale' investment	-	-	-	-	6,604,305
Provision for Sindh Workers' Welfare Fund	-	349,724	12,045	361,769	921,372
Bank charges	17,388	84,478	69,898	171,764	115,384
Total expenses	12,820,173	8,670,981	3,177,933	24,669,087	30,353,114
Net (loss) / income from operating activities	(41,347,064)	28,786,896	11,584,073	(976,095)	46,398,670
Element of income / (loss) and capital gains / (losses) included in the prices of units sold less those in units redeemed - net	16,922,551	(11,649,887)	(10,976,062)	(5,703,398)	(1,251,471)
Net (loss) / income for the period before taxation	(24,424,513)	17,137,009	608,011	(6,679,493)	45,147,199
Taxation	8	-	-	-	-
Net (loss) / income for the period	(24,424,513)	17,137,009	608,011	(6,679,493)	45,147,199
(Loss) / earnings per unit	11				

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

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



Chief Executive Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019

	Quarter ended March 31, 2019				Quarter ended March 31, 2018
	Equity Sub-Fund	Debt Sub-Fund	sub fund Market Sub-Fund	Total	
Note	----- (Rupees) -----				
Income					
Investments at fair value through profit or loss:					
- Net capital (loss) / gain on sale of investments	(3,027,759)	(51,428)	(39,755)	(3,118,942)	8,582,173
- Dividend income on shares	11,534,805	-	-	11,534,805	9,734,764
- Income from Government Securities	-	4,869,614	2,241,470	7,111,084	3,427,229
- Income from Term Finance Certificates	-	3,332,893	-	3,332,893	2,116,681
Income on NCCPL Deposit Against Exposure Deposit					2,640
- Income on Commercial Papers	-	936,998	218,786	1,155,784	177,349
- Unrealised (loss) / gain on revaluation of investments - net	40,932,365	(529,600)	2,025	40,404,790	80,024,010
Profit on bank and term deposits	748,894	5,016,369	3,753,028	9,518,291	6,384,940
Other Income	-	(2,531)	-	(2,531)	-
Total income	50,188,305	13,596,789	6,175,554	69,960,648	110,449,786
Expenses					
Remuneration of Pension Fund Manager	3,011,694	2,016,208	876,656	5,904,558	5,450,446
Sindh sales tax and Federal Excise Duty on remuneration of Pension Fund Manager	391,520	262,107	113,966	767,593	708,557
Remuneration of Central Depository Company Limited - Trustee	263,679	176,270	76,773	516,722	486,551
Sales tax on remuneration of trustee	34,284	22,951	9,979	67,214	63,278
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	66,863	44,754	19,457	131,074	121,009
Auditors' remuneration	46,936	30,180	13,457	90,573	104,856
Custody and settlement charges	108,635	(178,305)	1,695	(67,975)	219,337
Securities transaction cost	261,804	271,580	1,820	535,204	610,170
Impairment loss on available-for-sale investment	-	-	-	-	-
Provision for Sindh Workers' Welfare Fund	-	166,674	12,045	178,719	607,868
Bank charges	10,133	39,136	32,083	81,352	36,556
Total expenses	4,195,548	2,851,555	1,157,931	8,205,034	8,408,628
Net Income from operating activities	45,992,757	10,745,234	5,017,623	61,755,614	102,041,158
Element of (loss) / income and capital (losses) / gains included in the prices of units sold less those in units redeemed - net	(1,002,294)	(2,713,295)	2,267,797	(1,447,792)	(1,123,828)
Net Income for the period before taxation	44,990,463	8,031,939	7,285,420	60,307,822	100,917,330
Taxation	-	-	-	-	-
Net Income for the period	44,990,463	8,031,939	7,285,420	60,307,822	100,917,330

Earnings per unit

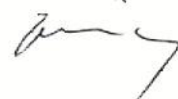
11

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

**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 NINE MONTHS ENDED MARCH 31, 2019

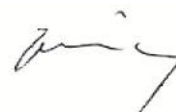
	Nine months ended March 31, 2019				Nine Months ended March 31, 2018
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
			(Rupees)		
Net (loss) / income for the period after taxation	(24,424,513)	17,137,009	608,011	(6,679,493)	45,147,199
Other comprehensive income for the period					
Items to be reclassified to profit or loss in subsequent period					
Unrealised diminution on revaluation of investments classified as available for sale - net	-	-	-	-	(35,459,663)
Total comprehensive (loss) / income for the period	<u>(24,424,513)</u>	<u>17,137,009</u>	<u>608,011</u>	<u>(6,679,493)</u>	<u>9,687,536</u>

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

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 ENDED MARCH 31, 2019

	Quarter ended March 31, 2019				Quarter ended March 31, 2018
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
			(Rupees)		
Net Income for the period after taxation	44,990,463	8,031,939	7,285,420	60,307,822	100,917,330
Other comprehensive income for the period					
Items to be reclassified to profit or loss in subsequent period:					
Unrealised diminution on revaluation of investments classified as fair value through other comprehensive income / available for sale - net	-	-	-	-	11,323,537
Total comprehensive Income for the period	44,990,463	8,031,939	7,285,420	60,307,822	112,240,867

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

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



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

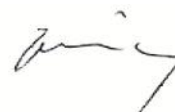
	Nine Months ended March 31, 2019				Nine Months ended March 31, 2018
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	----- (Rupees) -----				
Net assets at the beginning of the period	742,090,399	590,357,130	239,702,930	1,572,150,459	1,451,307,304
Amount received on issuance of units	205,441,267	88,802,087	117,923,094	412,166,448	179,291,383
Amount paid on redemption of units	(106,297,410)	(200,682,393)	(99,255,300)	(406,235,103)	(95,069,478)
	99,143,857	(111,880,306)	18,667,794	5,931,345	84,221,905
Element of (loss) / Income and capital (losses) / gains included in prices of units issued less those in units redeemed - net	(16,922,551)	11,649,887	10,976,062	5,703,398	1,251,471
Unrealised diminution during the period in the market value of investments classified as available for sale - net	-	-	-	-	(35,459,663)
Net (loss) / income for the period	(24,424,513)	17,137,009	608,011	(6,679,493)	45,147,199
Net assets at the end of the period	799,887,192	507,263,720	269,954,797	1,577,105,709	1,546,468,216

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

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



Chief Executive Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine Months ended March 31, 2019				Nine Months ended March 31, 2018
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Note	(Rupees)				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net (loss) / income for the period	(24,424,513)	17,137,009	608,011	(6,679,493)	45,147,199
Adjustments for non cash and other items:					
Net capital loss / (gain) on sale of investments at fair value through profit or loss	9,850,008	229,527	135,216	10,214,751	31,356,522
Unrealised loss on revaluation of investments - at fair value through profit or loss - net	52,341,461	536,711	(2,025)	52,876,147	(46,524,682)
Impairment loss on 'available-for-sale' investment	-	-	-	-	6,604,305
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those redeemed:	(16,922,551)	11,649,887	10,976,062	5,703,398	1,251,471
	45,268,918	12,416,125	11,109,253	68,794,296	(7,312,384)
(Increase) / decrease in assets					
Investments	(59,420,040)	(129,092,526)	44,293,835	(144,218,731)	109,626,563
Dividend receivable	(10,829,771)	-	-	(10,829,771)	(6,110,428)
Interest receivable	(98,809)	1,223,535	(794,469)	330,257	2,946,181
Receivable against sale of investment	(20,174,997)	-	94,964,090	74,789,093	0
Advance, deposits and other receivables	(2,338)	(25,592)	(109,630)	(137,560)	295,173
	(90,525,955)	(127,894,583)	138,353,826	(80,066,712)	106,757,489
(Decrease) / increase in liabilities					
Payable to Pension Fund Manager	45,804	(31,675)	99,948	114,077	152,152
Payable to Central Depository Company of Pakistan Limited - Trustee	3,682	(3,111)	8,684	9,255	11,918
Annual fee - Securities and Exchange Commission of Pakistan	(46,693)	(38,029)	(5,941)	(90,663)	(84,392)
Payable against purchase of investments	-	-94,021,395	(54,440,255)	(148,461,650)	4,033,915
Payable against redemption of units	-	-	(22,097)	(22,097)	22,098
Accrued and other liabilities	1,781,567	378,909	13,389	2,173,865	575,453
	1,784,360	(93,715,301)	(54,346,272)	(146,277,213)	4,711,144
Net cash (used in) / generated from operating activities	(67,897,190)	(192,056,750)	95,724,818	(164,229,122)	149,303,448
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts from issuance of units	205,441,267	88,802,087	117,923,094	412,166,448	179,291,383
Payments on redemption of units	(106,297,410)	(200,682,393)	(99,255,300)	(406,235,103)	(95,069,478)
Net cash generated from / (used in) financing activities	99,143,857	(111,880,306)	18,667,794	5,931,345	84,221,905
Net increase / (decrease) in cash and cash equivalents	31,246,667	(303,937,056)	114,392,612	(158,297,777)	233,525,353
Cash and cash equivalents at beginning of the period	10,995,483	446,504,324	146,108,625	603,608,432	207,741,805
Cash and cash equivalents at end of the period	42,242,150	142,567,268	260,501,237	445,310,655	441,267,158

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

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



Chief Executive Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2019

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.
- 1.2 The Fund is an open-end pension fund consisting of three sub-funds namely; Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund. Units are offered for public subscription on a continuous basis. The number of units of any sub-fund purchased out of contributions depends on the Allocation Scheme selected by the respective Participant out of the allocation schemes offered by the Pension Fund Manager.
- 1.3 MCB-Arif Habib Savings and Investments Limited has been licensed to act as a Pension Fund Manager under the VPS Rules through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 24th Floor, Centre Point, Off. Shaheed-e-Millat Expressway, Near KPT Interchange, Karachi, Pakistan.
- 1.4 Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM2++' dated April 8th, 2019 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 statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Voluntary Pension System rules, 2005 (The VPS Rules), and requirements of the Trust Deed

Where provisions of and directives issued under the Companies Act, 2017,, the VPS Rules and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, , the VPS Rules and requirements of the Trust Deed have been followed.

- 2.2 This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2018.
- 2.3 In the current year, the Fund has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after July 01, 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Fund has elected not to restate comparatives in respect of the classification and measurement of financial instruments. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2019 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2018, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2019.
- 2.4 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2019

2.6 "This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund."

3. ACCOUNTING POLICIES AND ESTIMATES

3.1 The accounting policies adopted and the methods of computation of balances used 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, 2018 except for the change in accounting policy as explained in note 3.3

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of 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 recognized prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.

3.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income ("FVOCI") or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective. All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognized in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investments being managed as a group of assets and hence has classified them as FVPL. Other financial assets which are held for collection continue to be measured at amortised cost. Consequently, on adoption of IFRS 9 all investments which were previously classified as "available for sale" or "Loans and Receivables" have been transferred / redesignated as FVPL.

The Fund has adopted modified retrospective restatement for adopting IFRS-9 and accordingly, all changes arising on adoption of IFRS-9 have been adjusted at the beginning of the current period. The effect of this change in accounting policy is as follows:

	As at June 30, 2018	Change	As at July 01, 2018
		----- (Rupees) -----	
Impact on Statement of Assets and Liabilities			
Investments - 'Available for sale'	132,736,336	(132,736,336)	-
Investments - 'At fair value through profit or loss'	603,070,463	132,736,336	735,806,799

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2019

"The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption. There is no impact on the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim cash flow statement. There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the condensed interim financial statements of the Fund. "

3.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective.

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2019. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

4. BALANCES WITH BANKS

These are the savings accounts and carry interest at the rate ranging from 8.00% to 11.6% (June 30, 2018: 3.75 to 7.50%) per annum.

5. INVESTMENTS

March 31, 2019 (Un-audited)						
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	(Audited) June 30, 2018
Note		----- (Rupees) -----				
At fair value through profit or loss						
Listed equity securities	5.1	733,035,370	-	-	733,035,370	603,070,463
Government securities	5.2	-	158,333,132	44,501,602	202,834,734	247,812,032
Debt securities - Term Finance Certificates / Sukuks	5.3	-	128,920,784	-	128,920,784	132,802,858
		733,035,370	287,253,916	44,501,602	1,064,790,888	983,685,353
Available for sale						
Listed equity securities	3.3	-	-	-	-	132,736,336
Government securities	3.3	-	-	-	-	10,388,363
		-	-	-	-	143,124,699
At amortised cost						
Commercial Paper	5.4	-	38,128,490	9,532,069	47,660,559	-
Term deposit receipt	5.6	-	95,000,000	99,000,000	194,000,000	-
		-	133,128,490	108,532,069	241,660,559	
		733,035,370	420,382,406	153,033,671	1,306,451,447	1,126,810,052

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2019

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

Equity Sub-Fund

Name of the Investee Company	Number of shares					Balance as at March 31, 2019			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, 2018	Re-classified under IFRS 9 (see note 3.1)	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2019	Carrying Value	Market value / gain		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Automobile assembler										
Atlas Honda Limited	11,500	-	-	-	-	11,500	5,865,000	4,347,000	(1,518,000)	0.54%
Hinopak Motors Limited	-	1,080	-	-	1,080	-	-	-	-	-
Indus Motors Company Limited	-	-	6,700	-	6,700	-	-	-	-	-
Millat Tractors Limited	12,000	-	-	-	12,000	-	-	-	-	-
							5,865,000	4,347,000	(1,518,000)	0.54%
Automobile parts and accessories										
Agriauto Industries Limited	12,000	-	-	-	-	12,000	3,540,000	2,715,980	(824,020)	0.34%
(Par value of Rs.5)										
The General Tyre and Rubber Company of Pakistan Limited	22,400	-	-	70	22,300	170	16,620	9,291	(7,329)	0.00%
Atlas Battery Limited	-	12,700	-	5,080	4,000	13,780	4,035,571	1,681,180	(2,354,391)	0.21%
							7,592,191	4,406,451	(3,185,740)	0.55%
Cement										
Kohat Cement Company Limited	96,700	-	-	29,010	-	125,710	11,900,865	10,789,709	(1,111,156)	1.35%
Lucky Cement Limited	31,500	13,800	55,000	-	22,000	78,300	38,566,438	33,531,212	(5,035,226)	4.19%
Maple Leaf Cement Factory Limited	310,000	-	300,000	-	310,000	300,000	11,016,240	11,235,020	218,780	1.40%
Fauji Cement Company Limited	1,500	-	-	-	1,500	-	-	-	-	-
Pioneer Cement Limited	11,000	-	-	-	11,000	-	-	-	-	-
Cherat Cement Company Limited	32,500	-	-	-	32,500	-	-	-	-	-
							61,483,543	55,555,941	(5,927,602)	6.94%
Chemical										
Dyneha Pakistan Limited	7,000	-	-	-	-	7,000	889,700	672,000	(217,700)	0.08%
Enpro Polymer & Chemicals Limited	332,214	-	769,714	-	614,714	487,214	14,401,169	17,695,632	3,294,463	2.21%
Achroma Pakistan Limited	-	10,500	-	-	-	10,500	5,302,500	6,037,520	735,020	0.75%
Bialo Industries Limited	-	81	81	16	81	97	25,918	19,137	(6,781)	0.00%
ICI Pakistan Limited	-	7,000	7,000	-	14,000	-	-	-	-	-
							20,619,287	24,424,289	3,805,002	3.04%
Commercial banks										
Meezan Bank Limited	20	-	-	2	-	22	1,634	2,179	545	0.00%
Allied Bank Limited	101	-	153,500	-	53,601	100,000	9,650,000	10,804,020	1,154,020	1.35%
Askari Bank Limited	671,500	-	200,000	-	-	871,500	19,286,644	17,822,195	(1,464,449)	2.23%
Bank Alfalah Limited	1,097,500	-	-	109,750	-	1,207,250	57,388,319	56,825,278	(563,041)	7.10%
Bank AL Habib Limited	280,000	-	102,000	-	-	382,000	30,559,083	32,722,120	2,163,037	4.09%
The Bank of Punjab	1,300,000	-	750,000	-	575,000	1,475,000	17,531,850	19,204,500	1,672,650	2.40%
Faysal Bank Limited	9,900	-	455,000	-	-	464,900	11,943,653	10,943,746	(999,907)	1.37%
Habib Bank Limited	353,200	-	25,000	-	370,000	8,200	1,336,019	1,086,418	(249,601)	0.14%
United Bank Limited	85,000	-	345,000	-	200,100	229,900	35,771,635	32,077,947	(3,693,688)	4.01%
Habib Metropolitan Bank Limited	-	-	200,000	-	-	200,000	8,159,980	8,296,000	136,020	1.04%
							191,628,817	189,784,403	(1,844,414)	23.73%
Engineering										
International Industries Limited	33,200	30,000	-	-	-	63,200	14,680,728	7,843,120	(6,837,608)	0.98%
Fertilizer										
Enpro Corporation Limited	114,700	-	-	-	11,500	103,200	32,390,352	33,770,156	1,379,804	4.22%
Enpro Fertilizer Limited	354,000	-	260,000	-	-	614,000	46,875,462	43,931,720	(2,943,742)	5.49%
Fauji Fertilizer Company Limited	231,000	-	258,000	-	160,000	329,000	32,432,524	34,367,340	1,934,816	4.30%
Dawood Hercules Corporation Limited	-	1,200	-	-	1,200	-	-	-	-	0.00%
							111,698,338	112,069,216	370,878	14.01%
										1.34%

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2019

Name of the Investee Company	Number of shares					Balance as at March 31, 2019			Market value as a % of the paid up capital of the investee company
	As at July 01, 2018	Re-classified under IFRS 9 (see note 3.1)	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2019	Carrying Value	Market Value	
								Unrealised (loss) / gain	Market value as a % of net assets of the sub-fund
									(%)
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise									
Food and personal care products									
Al Shieher Corporation Limited	300,000	-	-	-	300,000	-	-	-	0.00%
National Foods Limited	-	-	56,000	11,200	-	67,200	15,960,000	12,703,488	0.00%
Shezan International Limited	18,300	-	-	1,205	4,250	13,255	6,868,500	5,678,840	1.59%
								(1,189,660)	0.71%
								22,828,500	8.50%
Leather and tanneries									
Bata Pakistan Limited	1,340	-	3,300	-	260	4,380	7,715,929	7,437,240	2.30%
Service Industries Limited	6,700	3,200	-	-	-	9,900	7,771,302	6,583,500	0.93%
								(1,187,802)	0.82%
								15,487,231	15.31%
Miscellaneous									
Shifa International Hospitals Limited	-	21,603	-	-	21,600	3	810	739	1.75%
								(71)	0.00%
Oil and gas exploration companies									
Oil & Gas Development Company Limited	296,000	111,000	132,000	-	162,100	376,900	58,208,511	55,611,595	20.47%
Pakistan Oilfields Limited	30,544	39,306	25,400	12,790	25,500	82,540	43,948,935	36,916,015	6.95%
Pakistan Petroleum Limited	154,823	-	198,000	32,223	-	385,046	69,085,569	71,229,660	4.62%
Marl Petroleum Company Limited	-	1,620	-	162	1,780	2	2,739	2,490	0.31%
								(249)	0.00%
								171,245,754	0.00%
								163,759,760	1.74%
Oil and gas marketing companies									
Shell Pakistan Limited	13,000	-	-	-	-	13,000	4,109,170	3,421,990	0.43%
Sui Northern Gas Pipelines Limited	292,700	-	180,000	-	290,000	182,700	15,714,502	13,722,597	0.43%
Pakistan State Oil Company Limited	-	-	62,000	6,400	-	68,400	19,094,380	14,786,712	1.72%
								(4,307,668)	1.85%
								38,918,052	4.00%
								31,931,299	4.00%
								(6,986,753)	0.92%
Paper and board									
Century Paper & Board Mills Limited	113,500	-	53,500	-	-	167,000	10,789,586	8,433,500	1.05%
Cherat Packaging Limited	75	-	-	11	-	86	10,777	12,212	0.00%
Security Papers Limited	-	33	-	-	-	33	3,994	2,905	0.00%
								(1,089)	0.00%
								10,804,357	1.05%
								8,448,617	0.57%
Pharmaceuticals									
AGP Limited	86,045	-	16,000	-	102,000	45	4,074	3,831	0.00%
IBL HealthCare Limited	7,235	910	-	-	-	8,145	653,473	338,018	0.00%
The Seale Company Limited	20,000	201	30	-	20,000	231	68,240	54,708	0.04%
								(13,532)	0.01%
								725,787	0.05%
								396,557	0.05%
Power generation and distribution									
The Hub Power Company Limited	352,995	49,400	206,000	-	-	608,395	56,173,597	44,613,605	5.58%
Altern Energy Limited	-	-	10,500	-	-	10,500	398,475	388,500	0.01%
								(9,975)	0.05%
								56,572,072	5.63%
								45,002,105	0.40%
Leasing companies									
Orix Leasing Pakistan Limited	238,908	-	-	-	238,908	-	-	-	-
Refinery									
Attock Refinery Limited	100	-	-	25	-	125	21,531	13,373	0.00%
								(8,158)	0.00%
Sugar and allied industries									
Faran Sugar Mills Limited	38,000	-	-	-	-	38,000	3,157,800	2,280,000	0.29%
								(877,800)	0.91%

10

1

100

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2019

5.2 Government securities - at fair value through profit or loss

Debt Sub-Fund

Name of security	Issue date	Maturity date	Face value			As at March 31, 2019	Balance as at March 31, 2019		Market value as % of net assets of sub-funds
			As at July 01, 2018	Purchased during the period	Sold / matured during the period		Carrying Value	Market value	
(Rupees)									
Pakistan Investment Bonds									
Pakistan Investment Bonds - 10 years	19-Jul-2012	19-Jul-2022	400,000	-	400,000	-	-	-	0.00%
Pakistan Investment Bonds - 15 years	31-Oct-2006	31-Oct-2021	-	3,500,000	-	3,500,000	3,556,623	3,338,605	(218,018)
Pakistan investment bonds - 20 years	10-Jun-2004	10-Jun-2024	-	1,900,000	-	1,900,000	1,927,883	1,710,718	(217,165)
Treasury Bills									
Market Treasury Bills - 3 months	7-Jun-2018	30-Aug-2018	150,000,000	-	150,000,000	-	-	-	0.00%
	19-Jul-2018	11-Oct-2018	-	155,000,000	155,000,000	-	-	-	0.00%
	19-Jul-2018	11-Oct-2018	-	155,000,000	155,000,000	-	-	-	0.00%
	19-Jul-2018	11-Oct-2018	-	40,000,000	40,000,000	-	-	-	0.00%
	11-Oct-2018	3-Jan-2019	-	150,000,000	150,000,000	-	-	-	0.00%
	11-Oct-2018	3-Jan-2019	-	260,000,000	260,000,000	-	-	-	0.00%
	11-Oct-2018	3-Jan-2019	-	110,000,000	110,000,000	-	-	-	0.00%
	6-Dec-2018	28-Feb-2019	-	210,000,000	210,000,000	-	-	-	0.00%
	14-Feb-2019	9-May-2019	-	275,000,000	120,000,000	155,000,000	153,319,763	153,283,809	(35,954)
							153,319,763	153,283,809	(35,954)
Total as at March 31, 2019 (Un-Audited)							158,804,269	158,333,132	(471,137)
Total as at June 30, 2018 (Audited)							456,266	443,770	(12,496)

Money Market Sub-Fund

Name of security	Issue Date	Maturity date	Face value			Balance as at March 31, 2019			Market value as % of net assets of sub-funds	
			As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at March 31, 2019	Carrying Value	Market value		Unrealised (loss) / gain
(Rupees)										
Treasury Bills										
Market Treasury Bills - 3 months	7-Jun-2018	30-Aug-2018	100,000,000	-	100,000,000	-	-	-	-	0.00%
	19-Jul-2018	11-Oct-2018	-	80,000,000	80,000,000	-	-	-	-	0.00%
	19-Jul-2018	11-Oct-2018	-	80,000,000	80,000,000	-	-	-	-	0.00%
	19-Jul-2018	11-Oct-2018	-	35,000,000	35,000,000	-	-	-	-	0.00%
	19-Jul-2018	11-Oct-2018	-	45,000,000	45,000,000	-	-	-	-	0.00%
	11-Oct-2018	3-Jan-2019	-	75,000,000	75,000,000	-	-	-	-	0.00%
	11-Oct-2018	3-Jan-2019	-	40,000,000	40,000,000	-	-	-	-	0.00%
	11-Oct-2018	3-Jan-2019	-	50,000,000	50,000,000	-	-	-	-	0.00%
	11-Oct-2018	3-Jan-2019	-	100,000,000	100,000,000	-	-	-	-	0.00%
	11-Oct-2018	3-Jan-2019	-	30,000,000	30,000,000	-	-	-	-	0.00%
	14-Feb-2019	9-May-2019	-	175,000,000	130,000,000	45,000,000	44,499,645	44,501,602	2,025	797.89%
	Total as at March 31, 2019 (Un-Audited)							44,499,645	44,501,602	2,025
Total as at June 30, 2018 (Audited)							98,939,900	98,947,135	7,235	

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2019

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 March 31, 2019			Market value as % of net assets of sub-funds
		As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at March 31, 2019 (Rupees)	Carrying Value	Unrealised gain / (loss)	
Term finance certificates								
Bank AL Habib Limited	17-Mar-16	5,580	-	-	5,580	27,825,723	1,060,038	5.18%
Bank Alfalah Limited	20-Feb-13	3,000	-	-	3,000	15,048,187	(113,616)	2.68%
Habib Bank Limited	19-Feb-16	150	-	-	150	14,794,725	(49,016)	2.64%
The Bank of Punjab	23-Dec-16	50	-	-	50	4,902,330	(162,959)	0.85%
Askari Bank Limited	30-Sep-14	5,003	-	-	5,003	24,979,412	(572,137)	4.38%
Jahangir Siddiqui & Company Limited	18-Jul-17	5,000	-	-	5,000	21,955,413	(146,038)	3.91%
Sukuks								
Aspin Pharma (Private) Limited	30-Nov-17	130	-	-	130	12,266,168	(1,926)	2.20%
Dawood Hercules Corporation Limited	16-Nov-17	72	-	-	72	7,214,400	(79,920)	1.28%
Total as at March 31, 2019 (Un-Audited)						128,986,358	128,920,784	(65,574)
Total as at June 30, 2018 (Audited)						133,942,968	132,802,858	(1,140,110)

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	Face / redemption value (Rupees)		Interest rate per annum	Maturity	Secured / unsecured	Rating
		Per certificate	Total				
Un-listed							
Bank AL Habib Limited	5,580	4,994	27,866,520	6M KIBOR + 0.75%	17-Mar-26	Unsecured	AA
Bank Alfalah Limited	3,000	4,988	14,964,000	6M KIBOR + 1.25%	20-Feb-21	Unsecured	AA
Habib Bank Limited	150	99,880	14,982,000	6M KIBOR + 0.50%	19-Feb-26	Unsecured	AA+
The Bank of Punjab	50	99,920	4,996,000	6M KIBOR + 1.00%	23-Dec-26	Unsecured	AA-
Aspin Pharma (Private) Limited	130	95,000	12,350,000	3M KIBOR + 1.50%	30-Nov-23	Secured	A
Listed							
Askari Bank Limited	5,003	4,991	24,969,973	6M KIBOR + 1.20%	30-Sep-24	Unsecured	AA-
Jahangir Siddiqui & Company Limited	5,000	4,375	21,875,000	6M KIBOR + 1.40%	18-Jul-22	Secured	AA+
Dawood Hercules Corporation Limited	72	100,000	7,200,000	3M KIBOR + 1.00%	16-Nov-22	Secured	AA

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2019

5.4 Commercial paper - at amortised cost

	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
	----- (Rupees) -----	
Debt Sub-Fund		
K-Electric Limited	38,128,490	-
Money Market Sub-Fund		
K-Electric Limited	9,530,069	-

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

Name of security	Interest / mark-up rates	Issue date	Maturity date	Carrying value as a % of net assets of sub-funds
				----- % -----
Debt Sub-Fund				
K-Electric Limited	11.75%	1-Mar-19	2-Sep-19	7.52%
Money Market Sub-Fund				
K-Electric Limited	11.75%	1-Mar-19	2-Sep-19	3.53%

5.5 Term deposit receipt - at amortised cost

Debt Sub-Fund

Particulars	Profit / mark-up rates	Issue date	Maturity date	Carrying Amount	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
					----- % -----	
Bank Alfalah Limited	11.20%	26-Mar-19	25-Apr-19	95,000,000	18.73	0.002
Total as at March 31, 2019 (Un-Audited)				<u>95,000,000</u>		
Total as at June 30, 2018 (Audited)				<u>-</u>		

Money Market Sub-Fund

Particulars	Profit / mark-up rates	Issue date	Maturity date	Carrying Amount	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
					----- % -----	
Sonari Bank Limited	11.30%	6-Mar-19	11-Apr-19	49,000,000	0.18%	32%
Faysal Bank Limited	11.20%	26-Mar-19	25-Apr-19	50,000,000	0.03%	0.04%
Total as at March 31, 2019 (Un-Audited)				<u>99,000,000</u>		
Total as at June 30, 2018 (Audited)				<u>-</u>		

March 31, 2019 (Un-audited)

		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	June 30, 2018 (Audited)
					----- (Rupees) -----	
6. ACCRUED EXPENSES AND OTHER LIABILITIES	Note					
Provision for Sindh Workers' Welfare Fund	6.1	3,766,624	2,028,777	492,443	6,287,844	5,926,074
Provision for Federal Excise Duty on remuneration of Pension Fund Manager	6.2	2,420,238	2,404,933	1,151,294	5,976,465	5,976,465
Brokerage payable		257,631	1,371	1,404	260,406	267,154
Withholding tax payable		295,606	209,896	48,126	553,628	468,401
Auditors' remuneration		83,469	39,103	9,133	131,705	422,687
Payable against redemption of units		1,942,500	60,000	22,095	2,024,595	22,097
Others		-	650	-	650	650
		<u>8,766,068</u>	<u>4,744,730</u>	<u>1,724,495</u>	<u>15,235,293</u>	<u>13,083,528</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2019

6.1 Provision for Sindh Workers' Welfare Fund

There is no change in the status of the SWWF as reported in note 11.1 to the annual financial statements of the Fund for the year ended June 30, 2018. Had the provision not been made, the net assets value per unit of the Fund would have been higher by Rs.2.29 per unit in respect of Equity Sub-Fund, Re.1.01 per unit in respect of Debt Sub-Fund and Re.0.42 per unit in respect of Money Market Sub-Fund as at March 31, 2019 (June 30, 2018: Rs.2.34 per unit in respect of Equity Sub-Fund, Re.0.83 per unit in respect of Debt Sub-Fund and Re.0.52 per unit in respect of Money Market Sub-Fund).

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

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in note 11.2 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.1.47 (June 30, 2018: Rs.1.7) per unit in respect of Equity Sub-Fund, Rs.1.2 (June 30, 2018: Re.0.97) per unit in respect of Debt Sub-Fund, Rs.0.99 (June 30, 2018: Rs.1.05) per unit in respect of Money Market Sub-Fund as at March 31, 2019.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

8. TAXATION

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

9. CONTRIBUTION TABLE

	March 31, 2019 (Unaudited)							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)
Issuance of units	414,252	205,441,267	409,091	88,802,087	544,254	117,923,094	1,367,597	412,166,448
Redemption of units	(217,101)	(106,297,410)	(862,789)	(200,682,393)	(469,806)	(99,255,300)	(1,549,696)	(406,235,103)

	March 31, 2018 (Unaudited)							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)
Issuance of units	194,972	101,093,274	248,742	58,121,443	93,987	20,076,666	537,701	179,291,383
Redemption of units	(65,059)	(33,438,848)	(209,690)	(49,173,167)	(58,230)	(12,457,463)	(332,979)	(95,069,478)

10. NUMBER OF UNITS IN ISSUE

Total units outstanding at beginning of the period
Units issued during the period
Units redeemed during the period
Total units in issue at end of the period

March 31, 2019 (Unaudited)		
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
----- (Number of units) -----		
1,449,822	2,463,259	1,092,415
414,252	409,091	544,254
(217,101)	(862,789)	(469,806)
1,646,973	2,009,561	1,166,863
June 30, 2018 (Audited)		
----- (Number of units) -----		
1,359,847	2,231,698	808,983
265,836	552,620	365,661
(175,861)	(321,059)	(82,229)
1,449,822	2,463,259	1,092,415

Total units outstanding at the beginning of the year
Units issued during the year
Units redeemed during the year
Total units in issue at the end of the year

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2019

11. (LOSS) / EARNINGS PER UNIT

(Loss) / 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.

	March 31, 2019 (Un-audited)				June 30, 2018 (Audited)
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees)				
12. CASH AND CASH EQUIVALENTS					
Balances with banks - savings accounts	42,242,150	142,567,268	161,501,237	346,310,655	603,608,432
Term deposit receipt	-	-	99,000,000	99,000,000	-
	42,242,150	142,567,268	260,501,237	445,310,655	603,608,432

13. TRANSACTIONS WITH CONNECTED PERSONS

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

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

Remuneration payable to the Pension Fund Manager and the Trustee is determined in accordance with the provisions of the VPS Rules 2005 and the Trust Deed respectively.

13.1 Transactions during the period

	Nine Months ended March 31, 2019 (Un-Audited)				Nine Months ended March 31, 2018 (Un-Audited)
	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)	10,083,024	7,085,562	2,747,583	19,916,169	18,096,574
Central Depository Company of Pakistan Limited - Trustee					
Remuneration (include indirect taxes)	886,951	623,335	241,695	1,751,981	1,630,808
Settlement charges	41,493	5,085	6,215	52,793	60,660
Group / Associated companies					
MCB Bank Limited					
Mark-up earned	47,420	3,701	3,792	54,913	115,931
Bank charges	3,306	1,551	25	4,882	6,580
Silk Bank					
Mark-up earned	-	5,218,604	-	5,218,604	-
Bank charges	-	16,976	-	16,976	-
Arif Habib Limited - Brokerage House					
Brokerage expense*	110,650	1,385	1,711	113,746	120,247
Next Capital Limited - Brokerage House					
Brokerage expense*	51,039	-	-	51,039	122,582

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2019

13.2 Balances outstanding at period end:

	March 31, 2019 (Un-Audited)				June 30, 2018 (Audited)
	Equity	Debt	Money	Total	
	Sub-Fund	Sub-Fund	Market		
			Sub-Fund		
			(Rupees)		
MCB Arif Habib Savings and Investments Limited - Pension Fund Manager					
Remuneration payable	1,013,475	662,503	340,054	2,016,032	1,915,079
Sindh sales tax payable on remuneration	131,749	86,126	44,208	262,083	248,959
Central Depository Company of Pakistan Limited - Trustee					
Remuneration payable	89,160	58,131	29,909	177,200	169,135
Sindh sales tax payable on remuneration	11,595	7,702	3,862	23,159	21,969
Security deposit	200,000	200,000	200,000	600,000	500,000
Group / Associated companies					
MCB Bank Limited					
Bank Balance	132,706	61,382	151,156	345,244	258,509
Profit Receivable	915	-	-	915	9,937
Silk Bank					
Bank Balance	-	38,984,405	-	38,984,405	-
Profit Receivable	-	471,074	-	471,074	-
MCB Islamic Bank Limited					
Bank Balance	-	10,310	-	10,310	10,042
Arif Habib Limited - Brokerage House					
Brokerage payable*	-	1,060	636	1,696	8,207
Next Capital Limited - Brokerage House					
Brokerage payable*	-	-	-	-	13,140

* 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.

13.3 Unit Holders' Fund

FOR THE NINE MONTHS ENDED MARCH 31, 2019 (Un-Audited)							
As at July 01, 2018	Issued for cash	Redeemed	As at March 31, 2019	As at July 01, 2018	Issued for cash	Redeemed	As at March 31, 2019
----- (Units) -----				----- (Rupees) -----			
MCB Arif Habib Savings and Investments Limited - Pension Fund Manager *							
- Pakistan Pension Fund - Equity	252,196	-	-	252,196	129,086,523	-	122,484,031
- Pakistan Pension Fund - Debt	253,109	-	-	253,109	60,662,634	-	63,892,305
- Pakistan Pension Fund - Money Market	300,000	-	-	300,000	65,826,000	-	69,405,000
Key management personnel							
- Pakistan Pension Fund - Equity	14,449	4,470	11,706	7,213	7,183,815	2,110,600	5,369,563
- Pakistan Pension Fund - Debt	3,950	1,203	2,996	2,157	772,456	703,801	742,355
- Pakistan Pension Fund - Money Market	199	105	281	23	45	23,586	63,675
							5,321

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2019

FOR THE NINE MONTHS ENDED MARCH 31, 2018 (Un-Audited)

	As at July 01, 2017	Issued for cash	Redeemed	As at March 31, 2018	As at July 01, 2017	Issued for cash	Redeemed	As at March 31, 2018
	----- (Units) -----				----- (Rupees) -----			
MCB Arif Habib Savings and Investments Limited - Pension Fund Manager								
- Pakistan Pension Fund - Equity	252,196	-	-	252,196	142,521,004	-	-	139,630,837
- Pakistan Pension Fund - Debt	253,109	-	-	253,109	58,156,855	-	-	59,999,488
- Pakistan Pension Fund - Money Market	300,000	-	-	300,000	63,060,000	-	-	65,121,000
Key management personnel								
- Pakistan Pension Fund - Equity	8,838	679	5,953	3,564	4,994,531	350,812	3,210,932	1,973,244
- Pakistan Pension Fund - Debt	12,839	244	11,101	1,982	2,950,017	56,760	2,621,706	469,833
- Pakistan Pension Fund - Money Market	2,856	24	2,880	-	600,331	5,040	623,152	-

* The unit holder also holds 10% or more of the units in the Plan.

14 GENERAL

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

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

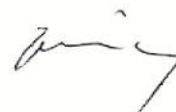
15 DATE OF AUTHORISATION FOR ISSUE

These interim financial statements were authorized for issue on April 19, 2019 by the Board of Directors of the Pension Fund Manager.

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



Chief Executive Officer



Director

MCB-Arif Habib Savings and Investments Limited

Head Office: 24th Floor, Centrepont, Off Shaheed-e-Millat Expressway, Near K.P.T. Interchange, Karachi-74900
UAN: (+92-21) 11-11-62224 (11-11-MCB-AH), 111-468-378 (111-INVEST), Fax: (+92-21) 35316080, 35316081,
URL: www.mcbah.com, Email: info@mcbah.com