



MCB-ARIF HABIB  
Savings and Investments Limited

AM1  
by PACRA

# HALF YEARLY REPORT

DECEMBER  
**2020**  
(UNAUDITED)

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



# **PAKISTAN PENSION FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
<b>Bankers</b>	Zari Taraqiati Bank Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Allied Bank Limited National Bank Pakistan Askari Bank Limited JS Bank Limited Faysal Bank Limited Silk Bank Limited Habib Bank Limited MCB Bank Limited Bank Al Habib Limited	
<b>Auditors</b>	<b>Ernst &amp; Young Ford Rhodes</b> Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, Sindh-75530, Pakistan.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	

# REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE HALF YEAR ENDED DECEMBER 31, 2020

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**Dear Investor,**

On behalf of the Board of Directors, we are pleased to present **Pakistan Pension Fund** accounts review for the half year ended December 31, 2020.

## **Economy and Money Market Review**

The first half of fiscal year 2021 has been promising, as economic activities have swung up in full throttle though challenges from Covid may continue to remain in the near term. The economic recovery has been sharper than expectations as lagged impact of monetary easing, pent up demand and higher remittances have provided impetus to economic growth. Covid-19 has not been as detrimental as initially expected and perhaps local demographics and a successful strategy by the government has been able to wither the storm. We therefore expect economic growth to be better than general estimates. Government had initial expectations of lower industrial growth (targeting a growth of 0.1% over last year) due to Covid-19, which we now believe would be better than expectations as cyclical sectors have exhibited strong demand and volumetric growth.

Cement sector saw an impressive growth in local dispatches as they witnessed a growth of ~17% over last year in the first half of FY21. Sales of 2 and 3 wheeler units rose at a more impressive rate of ~19% over last year reflecting on the vibrancy of middle class economic dynamics. Similarly, the demand of white petroleum products increased by near 10% over last year during the half implying a broad based recovery in economy. Overall, Large Scale Manufacturing Index (LSM) has grown by ~7.4% in first five months of the current fiscal year led by the cyclical sectors.

Current account posted a surplus of USD 997 million in the first half of fiscal year compared to a deficit of USD 2,032 million in the corresponding period of the last year. The improvement came in primarily on the back of higher remittances, which grew at a stupendous rate of 25% during the period. Foreign exchange reserves of central bank saw an increase of ~USD 1.3 billion during the half due to improved balance of payment position.

Inflation remained an Achilles heel for the government as rising food prices continued to create challenges for policy makers. Headline inflation represented by CPI averaged ~8.6% over last year during the first six months, with food inflation averaging ~13% during the period. The prices of perishable food items along with the price of wheat continued to advance higher as supply side disruptions and mismanagement caused the prices to soar. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged ~5.9% for the period. Monetary Policy Committee maintained status quo after successive cuts in previous meetings. While real interest rates remained negative, the central bank was cautious with regards to demand side pressures owing to Covid-19.

As the economy started to open up, tax collection also improved and grew by 5% during the first half of the fiscal year and almost met the desired target for the period. Fiscal deficit for the first five months of the period clocked in at 1.8% of GDP, compared to 1.6% of GDP last year. Primary balance was even better at a surplus of 0.5% of GDP compared to last year surplus of 0.3% of GDP.

Yield curve started to slope upward after inflation continued to disappoint investors. The central bank also raised its expectation of inflation as discussed in the minutes of MPC. It now expects it to fall in the upward range of 7-9% compared to earlier expectations of inflation falling in the lower range. 3, 5 and 10 Year bonds saw a rise of 74 bps, 114 bps and 129 bps respectively during the period.

## **Equity Market Review**

The benchmark KSE-100 Index continued on towards its positive trajectory during the second quarter of this fiscal year, after posting an incredible return of 17.9% in the first quarter. The index posted a return of 7.9% during the second quarter, taking the cumulative return of first half to 27.1%. Individual and Corporate Companies were the major buyers during the period, taking an exposure of USD 159 / 91 million in equities, while commercial banks turned out to be net sellers reducing their exposure by USD 69 million.

## REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE HALF YEAR ENDED DECEMBER 31, 2020

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On the other end, Foreigners continued to offload as they sold stocks worth USD 247million. Trading activity at the bourse increased compared to the previous half as the average volumes and value traded amounted to near 448 million shares (up 116%) and about PKR 17 billion (up 109%) respectively.

Tech, Steel and Refineries were the major outperformers as they posted returns of 134% / 86% / 75% respectively during the first half of the fiscal year. Tech companies saw a massive re-rating in their valuations as investor cherished the changing landscape of tech companies post Covid. Steel sector gained traction during period after a sharp increase in construction demand and prices sent their stocks soaring. Moreover, rumors of a guaranteed rate of return for refineries drove sector returns during the period. On the other side, Oil and Gas exploration remained the major underperformer posting nominal returns of 7% only, as volatile crude oil prices along with rising circular debt kept investors at bay.

### FUND PERFORMANCE

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

The debt sub-fund generated an annualized return of 6.92% during the period under review. The fund's exposure towards PIBs stood at 47.1% and exposure in cash was 35.8% at period end.

The Net Assets of the Fund as at December 31, 2020 stood at Rs. 482.06 million as compared to Rs. 558.58 million as at June 30, 2020 registering a decrease of 13.70%.

The Net Asset Value (NAV) per unit as at December 31, 2020 was Rs. 308.77 as compared to opening NAV of Rs. 298.36 per unit as at June 30, 2020 registering an increase of Rs. 10.41 per unit.

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

The money market sub-fund generated a return of 5.34% during the period. The fund's exposure in T-bills was 39.8% while exposure in cash was 40.8%.

The Net Assets of the Fund as at December 31, 2020 stood at Rs. 493.70 million as compared to Rs. 523.19 million as at June 30, 2020 registering a decrease of 5.64%.

The Net Asset Value (NAV) per unit as at December 31, 2020 was Rs. 272.43 as compared to opening NAV of Rs. 265.29 per unit as at June 30, 2020 registering an increase of Rs. 7.14 per unit.

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

The Equity sub-fund generated a return of 25.22% against the KSE-100 return of 27%. The sub-fund slightly decreased its overall equity exposure to 95.4%. Sector-wise, the sub-fund mainly held exposure in Commercial Banks and Cement.

The Net Assets of the Fund as at December 31, 2020 stood at Rs. 875.04 million as compared to Rs. 641.56 million as at June 30, 2020 registering an increase of 36.39%.

The Net Asset Value (NAV) per unit as at December 31, 2020 was Rs. 551.80 as compared to opening NAV of Rs. 440.67 per unit as at June 30, 2020 registering an increase of Rs. 111.13 per unit.

## REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE HALF YEAR ENDED DECEMBER 31, 2020

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### Economy & Market – Future Outlook

GDP growth for FY21 is projected at 2.1% by government and various institutions. Despite the reemergence of Covid cases in the winter season, Pakistan has resiliently kept the growth momentum going. Generally, economy appears to now operating close to pre-covid levels as cyclical sectors have geared up after record monetary easing. We expect growth to fare better than general expectations as industrial growth has revived much earlier than our anticipation. We expect economic growth to recover well above 2.1%.

Balance of Payment worries have subsided for the near term as current account deficit has adjusted to reasonable level since the policy actions taken by the central government. Global economy has started to recover and the reported data and news flow suggests that the exports are gaining momentum. Remittances have also been far above the general expectations and in fact near 25% growth over last year reported in the first half has surprised everyone. We expect Current Account Deficit to settle near 1% of GDP in the FY21, which can be easily financed via flows from foreign investments and debt flows. However, the recent spike in commodity prices from oil to iron ore, coal, etc. pose downside risks to our favorable stance. With Real Effective Rate for Nov-2020 at 99.4, any significant movement in commodities may cause relative inflation and balance of payment to weaken further and thus can cause currency to weaken swiftly. Continuation of IMF program will be a key prerequisite to keep the financial account in positive zone. With the current scenario, we expect foreign exchange reserves to further increase by about USD 550 million from current levels, which will help alleviate any pressure on currency.

Inflation has exceeded our earlier expectations as food prices have sky rocketed. We expect CPI to average near 9.1% for FY21, slightly higher than the expected range (7.0-9.0) of central bank. For the next fiscal year, we expect CPI to average close to 8.5%, slightly lesser than current run rate. Central bank for the first time has provided guidance on interest rates in the short term which will perhaps bring more certainty in investor expectations. The central authority has vowed to keep interest rates stable in the short run and bring in mildly positive interest rates over the medium term. Given the guidance by central bank, we now expect interest rates to adjust by 100-150 bps over the next fiscal year.

From capital market perspective, particularly equities, we are getting a much clearer picture now. As growth momentum continues, the valuations are catching up with historical norms. Barring any external shock, we think equities have potential to provide decent returns to investors. Given that low interest rate environment is likely to continue for the short to medium term, we believe equities will continue to attract flows. Risk premiums vis a vis 10-year bonds is right now at 1.9%, compared to historical average of 1.0% suggesting some upside due to re-rating would be possible. Alongside, earnings growth will be a key driver for the next few years as they have lagged behind nominal GDP growth during the last couple of years. We believe a micro view of sectors and stock will remain more important this year and investment selection should focus on companies which trade at a deep discount to their intrinsic value. Similarly, focus should also revert back to companies that are expected to exhibit stellar earnings growth over the medium term.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds have priced in the anticipated yield curve. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

# REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE HALF YEAR ENDED DECEMBER 31, 2020

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## Mutual Fund Industry Review

The Net Assets of the open-end mutual fund industry increased by about 24.0% to PKR 920 billion at the end of the first half of the fiscal year. Money market funds and Fixed Income funds experienced an influx of investment as corporate liquidity swiftly moving towards mutual funds. Total money market funds grew by about 30% during the period to PKR 410 billion. Within the money market sphere, the conventional funds dominated as they grew by about 37% to PKR 281 billion. Equity and related funds surged rapidly by 24% from PKR 224 billion to PKR 278 billion over the quarter. Most of the rise in equity and equity linked fund assets can be attributed to a positive uptick in the market that was up 26% YoY owing to favorable investor sentiments.

In terms of the segment share, Money Market funds were the leader with a share of around 44%, followed by Equity and Equity related funds with a share of 30% and Income funds having a share of 24% as at the end of the calendar year.

## Mutual Fund Industry Outlook

Record decline in interest rates have reinstated the confidence in risk asset classes. We expect liquidity to gear up towards equity and related funds. The sustainability of liquidity will however depend on how the economy transitions through this phase of pandemic. Our operations remained seamless and given our competitive edge due to aggressive investment in digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

## 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,



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**Muhammad Saqib Saleem**  
Chief Executive Officer  
February 08, 2021

## ڈائریکٹرز رپورٹ

ریٹنگ کی بدولت کچھ فائدہ متوقع ہے۔ ساتھ ساتھ آمدنیوں میں اضافہ اگلے کچھ برسوں کے لیے کلیدی محرک ہوگا کیونکہ گزشتہ کچھ برسوں کے دوران یہ معمولی جی ڈی پی سے پیچھے رہی ہیں۔ ہم سمجھتے ہیں کہ سیکٹرز اور اسٹاک کی خوردتصویر اس سال زیادہ اہم رہے گی اور سرمایہ کاری کے انتخاب کا انحصار ایسی کمپنیوں پر ہونا چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ اسی طرح ایسی کمپنیوں کی طرف بھی توجہ دوبارہ مرکوز ہونی چاہیے جن کی درمیانی مدت کی آمدنی میں زبردست ترقی متوقع ہے۔

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز متوقع پیداواری خم میں شامل ہو چکے ہیں۔ ہم بانڈز کے منافعوں کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا کے نکات کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

### میوچل فنڈ صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2021ء کے نصف اول کے اختتام پر تقریباً 24.0 فیصد بڑھ کر 920 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز اور فیکسڈ انکم فنڈز میں خطیر سرمایہ کاری ہوئی کیونکہ کارپوریٹ نقدیت تیزی سے میوچل فنڈز کی جانب بڑھ رہی ہے۔ منی مارکیٹ کے مجموعی فنڈز دوران مدت تقریباً 30 فیصد بڑھ کر 410 بلین روپے ہو گئے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور تقریباً 37 فیصد بڑھ کر 281 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں دوران سہ ماہی 24 فیصد کا بھرپور اضافہ ہوا اور وہ 224 بلین روپے سے 278 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز کے اثاثہ جات میں اضافے کا بڑا سبب سرمایہ کاروں کے مثبت جذبات کی بدولت مارکیٹ میں 26 فیصد سال در سال ترقی کو قرار دیا جاسکتا ہے۔

کیلنڈر سال کے اختتام پر شعبہ جاتی سرمایہ کاری کے اعتبار سے منی مارکیٹ فنڈز تقریباً 44 فیصد کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز تقریباً 30 فیصد، اور انکم فنڈز تقریباً 24 فیصد کے حامل تھے۔

### میوچل فنڈ صنعت کے مستقبل کے امکانات

سود کی شرحوں میں اب تک کی سب سے زیادہ کمی کی بدولت خطرات کے حامل اثاثہ جات میں اعتماد بحال ہوا ہے۔ ہمیں امید ہے کہ ایکویٹی اور متعلقہ فنڈز کے شعبے میں نقدیت کی صورت حال بہتر ہوگی۔ تاہم نقدیت کی پائیداری کا انحصار اس بات پر ہوگا کہ معیشت اس وباء کے مرحلے سے کس طرح گزرتی ہے۔ ہمارے آپریٹرز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکیں گے۔

### اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیوں کی مسلسل معاونت اور حمایت کے لیے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز انتظامیہ ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

من جانب ڈائریکٹرز



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
08 فروری 2021ء

## ایکویٹی فنڈ

ایکویٹی ڈیلی فنڈ نے 25.22 فیصد منافع حاصل کیا جبکہ کے ایس ای-100 کا منافع 27 فیصد تھا۔ ڈیلی فنڈ نے ایکویٹیز میں مجموعی سرمایہ کاری کو کم کر کے 95.4 فیصد کر دیا۔ شعبہ جاتی اعتبار سے ڈیلی فنڈ کی زیادہ تر سرمایہ کاری کمرشل بینکوں اور سیمنٹ کے شعبے میں تھی۔

31 دسمبر 2020ء کو فنڈ کے net اثاثہ جات 875.04 ملین روپے تھے جو 30 جون 2020ء (641.56 ملین روپے) کے مقابلے میں 36.39 فیصد اضافہ ہے۔

31 دسمبر 2020ء کو فنڈ کی net اثاثہ جاتی قدر (این اے وی) فی یونٹ 551.80 روپے تھی جو 30 جون 2020ء کو ابتدائی این اے وی 440.67 روپے فی یونٹ روپے کے مقابلے میں 111.13 روپے فی یونٹ اضافہ ہے۔

## معیشت اور بازار - مستقبل کے امکانات

حکومت اور متعدد اداروں کے مطابق مالی سال 2021ء کے لیے مجموعی ملکی پیداوار (جی ڈی پی) میں 2.1 فیصد ترقی متوقع ہے۔ موسم سرما میں کووڈ کے دوبارہ ظہور پذیر ہونے کے باوجود پاکستان نے پیک کا مظاہرہ کرتے ہوئے ترقی کی رفتار برقرار رکھی۔ معیشت اب عمومی طور پر قبل از کووڈ سطحوں پر سرگرم عمل ہے کیونکہ گردش شعبوں نے ریکارڈ مالیاتی تسہیل کے بعد رفتار پکڑ لی ہے۔ ہم سمجھتے ہیں کہ ترقی عمومی توقعات سے بہتر ہوگی کیونکہ صنعتی ترقی ہماری اُمید سے جلد بحال ہوگی ہے۔ ہمیں اُمید ہے کہ معاشی ترقی 2.1 سے کافی بلند سطح پر بحال ہوگی۔

ادائیگیوں کے توازن کی پریشانیوں نے فی الحال ختم ہو گئی ہیں کیونکہ مرکزی حکومت کی جانب سے پالیسی اقدامات کے بعد کرنٹ اکاؤنٹ خسارہ معقول سطح پر آ گیا ہے۔ عالمی معیشت میں بحالی کے عمل کا آغاز ہو گیا ہے اور برآمدات میں بتدریج بہتری کی خبریں گردش میں ہیں۔ ترسیلات زر بھی توقعات سے بہت بلند ہوئی ہیں اور نصف اول میں سال گزشتہ کے مقابلے میں 25 فیصد ترقی نے سب کو حیران کر دیا ہے۔ ہم سمجھتے ہیں کہ مالی سال 2021ء میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 1 فیصد پر ٹھہرے گا، اور اس کے لیے مالیات کی فراہمی باآسانی غیر ملکی سرمایہ کاروں اور قرض کے ذریعے ہو سکتی ہے۔ تاہم تیل سے لے کر خام لوہے اور کونکے تک اشیاء کی قیمتوں میں حالیہ اضافہ ہماری خوش آئند صورتحال کے لیے خطرہ ثابت ہو سکتا ہے۔ نومبر 2020ء کا ریٹیل افسیکٹو ریٹ 99.4 فیصد تھا، اور اشیاء میں کسی بھی قابل ذکر حرکت کے باعث افراط زر اور ادائیگیوں کے توازن کی نسبتاً صورتحال مزید خراب ہو سکتی ہے اور اس کے نتیجے میں روپے کی قدر تیزی سے گر سکتی ہے۔ آئی ایم ایف پروگرام پر عمل درآمد کا سبب رفتاری کے ساتھ جاری رہنا مالیاتی گوشوارے کو مثبت حد میں رکھنے کے لیے کلیدی عامل ثابت ہوگا۔ موجودہ صورتحال میں غیر ملکی زرمبادلہ کے ذخائر کی موجودہ سطحوں میں مزید 550 ملین ڈالر کا اضافہ متوقع ہے جس کی بدولت روپے پر کسی قسم کے دباؤ کو کم کرنے میں مدد ملے گی۔

افراط زر ہماری سابقہ توقعات سے آگے نکل گئی ہے کیونکہ اشیائے خورد و نوش کی قیمتیں آسمان سے باتیں کر رہی ہیں۔ ہمارے نزدیک مالی سال 2021ء کے لیے سی پی آئی کا اوسط 9.1 فیصد ہوگا جو مرکزی بینک کی متوقع حد (7.0 سے 9.0) سے تھوڑا زیادہ ہے۔ اگلے مالی سال کے لیے افراط زر کا اوسط تقریباً 8.5 فیصد رہے گا جو موجودہ سطح سے کچھ کم ہے۔ مرکزی بینک نے پہلی مرتبہ قریب المیعاد میں سود کی شرحوں سے متعلق راہنمائی فراہم کی ہے جس کی بدولت سرمایہ کاروں کی توقعات میں مزید یقینی صورتحال پیدا ہوگی۔ مرکزی مختار ادارے نے سود کی شرحوں کو مختصر مدت میں مستحکم رکھنے اور درمیانی مدت میں کچھ مثبت کرنے کا عزم کیا ہے۔ اب مرکزی بینک کی راہنمائی کے پیش نظر ہمیں اُمید ہے کہ سود کی شرحوں میں اگلے مالی سال کے دوران 100 سے 150 بیسیس پوائنٹس تک ترمیم ہوگی۔

کیپیٹل مارکیٹ کے نقطہ نظر سے، خصوصاً ایکویٹیز کے تناظر میں ہمیں اب کافی واضح صورتحال نظر آ رہی ہے۔ ترقی کی رفتار تیز تر ہونے کے ساتھ valuations بتدریج پرانے رجحانات کے ساتھ ہم آہنگ ہو رہی ہیں۔ ہمارے مطابق کوئی خارجی دھچکہ نہ لگے تو ایکویٹیز میں سرمایہ کاروں کو اچھا منافع دینے کی استعداد موجود ہے۔ اگر سود کی پست شرحوں کا ماحول مختصر اور درمیانی مدت کے دوران قائم رہے تو ہم سمجھتے ہیں کہ ایکویٹیز کا آمدات کو مائل کرنے کا سلسلہ جاری رہے گا۔ دس سالہ بانڈز سے متعلق خطرات کے پریسیم فی الوقت 1.9 فیصد پر ہیں، اور قدیم اوسط 1.0 فیصد کے ساتھ تقابل سے پتہ چلتا ہے کہ ری

## ڈائریکٹرز رپورٹ

### ایکویٹی مارکیٹ کا جائزہ

بچ مارک KSE-100 انڈیکس نے موجودہ مالی سال کی پہلی سہ ماہی میں 17.9 فیصد زبردست منافع حاصل کرنے کے بعد دوسری سہ ماہی کے دوران اپنی مثبت رفتار جاری رکھی۔ انڈیکس نے دوسری سہ ماہی کے دوران 7.9 فیصد منافع پوسٹ کیا جس کی بدولت نصف اول کا مجموعی منافع 27.1 فیصد تک پہنچ گیا۔ افراد اور کارپوریٹ کمپنیاں دوران مدت سب سے بڑے خریدار تھے جنہوں نے 159/91 ملین ڈالر سرمایہ کاری کی، جبکہ کمرشل بینک net فروخت کارثابت ہوئے جنہوں نے اپنی سرمایہ کاری میں 69 ملین ڈالر کی کمی کی۔ دوسری جانب غیر ملکیوں نے اپنے حصے میں کمی کرنے کا سلسلہ جاری رکھا اور 247 ملین ڈالر مالیت کے اسٹاکس فروخت کیے۔ اسٹاک مارکیٹ کی تجارتی سرگرمی میں گزشتہ ششماہی کے مقابلے میں اضافہ ہوا کیونکہ اوسط حجم تقریباً 448 ملین حصص، یعنی 116 فیصد زیادہ، اور تجارت شدہ قدر تقریباً 17 بلین روپے، یعنی 109 فیصد زیادہ تھی۔

ٹیکنالوجی، اسٹیل اور ریٹائرمنٹ ہدف سے بہتر کارکردگی کا مظاہرہ کرنے والے بڑے شعبے تھے جنہوں نے مالی سال کے نصف اول کے دوران بالترتیب 134 فیصد، 86 فیصد اور 75 فیصد منافع پوسٹ کیا۔ ٹیکنالوجی کمپنیوں کی قدر کی بڑے پیمانے پر تشکیل نو ہوئی کیونکہ سرمایہ کاروں نے ٹیکنالوجی کمپنیوں کی بدلتی ہوئی صورتحال بعد از کووڈ کا خیر مقدم کیا۔ اسٹیل کے شعبے نے رفتار پکڑی کیونکہ تعمیراتی مانگ اور قیمتوں میں تیزی سے اضافے کے بعد ان کے اسٹاکس نے بھرپور ترقی کی۔ علاوہ ازیں، ریٹائرمنٹ کے لیے یقینی شرح منافع کی افواہوں نے دوران مدت اس شعبے کے منافع کو محرک فراہم کیا۔ دوسری جانب تیل اور گیس کی دریافت کا شعبہ ہدف سے کم کارکردگی کا مظاہرہ کرنے والا بڑا شعبہ تھا جس نے صرف 7 فیصد معمولی منافع پوسٹ کیا کیونکہ خام تیل کی غیر مستحکم قیمتوں اور بڑھتے ہوئے گردش قرضوں سے سرمایہ کاروں کی حوصلہ شکنی ہوئی۔

### فنڈ کی کارکردگی

#### Debt فنڈ

زیر جائزہ مدت کے دوران Debt ذیلی فنڈ کا ایک سال پر محیط منافع 6.92 فیصد تھا۔ اختتام مدت پر ذیلی فنڈ کی سرمایہ کاری پاکستان انویسٹمنٹ بانڈز (پی آئی بی) میں 47.1 فیصد تھی جبکہ نقد میں 35.8 فیصد تھی۔

31 دسمبر 2020ء کو فنڈ کے net اثاثہ جات 482.06 ملین روپے تھے جو 30 جون 2020ء (558.58 ملین روپے) کے مقابلے میں 13.70 فیصد کمی ہے۔

31 دسمبر 2020ء کو فنڈ کی net اثاثہ جاتی قدر (این اے وی) نی یونٹ 308.77 روپے تھی جو 30 جون 2020ء کو ابتدائی این اے وی 298.36 روپے نی یونٹ روپے کے مقابلے میں 10.41 روپے نی یونٹ اضافہ ہے۔

#### منی مارکیٹ فنڈ

دوران مدت منی مارکیٹ ذیلی فنڈ نے 5.34 فیصد منافع حاصل کیا۔ ذیلی فنڈ کی سرمایہ کاری ٹریڈری ہلز (ٹی - ہلز) میں 39.8 فیصد تھی جبکہ نقد میں 40.8 فیصد تھی۔

31 دسمبر 2020ء کو فنڈ کے net اثاثہ جات 493.70 ملین روپے تھے جو 30 جون 2020ء (523.19 ملین روپے) کے مقابلے میں 5.64 فیصد کمی ہے۔

31 دسمبر 2020ء کو فنڈ کی net اثاثہ جاتی قدر (این اے وی) نی یونٹ 272.43 روپے تھی جو 30 جون 2020ء کو ابتدائی این اے وی 265.29 روپے نی یونٹ روپے کے مقابلے میں 7.14 روپے نی یونٹ اضافہ ہے۔

پاکستان پینشن فنڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2020ء کو اختتام پذیر ہونے والی ششماہی کے گوشواروں کا جائزہ پیش خدمت ہے۔

### معیشت اور بازار کا جائزہ

مالی سال 2021ء کا نصف اول اُمید افزا رہا کیونکہ معاشی سرگرمیوں نے پوری قوت کے ساتھ سر اُٹھایا ہے اگرچہ کووڈ کے باعث پیدا ہونے والی مشکلات قریب المیعاد میں برقرار رہیں گی۔ معاشی بحالی توقعات سے تیز تر رہی ہے کیونکہ مالیاتی تسہیل، طلب کی محدودیت اور بہتر ترسیلات نے معاشی ترقی کو محرک فراہم کیا۔ کووڈ-19 اتنا نقصان دہ ثابت نہیں ہوا جتنا اس بارے میں ابتدائی امکانات تھے، اور شاید مقامی آبادی کے اعداد و شمار اور حکومت کے کامیاب لائحہ عمل کی بدولت یہ طوفان پسپا ہو گیا۔ چنانچہ ہم سمجھتے ہیں کہ معاشی ترقی عمومی تخمینوں کے مقابلے میں بہتر رہے گی۔ حکومت کی ابتدائی توقعات کے مطابق صنعتی ترقی (جس کا ہدف سال گزشتہ کے مقابلے میں 0.1 فیصد ترقی تھا) کووڈ-19 کے باعث پست تر ہوگی، لیکن اب ہم سمجھتے ہیں کہ یہ توقعات سے بہتر ہوگی کیونکہ گردشیں شعبوں میں بھرپور طلب اور حجم کے اعتبار سے ترقی کا مظاہرہ ہوا ہے۔

مالی سال 2021ء کی پہلی ششماہی میں سیمنٹ کے شعبے میں مقامی فروخت میں متاثر کن ترقی ہوئی جو سال گزشتہ سے 17 فیصد زیادہ تھی۔ 2 اور 3 پہوں والے پونٹس کی فروخت میں مزید متاثر کن ترقی ہوئی جو سال گزشتہ سے 19 فیصد زیادہ تھی جس سے متوسط طبقے کی محرک مالی صورتحال کی عکاسی ہوتی ہے۔ اسی طرح سفید پٹرولیم مصنوعات کی طلب میں سال گزشتہ کے مقابلے میں تقریباً 10 فیصد اضافہ ہوا جس سے معیشت میں وسیع الہیاد بحالی کی ترجمانی ہوتی ہے۔ مجموعی طور پر بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) کے انڈیکس میں موجودہ مالی سال کے پہلے پانچ ماہ میں 7.4 فیصد ترقی ہوئی ہے۔

مالی سال کے نصف اول میں کرنٹ اکاؤنٹ میں 997 ملین ڈالر منافع ہوا جبکہ اس کے بالمقابل سال گزشتہ کی مماثل مدت میں 2,032 ملین ڈالر خسارہ ہوا تھا۔ اس بہتری کی بنیادی وجہ ترسیلات میں اضافہ تھا جن میں دوران مدت 25 فیصد ترقی ہوئی۔ سینٹرل بینک کے زرمبادلہ کے ذخائر میں 1.3 بلین ڈالر اضافہ ہوا جس کی وجہ ادائیگی کے توازن کی صورتحال میں بہتری ہے۔

افراط زر حکومت کی دکھتی رگ بنی رہی کیونکہ اشیائے خورد و نوش کی بڑھتی ہوئی قیمتوں کے باعث پالیسی ساز افراد مشکلات کا شکار رہے۔ مجموعی افراط زر، جس کی ترجمانی صارفین کی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط پہلے چھ ماہ کے دوران 8.6 فیصد تھا، جبکہ اشیائے خورد و نوش کے افراط زر کا اوسط دوران مدت 13 فیصد تھا۔ رسد کی جہت میں مسائل اور بدانتظامی کے باعث گندم اور جلد خراب ہو جانے والی اشیائے خورد و نوش کی قیمتوں میں اضافہ جاری رہا۔ بہر حال بنیادی افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، قابو میں تھی اور اس کا اوسط برائے مدت 5.9 فیصد تھا۔ مانیٹرنگ پالیسی کمیٹی (ایم پی سی) نے گزشتہ اجلاسوں میں پے در پے کٹوتیوں کے بعد صورتحال کو برقرار رکھا۔ اگرچہ حقیقی سود کی شرح منفی رہی، مرکزی بینک کووڈ-19 کے باعث طلب کی جہت پر پڑنے والے دباؤ کے حوالے سے محتاط تھا۔

معیشت کے مستحکم ہونے کے آغاز کے ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں مالی سال کے نصف اول کے دوران 5 فیصد اضافہ ہوا جو ہدف برائے مدت کے تقریباً قریب تھا۔ پہلے پانچ ماہ کا مالیاتی خسارہ مجموعی ملکی پیداوار (جی ڈی پی) کا 1.8 فیصد تھا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 1.6 فیصد تھا۔ بنیادی توازن جی ڈی پی (GDP) کے 0.5 فیصد کے ساتھ مزید بہتر رہا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 0.3 فیصد تھا۔

افراط زر نے سرمایہ کاروں کو مایوس کرنے کا سلسلہ جاری رہا جس کے باعث پیداواری خم بلندی کی طرف جانا شروع ہو گیا۔ مرکزی بینک نے بھی افراط زر سے متعلق اپنی توقع کو بڑھایا جیسا کہ ایم پی سی کے منٹس میں مذکور ہے۔ اب مرکزی بینک کو توقع ہے کہ افراط زر 7 سے 9 فیصد کی اوپری سطح میں پہنچ جائے گا، جبکہ پہلے اس کا نچلی سطح میں آنا متوقع تھا۔ دوران مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 74، 114 اور 129 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

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



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## INDEPENDENT AUDITORS' REVIEW REPORT

To the Participants of Pakistan Pension Fund

Report on review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Pakistan Pension Fund** (the Fund) as at **31 December 2020**, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Cash Flow Statement and condensed interim Statement of Movement in Participants' Sub-funds for the period then ended together with the notes forming part thereof (here-in-after referred to as the "interim financial statements"). Pension Fund Manager is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2020.

### Scope of Review

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

### Conclusion

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

*Dr.*

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

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The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.

A handwritten signature in black ink, appearing to read 'E. Ahmed Salman', is located below the text.

**Chartered Accountants**

**Date:** 18 February 2021

**Karachi**

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2020

	December 31, 2020 (Un-audited)				June 30, 2020 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Note	(Rupees '000)				(Rupees '000)				
<b>Assets</b>									
Balances with banks	4	7,160	175,481	202,946	385,587	26,748	141,852	221,543	390,143
Investments	5	872,002	306,376	293,160	1,471,538	637,124	421,160	303,990	1,362,274
Dividend receivable		941	-	-	941	-	-	-	-
Markup receivable		32	2,412	1,164	3,608	179	5,789	1,285	7,253
Advances, deposits and other receivables		34,298	5,582	456	40,336	3,035	928	267	4,230
<b>Total assets</b>		<b>914,433</b>	<b>489,851</b>	<b>497,726</b>	<b>1,902,010</b>	<b>667,086</b>	<b>569,729</b>	<b>527,085</b>	<b>1,763,900</b>
<b>Liabilities</b>									
Payable to Pension Fund Manager		1,241	712	706	2,659	880	765	713	2,358
Payable to Central Depository Company of Pakistan Limited - Trustee		106	61	61	228	76	66	61	203
Annual fee payable to the Securities and Exchange Commission of Pakistan		102	67	61	230	198	160	120	478
Payable against purchase of investments		-	-	-	-	13,558	-	-	13,558
Accrued expenses and other liabilities	6	37,945	6,957	3,201	48,103	10,819	10,161	3,002	23,982
<b>Total liabilities</b>		<b>39,394</b>	<b>7,797</b>	<b>4,029</b>	<b>51,220</b>	<b>25,531</b>	<b>11,152</b>	<b>3,896</b>	<b>40,579</b>
<b>NET ASSETS</b>		<b>875,039</b>	<b>482,054</b>	<b>493,697</b>	<b>1,850,790</b>	<b>641,555</b>	<b>558,577</b>	<b>523,189</b>	<b>1,723,321</b>
Participants' sub funds (as per condensed interim Statement of Movement in Participants' sub funds)		<u>875,039</u>	<u>482,054</u>	<u>493,697</u>		<u>641,555</u>	<u>558,577</u>	<u>523,189</u>	
		----- (Number of units) -----				----- (Number of units) -----			
<b>NUMBER OF UNITS IN ISSUE</b>	10	<u>1,585,777</u>	<u>1,561,213</u>	<u>1,812,206</u>		<u>1,455,861</u>	<u>1,872,146</u>	<u>1,972,139</u>	
		----- (Rupees) -----				----- (Rupees) -----			
<b>NET ASSETS VALUE PER UNIT</b>		<u>551.80</u>	<u>308.77</u>	<u>272.43</u>		<u>440.67</u>	<u>298.36</u>	<u>265.29</u>	
<b>Contingencies and commitments</b>	7								

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

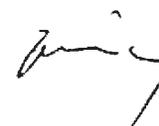
	Half year ended December 31, 2020				Half year ended December 31, 2019			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
Note	(Rupees '000)				(Rupees '000)			
<b>Income</b>								
Investments at fair value through profit or loss:								
- Net capital gain / (loss) on sale of investments	43,106	(1,165)	(1,145)	40,796	11,898	8,175	992	21,065
- Dividend income from investments	11,599	-	-	11,599	24,306	-	-	24,306
- Income from Government securities	-	13,789	13,187	26,976	-	19,808	15,556	35,364
- Income from term finance and sukuk certificates	-	5,373	-	5,373	-	6,970	-	6,970
- Income on commercial papers	-	1,901	986	2,887	-	766	191	957
- Net unrealised gain / (loss) on revaluation of investments	129,122	714	(18)	129,818	94,034	(74)	(46)	93,914
5.1-5.3 Profit on bank and term deposits	438	3,141	4,886	8,465	1,715	9,130	9,627	20,472
Other income	-	15	-	15	-	34	-	33
<b>Total income</b>	<b>184,265</b>	<b>23,768</b>	<b>17,896</b>	<b>225,929</b>	<b>131,953</b>	<b>44,809</b>	<b>26,320</b>	<b>203,081</b>
<b>Expenses</b>								
Remuneration of Pension Fund Manager	6,122	4,000	3,688	13,810	5,211	4,097	2,845	12,153
Sindh sales tax on remuneration of Pension Fund Manager	796	520	479	1,795	677	533	370	1,580
Remuneration of Central Depository Company Limited - Trustee	520	340	313	1,173	455	358	249	1,062
Sales tax on remuneration of trustee	68	44	41	153	59	48	32	139
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	102	67	61	230	116	91	63	270
Auditors' remuneration	102	57	74	233	111	85	56	252
Custody and settlement charges	217	168	2	387	210	184	3	396
Securities transaction cost	1,584	14	1	1,599	782	149	27	958
Provision for Sindh Workers' Welfare Fund	3,597	332	264	4,193	2,560	784	481	3,825
Bank charges	7	27	21	55	13	106	58	176
<b>Total expenses</b>	<b>13,115</b>	<b>5,569</b>	<b>4,944</b>	<b>23,628</b>	<b>10,194</b>	<b>6,435</b>	<b>4,184</b>	<b>20,811</b>
<b>Net income from operating activities</b>	<b>171,150</b>	<b>18,199</b>	<b>12,952</b>	<b>202,301</b>	<b>121,759</b>	<b>38,374</b>	<b>22,136</b>	<b>182,270</b>
Element of income / (loss) and capital gains / (losses) included in the prices of units sold less those in units redeemed - net	5,106	(1,924)	(2)	3,180	3,659	63	1,445	5,166
<b>Net income for the period before taxation</b>	<b>176,256</b>	<b>16,275</b>	<b>12,950</b>	<b>205,481</b>	<b>125,418</b>	<b>38,437</b>	<b>23,581</b>	<b>187,436</b>
Taxation	-	-	-	-	-	-	-	-
<b>Net income for the period</b>	<b>176,256</b>	<b>16,275</b>	<b>12,950</b>	<b>205,481</b>	<b>125,418</b>	<b>38,437</b>	<b>23,581</b>	<b>187,436</b>
<b>Earnings per unit</b>	11							

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2020

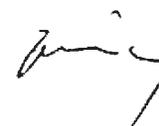
	Quarter ended December 31, 2020				Quarter ended December 31, 2019			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
Note	(Rupees '000)				(Rupees '000)			
<b>Income</b>								
Investments at fair value through profit or loss:								
- Net capital gain / (loss) on sale of investments	23,780	(1,692)	(1,146)	20,942	17,497	1,795	1,015	20,307
- Dividend income from investments	8,476	-	-	8,476	11,866	-	-	11,866
- Income from Government securities	-	6,760	5,792	12,552	-	9,559	10,016	19,575
- Income from term finance and sukuk certificates	-	1,631	-	1,631	-	3,627	-	3,627
- Income on commercial papers	-	-	-	-	-	-	-	-
- Net unrealised gain on revaluation of investments	29,859	1,291	1,344	32,494	129,643	(539)	(31)	129,073
Profit on bank and term deposits	114	1,996	2,852	4,962	695	5,132	3,477	9,304
Other income	-	7	-	7	-	15	-	15
<b>Total income</b>	<b>62,229</b>	<b>9,993</b>	<b>8,842</b>	<b>81,064</b>	<b>159,701</b>	<b>19,589</b>	<b>14,477</b>	<b>193,767</b>
<b>Expenses</b>								
Remuneration of Pension Fund Manager	3,164	1,957	1,820	6,941	2,786	2,071	1,507	6,365
Sindh sales tax and Federal Excise Duty on remuneration of Pension Fund Manager	411	254	236	901	362	270	196	828
Remuneration of Central Depository Company Limited - Trustee	269	166	154	589	241	179	130	550
Sales tax on remuneration of trustee	35	21	20	76	31	23	17	71
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	53	33	30	116	62	46	33	141
Auditors' remuneration	49	20	40	109	68	49	32	149
Custody and settlement charges	108	77	1	186	105	92	2	199
Securities transaction cost	475	14	1	490	573	45	27	646
Provision for Sindh Workers' Welfare Fund	1,139	116	136	1,391	2,560	311	255	3,125
Bank charges	5	16	18	39	6	55	38	99
<b>Total expenses</b>	<b>5,708</b>	<b>2,674</b>	<b>2,456</b>	<b>10,838</b>	<b>6,794</b>	<b>3,141</b>	<b>2,237</b>	<b>12,173</b>
<b>Net income from operating activities</b>	<b>56,521</b>	<b>7,319</b>	<b>6,386</b>	<b>70,226</b>	<b>152,907</b>	<b>16,448</b>	<b>12,240</b>	<b>181,594</b>
Element of (loss) / income and capital (losses) / gains included in the prices of units sold less those in units redeemed - net	(710)	(1,624)	305	(2,029)	931	(1,219)	191	(97)
<b>Net income for the period before taxation</b>	<b>55,811</b>	<b>5,695</b>	<b>6,691</b>	<b>68,197</b>	<b>153,838</b>	<b>15,229</b>	<b>12,431</b>	<b>181,497</b>
Taxation	8	-	-	-	-	-	-	-
<b>Net income for the period</b>	<b>55,811</b>	<b>5,695</b>	<b>6,691</b>	<b>68,197</b>	<b>153,838</b>	<b>15,229</b>	<b>12,431</b>	<b>181,497</b>
<b>Earnings per unit</b>	11							

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Half year ended December 31, 2020				Half year ended December 31, 2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees '000) -----				----- (Rupees '000) -----			
<b>Net income for the period after taxation</b>	176,256	16,275	12,950	205,481	125,418	38,437	23,581	187,436
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>176,256</u>	<u>16,275</u>	<u>12,950</u>	<u>205,481</u>	<u>125,418</u>	<u>38,437</u>	<u>23,581</u>	<u>187,436</u>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER YEAR ENDED DECEMBER 31, 2020**

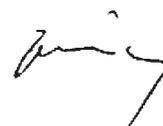
	Quarter ended December 31, 2020				Quarter ended December 31, 2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees '000) -----				----- (Rupees '000) -----			
Net income for the period after taxation	55,811	5,695	6,691	68,197	153,838	15,229	12,431	181,498
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>55,811</b>	<b>5,695</b>	<b>6,691</b>	<b>68,197</b>	<b>153,838</b>	<b>15,229</b>	<b>12,431</b>	<b>181,498</b>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

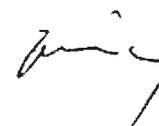
	Half year ended December 31, 2020				Half year ended December 31, 2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees '000)				(Rupees '000)			
<b>Net assets at the beginning of the period</b>	<b>641,555</b>	<b>558,577</b>	<b>523,189</b>	<b>1,723,321</b>	721,454	520,530	317,016	1,559,000
Amount received on issuance of units	117,376	68,183	104,062	289,621	107,489	140,530	130,614	378,633
Amount paid on redemption of units	(55,042)	(162,905)	(146,506)	(364,453)	(137,885)	(157,566)	(63,689)	(359,140)
	62,334	(94,722)	(42,444)	(74,832)	(30,396)	(17,036)	66,925	19,493
Element of (Income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(5,106)	1,924	2	(3,180)	(3,659)	(63)	(1,445)	(5,167)
Net income for the period	176,256	16,275	12,950	205,481	125,418	38,437	23,581	187,436
<b>Net assets at the end of the period</b>	<b>875,039</b>	<b>482,054</b>	<b>493,697</b>	<b>1,850,790</b>	812,817	541,868	406,077	1,760,762

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Director

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

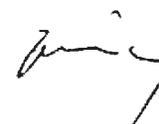
	Half year ended December 31, 2020				Half year ended December 31, 2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	(Rupees '000)				(Rupees '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net income for the period	176,256	16,275	12,950	205,481	125,418	38,437	23,581	187,436
<b>Adjustments for non cash and other items:</b>								
Net capital (gain) / loss on sale of investments at fair value through profit or loss	(43,106)	1,165	1,145	(40,796)	(11,898)	(8,175)	(992)	(21,065)
Unrealised (gain) / loss on revaluation of investments - at fair value through profit or loss - net	(129,122)	(714)	18	(129,818)	(94,034)	74	46	(93,914)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those redeemed:	(5,106)	1,924	2	(3,180)	(3,659)	(63)	(1,445)	(5,167)
	(177,334)	2,375	1,165	(173,794)	(109,591)	(8,164)	(2,391)	(120,146)
<b>(Increase) / decrease in assets</b>								
Investments	(62,650)	33,234	71,199	41,783	(29,946)	(198,909)	946	(227,909)
Dividend receivable	(941)	-	-	(941)	2,403	-	-	2,403
Interest receivable	147	3,377	121	3,645	(24)	(6,303)	(43)	(6,370)
Receivable against sale of investments	(30,590)	-	-	(30,590)	-	-	-	-
Advance, deposits and other receivables	(31,263)	(4,654)	(189)	(36,106)	(23)	(3)	(6)	(32)
	(125,297)	31,957	71,131	(22,209)	(27,590)	(205,215)	897	(231,908)
<b>Increase / (decrease) in liabilities</b>								
Payable to Pension Fund Manager	362	(53)	(7)	302	157	61	151	369
Payable to Central Depository Company of Pakistan Limited - Trustee	30	(5)	-	25	11	3	12	26
Annual fee - Securities and Exchange Commission of Pakistan	(96)	(93)	(59)	(248)	(144)	(91)	(15)	(250)
Payable against purchase of investments	13,577	-	-	13,577	-	(99,932)	(19,697)	(119,629)
Payable against redemption of units	(3,207)	(2,706)	-	(5,913)	-	-	-	-
Accrued and other liabilities	33,787	(498)	199	33,488	2,903	736	497	4,136
	44,453	(3,355)	133	41,231	2,927	(99,223)	(19,052)	(115,348)
<b>Net cash (used in) / generated from operating activities</b>	<b>(81,922)</b>	<b>47,252</b>	<b>85,379</b>	<b>50,709</b>	<b>(8,836)</b>	<b>(274,165)</b>	<b>3,035</b>	<b>(279,966)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Receipts from issuance of units	117,376	68,183	104,062	289,621	107,489	140,530	130,614	378,633
Payments on redemption of units	(55,042)	(162,905)	(146,506)	(364,453)	(137,885)	(157,566)	(63,689)	(359,140)
<b>Net cash generated from / (used in) financing activities</b>	<b>62,334</b>	<b>(94,722)</b>	<b>(42,444)</b>	<b>(74,832)</b>	<b>(30,396)</b>	<b>(17,036)</b>	<b>66,925</b>	<b>19,493</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(19,588)</b>	<b>(47,470)</b>	<b>42,935</b>	<b>(24,123)</b>	<b>(39,232)</b>	<b>(291,201)</b>	<b>69,960</b>	<b>(260,473)</b>
Cash and cash equivalents at beginning of the period	26,748	222,951	378,358	628,057	52,881	638,080	337,128	1,028,089
<b>Cash and cash equivalents at end of the period</b>	<b>7,160</b>	<b>175,481</b>	<b>421,293</b>	<b>603,934</b>	<b>13,649</b>	<b>346,879</b>	<b>407,088</b>	<b>767,616</b>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

## 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 Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.4 The Pakistan Credit Rating Agency (PACRA) has assigned Management quality rating of "AM1" dated October 06, 2020 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.
- 1.6 During the current period, The Trust Act, 1882 has been repealed due to promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirement under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

Wherever the requirements of the Trust Deed, the VPS Rules or the directives issued by the SECP differ with the requirements of IAS 34. The requirements of the Trust Deed, the VPS Rules (2005) or the requirements of the said directives prevail.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2020.
- 2.3 These condensed interim financial statements are presented in Pakistani Rupee, which is the functional and presentation currency of the Fund.

### 3. ACCOUNTING POLICIES AND ESTIMATES

- 3.1 The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2020.

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

#### 3.2 New / Revised Standards, Interpretations and Amendments

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

IFRS 3 – Amendments to Definition of a Business

IFRS 9 – Interest Rate Benchmark Reform

IAS 1 – Definition of Material

IFRS 16 – COVID-19 Rent Related Concessions

The Conceptual Framework for Financial Reporting

The adoption of the above amendments to accounting standards and interpretations did not have any effect on these interim financial statements.

- 3.3 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2020.

### 4. BALANCES WITH BANKS

These are the saving accounts and carry interest at the rates ranging from 5.50% to 7.80% (June 30, 2020: 5.50% to 8.85%) per annum. These include balances of Rs.4.129 million (June 30, 2020: Rs.2.15 million) and Rs. Nil (June 30, 2020: Rs.0.006 million) held with MCB Bank Limited and MCB Islamic Bank Limited respectively, related parties.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

**December 31, 2020 (Un-audited)**

	<b>Equity Sub-Fund</b>	<b>Debt Sub-Fund</b>	<b>Money Market Sub-Fund</b>	<b>Total</b>
Note-----	----- (Rupees in '000) -----			

**5. INVESTMENTS**

**At fair value through  
profit or loss**

Listed equity securities  
Government securities  
Debt securities - Term  
Finance Certificates /  
Sukuks  
Commercial paper  
Term deposit receipt

5.1	872,002	-	-	872,002
5.2	-	230,733	198,160	428,893
5.3	-	75,643	-	75,643
5.4	-	-	-	-
5.5	-	-	95,000	95,000
	<b>872,002</b>	<b>306,376</b>	<b>293,160</b>	<b>1,471,538</b>

**June 30, 2020 (Audited)**

	<b>Equity Sub-Fund</b>	<b>Debt Sub-Fund</b>	<b>Money Market Sub-Fund</b>	<b>Total</b>
Note-----	----- (Rupees in '000) -----			

**At fair value through  
profit or loss**

Listed equity securities  
Government securities  
Debt securities - Term  
Finance Certificates /  
Sukuks  
Commercial paper  
Term deposit receipt

	637,124	-	-	637,124
	-	231,827	261,976	493,803
	-	108,234	-	108,234
	-	81,099	42,014	123,113
	-	-	-	-
	<b>637,124</b>	<b>421,160</b>	<b>303,990</b>	<b>1,362,274</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

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

**Equity Sub-Fund**

Name of the Investee Company	Note	Number of shares				Balance as at December 31, 2020			Market value as a % of the assets of the sub-fund	Market value as a % of the capital of the investee company		
		As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2020	Carrying Value	Market value			Unrealised gain / (loss)	
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise												
----- (Number of shares) -----												
----- (Rupees in '000') -----												
----- (%) -----												
<b>Automobile assembler</b>												
Indus Motors Company Limited		-	11,300	-	-	11,300	14,232	13,537	(695)	13,537	1.55%	0.01%
Millat Tractors Limited		13,500	-	-	-	13,500	9,533	14,770	5,237	14,770	1.69%	0.03%
							<b>23,765</b>	<b>28,307</b>	<b>4,542</b>		<b>3.24%</b>	<b>0.04%</b>
<b>Automobile parts and accessories</b>												
Agnauto Industries Limited *		43,700	25,000	-	-	68,700	13,078	16,093	3,015	16,093	1.84%	0.24%
Thal Limited *		45,000	-	-	-	45,000	14,622	21,271	6,649	21,271	2.43%	0.06%
							<b>27,700</b>	<b>37,364</b>	<b>9,664</b>		<b>4.27%</b>	<b>0.30%</b>
<b>Cable and electrical goods</b>												
Pak Elektron Limited		265,000	494,500	-	265,000	494,500	18,206	19,844	1,638	19,844	2.27%	0.10%
<b>Cement</b>												
Bestway Cement Limited		48,600	-	-	-	48,600	5,284	7,841	2,557	7,841	0.90%	0.01%
Cherat Cement Company Limited		47,000	60,000	-	47,000	60,000	8,581	8,771	190	8,771	1.00%	0.03%
Fauji Cement Company Limited		910,000	-	-	910,000	-	-	-	-	-	0.00%	0.00%
Kohat Cement Limited		82,710	-	-	9,500	73,210	10,063	16,051	5,988	16,051	1.83%	0.04%
Lucky Cement Limited		113,800	-	-	19,500	94,300	43,527	65,641	22,114	65,641	7.50%	0.03%
Maple Leaf Cement Factory Limited		240,000	500,000	-	319,000	421,000	13,240	18,949	5,709	18,949	2.17%	0.04%
Pioneer Cement Limited		-	288,000	-	198,000	90,000	7,173	9,297	2,124	9,297	1.06%	0.04%
							<b>87,968</b>	<b>126,550</b>	<b>38,662</b>		<b>14.46%</b>	<b>0.19%</b>
<b>Chemical</b>												
Archroma Pakistan Limited		10,500	-	-	-	10,500	6,189	5,862	(327)	5,862	0.67%	0.03%
Berger Paints Pakistan		-	135,000	-	-	135,000	10,961	12,353	1,392	12,353	1.41%	0.66%
Biafo Industries Limited		127	-	12	139	-	-	-	-	-	0.00%	0.00%
Engro Polymer and Chemicals Limited		592,214	150,000	-	284,500	457,714	12,057	21,746	9,689	21,746	2.49%	0.05%
ICI Pakistan Limited		9,500	-	-	-	9,500	6,600	7,221	621	7,221	0.83%	0.01%
Ittehad Chemicals Limited		253,000	-	-	253,000	-	-	-	-	-	0.00%	0.00%
							<b>35,807</b>	<b>47,182</b>	<b>11,375</b>		<b>5.40%</b>	<b>0.75%</b>
<b>Commercial banks</b>												
Allied Bank Limited		220,000	-	-	15,000	205,000	15,699	17,501	1,802	17,501	2.00%	0.02%
Bank Al Falah Limited		326,750	1,250,000	-	1,032,750	544,000	19,819	19,220	(599)	19,220	2.20%	0.03%
Bank Al Habib Limited		286,000	-	-	-	286,000	14,958	19,906	4,948	19,906	2.27%	0.03%
Bank Of Punjab		-	1,850,000	-	975,000	875,000	7,960	8,111	151	8,111	0.93%	0.03%
Faysal Bank Limited		9,420	-	-	9,420	-	-	-	-	-	0.00%	0.00%
Habib Bank Limited		260,000	318,000	-	80,000	498,000	55,781	65,875	10,094	65,875	7.53%	0.03%
Habib Metropolitan Bank Limited		400,000	-	-	60,000	340,000	9,455	13,257	3,802	13,257	1.52%	0.03%
United Bank Limited		358,000	245,000	-	120,000	483,000	53,346	60,790	7,444	60,790	6.95%	0.04%
							<b>177,018</b>	<b>204,660</b>	<b>27,642</b>		<b>23.40%</b>	<b>0.21%</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

Name of the Investee Company	Note	Number of shares				Balance as at December 31, 2020			Market value as a % of the assets of the sub-fund	Market value as a % of the capital of the investee company
		As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2020	Carrying Value	Market value		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
----- (Number of shares) -----										
----- (Rupees in '000') ----- (%) -----										
<b>Fertilizer</b>										
Engro Fertilizer Limited		185,000	-	-	184,526	474	29	30	1	0.00%
Engro Corporation Limited		101,420	55,000	-	69,500	86,920	26,384	26,716	332	3.05%
Fauji Fertilizer Company Limited		324,000	60,000	-	384,000	-	-	-	-	0.00%
							<b>26,413</b>	<b>26,746</b>	<b>333</b>	<b>3.05%</b>
<b>Food and personal care products</b>										
Murree Brewery Company		-	14,500	-	-	14,500	8,483	9,098	615	1.04%
National Foods Limited *		80,640	-	7,535	53,500	34,675	6,947	7,573	626	0.87%
Al-Tahir Limited		-	390,000	39,000	429,000	-	-	-	-	0.00%
Shezan International Limited		13,255	-	-	-	13,255	2,968	4,646	1,678	0.53%
							<b>18,398</b>	<b>21,317</b>	<b>2,919</b>	<b>2.44%</b>
<b>Leather and tanneries</b>										
Bata Pakistan Limited		4,380	-	-	-	4,380	5,883	6,709	826	0.77%
Service Industries		17,468	-	4,367	12,050	9,785	6,386	8,162	1,776	0.93%
							<b>12,269</b>	<b>14,871</b>	<b>2,602</b>	<b>1.70%</b>
<b>Miscellaneous</b>										
Shifa International Hospitals		28,000	-	-	28,000	-	-	-	-	0.00%
Tri-Pak Films		-	47,500	-	-	47,500	7,719	7,731	12	0.88%
							<b>7,719</b>	<b>7,731</b>	<b>12</b>	<b>0.88%</b>
<b>Oil and gas exploration companies</b>										
Meri Petroleum Company Limited	5.1.1	12,020	13,000	-	-	25,020	32,077	33,522	1,445	3.83%
Oil & Gas Development Company Limited		429,900	-	-	117,000	312,900	34,106	32,470	(1,636)	3.71%
Pakistan Oilfields Limited		40,540	66,100	-	40,540	66,100	25,685	26,137	452	2.99%
Pakistan Petroleum Limited		487,055	-	-	118,100	368,955	32,018	33,328	1,310	3.81%
							<b>123,886</b>	<b>125,457</b>	<b>1,571</b>	<b>14.34%</b>
<b>Oil and gas marketing companies</b>										
Attock Petroleum Limited		22,000	-	-	-	22,000	6,714	7,362	648	0.84%
Pakistan State Oil Company Limited.		-	127,000	-	-	127,000	24,357	27,343	2,986	3.12%
Sui Northern Gas Pipelines Limited		323,700	-	-	323,700	-	-	-	-	0.00%
							<b>31,071</b>	<b>34,705</b>	<b>3,634</b>	<b>3.96%</b>
<b>Paper and board</b>										
Century Paper & Board Mills Limited		-	70,000	-	70,000	-	-	-	-	0.00%
Packages Limited		-	10,100	-	-	10,100	4,943	6,029	1,086	0.69%
Security Papers Limited		35,000	10,000	-	-	45,000	6,603	7,965	1,362	0.91%
							<b>11,546</b>	<b>13,994</b>	<b>2,448</b>	<b>1.60%</b>
<b>Pharmaceuticals</b>										
Abbott Laboratories (Pakistan) Limited		40,000	20,500	-	15,500	45,000	29,103	33,992	4,889	3.88%
Agp Limited		-	114,500	-	-	114,500	13,534	13,039	(495)	1.49%
Glaxosmithkline Pakistan		-	35,000	-	-	35,000	6,786	6,714	(72)	0.77%
Ibl Healthcare Limited		1,095	89,000	-	74,094	16,001	1,403	1,845	442	0.21%
The Searle Company Limited		144	62,000	4,160	30,143	36,161	9,088	9,012	(76)	1.03%
							<b>59,914</b>	<b>64,602</b>	<b>4,688</b>	<b>7.38%</b>



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

5.2 Government securities - at fair value through profit or loss

Debt Sub-Fund

Name of security	Issue date	Face value			As at December 31, 2020	Balance as at December 31, 2020		Market value as % of net assets of sub-funds	
		As at July 01, 2020	Purchased during the period	Sold / matured during the period		Carrying Value	Market value		Unrealised (loss) / gain
<b>Pakistan Investment Bonds</b>									
Pakistan Investment Bonds - 3 years	18-Jun-20	-	225,000	-	225,000	225,725	225,180	(545)	46.71%
Pakistan Investment Bonds - 5 years	19-Sep-19	-	100,000	100,000	-	-	-	-	0.00%
Pakistan Investment Bonds - 15 years	31-Oct-06	3,500	-	-	3,500	3,578	3,576	(2)	0.74%
Pakistan investment bonds - 20 years	10-Jun-04	1,900	-	-	1,900	2,013	1,977	(36)	0.41%
					<b>231,316</b>	<b>230,733</b>		<b>(583)</b>	<b>47.86%</b>
<b>Treasury Bills</b>									
<b>Market Treasury Bills - 3 months</b>									
	2-Jul-20	-	75,000	75,000	-	-	-	-	0.00%
	16-Jul-20	-	75,000	75,000	-	-	-	-	0.00%
	8-Oct-20	-	50,000	50,000	-	-	-	-	0.00%
	19-Nov-20	-	100,000	100,000	-	-	-	-	0.00%
<b>Market Treasury Bills - 6 months</b>									
	4-Jun-20	135,000	-	135,000	-	-	-	-	0.00%
	2-Jul-20	-	75,000	75,000	-	-	-	-	0.00%
	16-Jul-20	-	75,000	75,000	-	-	-	-	0.00%
<b>Market Treasury Bills - 12 months</b>									
	21-Nov-19	-	50,000	50,000	-	-	-	-	0.00%
	19-Dec-19	-	50,000	50,000	-	-	-	-	0.00%
	12-Mar-20	50,000	-	50,000	-	-	-	-	0.00%
	9-Apr-20	50,000	-	50,000	-	-	-	-	0.00%
									<b>0.00%</b>
<b>Total as at December 31, 2020 (Un-audited)</b>					<b>231,316</b>	<b>230,733</b>		<b>(583)</b>	
<b>Total as at June 30, 2020 (Audited)</b>					<b>228,653</b>	<b>231,827</b>		<b>3,174</b>	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

**Money Market Sub-Fund**

	Issue Date	Face value			Balance as at December 31, 2020			Market value as % of net assets of sub-funds %
		As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Carrying Value	Market value	
<b>Treasury Bills</b>								
Market Treasury Bills - 3 months	9-Apr-20	50,000	-	50,000	-	-	-	0.00%
	23-Apr-20	65,000	-	65,000	-	-	-	0.00%
	2-Jul-20	-	75,000	75,000	-	-	-	0.00%
	16-Jul-20	-	75,000	75,000	-	-	-	0.00%
	8-Oct-20	-	130,000	130,000	-	-	-	0.00%
	17-Dec-20	-	125,000	-	125,000	123,346	1	24.98%
Market Treasury Bills - 6 months	9-Apr-20	150,000	-	150,000	-	-	-	0.00%
	2-Jul-20	-	75,000	75,000	-	-	-	0.00%
	16-Jul-20	-	75,000	-	75,000	74,833	(20)	15.15%
Market Treasury Bills - 12 months	10-Oct-19	-	80,000	80,000	-	-	-	0.00%
	24-Oct-19	-	10,000	10,000	-	-	-	0.00%
	19-Dec-19	-	195,000	195,000	-	-	-	0.00%
<b>Total as at December 31, 2020 (Un-audited)</b>					<b>198,179</b>	<b>198,160</b>	<b>(19)</b>	
Total as at June 30, 2020 (Audited)					260,790	261,976	1,185	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

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

**Debt Sub-Fund**

Name of security	Issue date	Number of certificates		Balance as at December 31, 2020		Market value as % of net assets of sub-funds		
		As at July 01, 2020	Purchased during the period	Sold during the period	As at December 31, 2020		Carrying Value	Unrealised gain / (loss)
<b>Term finance certificates</b>								
Habib Bank Limited	19-Feb-16	150	-	-	150	14,656	317	3.11%
The Bank of Punjab	23-Dec-16	50	-	-	50	4,898	46	1.03%
Jahangir Siddiqui & Co. Ltd.	18-Jul-17	5,000	-	-	5,000	12,219	289	2.59%
<b>Sukuks</b>								
Aspin Pharma (Private) Limited	30-Nov-17	130	-	-	130	7,878	(152)	1.60%
Dawood Hercules Corporation Limited	16-Nov-17	72	-	-	72	4,363	4	0.91%
Meezan Bank Limited - 2nd Issue	9-Jan-20	35	-	5	30	30,331	794	6.46%
<b>Total as at December 31, 2020 (Un-audited)</b>					<b>74,345</b>	<b>75,643</b>	<b>1,298</b>	
<b>Total as at June 30, 2020 (Audited)</b>					<b>108,482</b>	<b>108,234</b>	<b>(248)</b>	

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 in '000')		Interest rate per annum	Maturity	Secured / unsecured	Rating
		Per certificate	Total				
<b>Un-listed</b>							
Habib Bank Limited	150	99.82	99,820	6M KIBOR + 0.50%	19-Feb-26	Unsecured	AAA
The Bank of Punjab	50	99.84	99,840	6M KIBOR + 1.00%	23-Dec-26	Unsecured	AA-
Jahangir Siddiqui & Co. Ltd.	5,000	2.5	2,500	6M KIBOR + 1.40%	18-Jul-22	Secured	AA+
Meezan Bank Limited	30	1,000	1,000,000	6M KIBOR + 0.90%	9-Jan-30	Unsecured	AA
Aspin Pharma (Private) Limited	130	60	60,000	3M KIBOR + 1.50%	30-Nov-23	Unsecured	A
<b>Listed</b>							
Dawood Hercules Corporation Limited	72	60	60,000	3M KIBOR + 1.00%	16-Nov-22	Secured	AA

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

**5.4 Commercial paper - at fair value through profit or loss**

Name of security	Issue date	As at July 01, 2020	Purchased during the period (Rupees in '000')	Matured during the period	As at December 31, 2020	Name of the investee company	Maturity	Rating	Rate of return per annum	As at July 01, 2020	Purchased during the period (Rupees in '000')	Matured during the period	As at December 31, 2020	Face value as	Face value as	Face value as		
														percentage of net assets	percentage of total investment	percentage of total investment		
<b>Debt Sub-Fund</b>																		
K-Electric Limited - ICP 6	26-Feb-20	39,165	-	39,165	-													
K-Electric Limited - ICP 7	10-Mar-20	41,934	-	41,934	-													
		81,099	-	81,099	-													
<b>Money Market Sub-Fund</b>																		
K-Electric Limited - ICP 6	26-Feb-20	20,560	-	20,560	-													
K-Electric Limited - ICP 7	10-Mar-20	21,454	-	21,454	-													
		42,014	-	42,014	-													
<b>5.5 Term Deposit Receipts - at fair value through profit or loss</b>																		
<b>Money Market Sub-Fund</b>																		
						Bank Alfalah Limited	22-Jan-21	AA+	7.80%	-	95,000	-	95,000	0.00%	0.00%	0.00%		
<b>Total as at December 31, 2020 (Un-audited)</b>											<b>95,000</b>	<b>-</b>	<b>95,000</b>					
<b>Total as at June 30, 2020 (Audited)</b>											<b>109,000</b>	<b>-</b>	<b>109,000</b>					

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

		December 31, 2020 (Un-audited)			
		Equity	Debt	Money	
		Sub-Fund	Sub-Fund	Market	Total
		(Rupees in '000')			
Note					
<b>6. ACCRUED EXPENSES AND OTHER LIABILITIES</b>					
	6.1	7,590	4,260	1,925	13,775
	6.2	2,420	2,405	1,151	5,976
		491	15	1	507
		190	138	30	358
		119	78	72	269
		-	-	22	22
		27,135	-	-	-
		-	61	-	61
		<b>37,945</b>	<b>6,957</b>	<b>3,201</b>	<b>20,968</b>

		June 30, 2020 (Audited)			
		Equity	Debt	Money	
		Sub-Fund	Sub-Fund	Market	Total
		(Rupees in '000')			
		3,993	3,928	1,661	9,582
		2,420	2,405	1,151	5,976
		183	3	1	187
		872	870	43	1,785
		144	132	102	378
		3,207	2,706	22	5,935
		-	117	22	139
		<b>10,819</b>	<b>10,161</b>	<b>3,002</b>	<b>23,982</b>

**6.1 Provision for Sindh Workers' Welfare Fund**

There is no change in the status of the SWWF as reported in note 12.1 to the annual financial statements of the Fund for the year ended June 30, 2020. Had the provision not been made, the net assets value per unit of the Fund would have been higher by Rs.2.52 per unit in respect of Equity Sub-Fund, Rs.2.52 per unit in respect of Debt Sub-Fund and Re.0.92 per unit in respect of Money Market Sub-Fund as at December 31, 2020 (June 30, 2020: Rs.2.74 per unit in respect of Equity Sub-Fund, Re.2.10 per unit in respect of Debt Sub-Fund and Re.0.84 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 12.2 to the annual financial statements. Had the provision not been made, the net assets value per unit of the Fund would have been higher by Rs.1.53 (June 30, 2020: Rs.1.66) per unit in respect of Equity Sub-Fund, Rs.1.54 (June 30, 2020: Rs.1.29) per unit in respect of Debt Sub-Fund, Re.0.64 (June 30, 2020: Re.0.58) per unit in respect of Money Market Sub-Fund as at December 31, 2020.

**7. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at December 31, 2020 (June 30, 2020: Nil).

**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.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

## 9. CONTRIBUTION TABLE

December 31, 2020 (Un-audited)								
Individuals:	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)
Issuance of units	239,930	117,376	225,211	68,183	386,266	104,062	851,407	289,621
Redemption of units	(110,014)	(55,042)	(536,144)	(162,905)	(546,199)	(146,506)	(1,192,357)	(364,453)

December 31, 2019 (Un-audited)								
Individuals:	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)	Units	(Rupees)
Issuance of units	244,773	107,489	532,587	140,530	539,883	130,614	1,317,243	378,633
Redemption of units	(326,047)	(137,885)	(593,402)	(157,566)	(261,010)	(63,689)	(1,180,459)	(359,140)

## 10. NUMBER OF UNITS IN ISSUE

	December 31, 2020 (Un-audited)		
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	----- (Number of units) -----		
Total units outstanding at beginning of the period	1,455,861	1,872,146	1,972,139
Units issued during the period	239,930	225,211	386,266
Units redeemed during the period	(110,014)	(536,144)	(546,199)
Total units in issue at end of the period	<u>1,585,777</u>	<u>1,561,213</u>	<u>1,812,206</u>

	June 30, 2020 (Audited)		
	----- (Number of units) -----		
Total units outstanding at the beginning of the year	1,668,870	2,022,000	1,339,095
Units issued during the year	455,429	938,985	1,095,899
Units redeemed during the year	(668,438)	(1,088,839)	(462,855)
Total units in issue at the end of the year	<u>1,455,861</u>	<u>1,872,146</u>	<u>1,972,139</u>

## 11. EARNINGS PER UNIT

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

Note	December 31, 2020 (Un-audited)				June 30, 2020 (Audited)
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	----- (Rupees in '000) -----				
	7,160	175,481	202,946	385,587	390,143
	-	-	123,347	123,347	114,801
	-	-	95,000	95,000	-
	-	-	-	-	123,113
	<u>7,160</u>	<u>175,481</u>	<u>421,293</u>	<u>603,934</u>	<u>628,057</u>

## 12. CASH AND CASH EQUIVALENTS

Balances with banks - savings accounts	5.2	7,160	175,481	202,946	385,587	390,143
Treasury Bill maturing within 3 months		-	-	123,347	123,347	114,801
Term deposit receipts		-	-	95,000	95,000	-
Commercial papers		-	-	-	-	123,113
		<u>7,160</u>	<u>175,481</u>	<u>421,293</u>	<u>603,934</u>	<u>628,057</u>

## 13. TRANSACTIONS WITH CONNECTED PERSONS

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

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

Remuneration payable to the Pension Fund Manager and the Trustee is determined in accordance with the provision of the VPS Rules and constitutive documents of the Fund respectively.



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

**13.3 Unit Holders' Fund**

**FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (Un-audited)**

	As at July 01, 2020	Issued for cash	Redeemed	As at December 31, 2020	As at July 01, 2020	Issued for cash	Redeemed	As at December 31, 2020
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----- (Units) ----- (Rupees in '000')

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

- Pakistan Pension Fund - Equity	252,196	-	-	252,196	111,135	-	-	139,162
- Pakistan Pension Fund - Debt	253,109	-	-	253,109	75,518	-	-	78,152
- Pakistan Pension Fund - Money Market	300,000	-	-	300,000	79,587	-	-	81,729

**Key management personnel**

- Pakistan Pension Fund - Equity	4,832	5,212	2,757	7,287	2,129	2,712	1,432	4,021
- Pakistan Pension Fund - Debt	3,683	366	3,268	781	1,099	111	985	241
- Pakistan Pension Fund - Money Market	996	97	920	173	264	26	246	47

**FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (Un-audited)**

	As at July 01, 2019	Issued for cash	Redeemed	As at December 31, 2019	As at July 01, 2019	Issued for cash	Redeemed	As at December 31, 2019
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----- (Units) ----- (Rupees in '000')

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

- Pakistan Pension Fund - Equity	252,196	-	-	252,196	109,024	-	-	129,119
- Pakistan Pension Fund - Debt	253,109	-	-	253,109	65,158	-	-	69,934
- Pakistan Pension Fund - Money Market	300,000	-	-	300,000	71,022	-	-	75,294

**Key management personnel**

- Pakistan Pension Fund - Equity	4,358	2,949	3,976	3,331	3,329	1	2	1,705
- Pakistan Pension Fund - Debt	664	3,123	191	3,596	587	853	50	994
- Pakistan Pension Fund - Money Market	45	834	52	827	11	207	12	208

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

**14. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

**Level 1:** quoted prices in active markets for identical assets or liabilities;

**Level 2:** those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

**Level 3:** those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2020 and June 30, 2020, the Fund held the following instruments measured at fair values:

<b><u>December 31, 2020 (Un-audited)</u></b>	<b>Note</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- (Rupees) -----					
<b>Equity Sub-Fund</b>					
Listed equity securities		872,002	-	-	872,002
<b>Debt Sub-Fund</b>					
Government Securities -					
Pakistan Investment Bonds	14.1.1	-	230,733	-	230,733
Government Securities - Treasury Bills	14.1.1	-	-	-	-
Term Finance Certificates / Sukuks	14.1.2	12,093	63,550	-	75,643
<b>Money Market Sub-Fund</b>					
Government Securities - Treasury Bills		-	198,160	-	198,160
Term Deposit Receipts		-	95,000	-	95,000
		<b>884,095</b>	<b>492,443</b>	<b>-</b>	<b>1,471,538</b>
<b><u>June 30, 2020 (Audited)</u></b>					
<b>Equity Sub-Fund</b>					
Listed equity securities		637,124	-	-	637,124
<b>Debt Sub-Fund</b>					
Government Securities -					
Pakistan Investment Bonds		-	5,654	-	5,654
Government Securities - Treasury Bills		-	226,173	-	226,173
Term Finance Certificates / Sukuks		14,010	94,472	-	108,482
Commercial paper		-	81,099	-	81,099
<b>Money Market Sub-Fund</b>					
Government Securities - Treasury bills		-	261,976	-	261,976
Commercial paper		-	42,014	-	42,014
		<b>651,134</b>	<b>711,388</b>	<b>-</b>	<b>1,362,522</b>

During the period ended December 31, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

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

**14.1.1** Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (Reuters page).

**14.1.2** Investments in Term Finance Certificates and Sukuks issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital, are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

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

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

**15. GENERAL**

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

**16. DATE OF AUTHORISATION FOR ISSUE**

These interim financial statements were authorised for issue on February 08, 2021 by the Board of Directors of the Pension Fund Manager.

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



Chief Executive Officer



Director

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

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