

**PAKISTAN
PENSION FUND**

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FUND'S INFORMATION

| | | |
|--|--|---|
| Pension Fund Manager | Arif Habib Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi | |
| Board of Directors of the Pension Fund Manager | Mian Mohammad Mansha Mr. Nasim Beg Mr. Yasir Qadri Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Mahmood Ahmad | Chairman(subject to the approval of SECP) Executive Vice Chairman Chief Executive (subject to the approval of SECP) Director (subject to the approval of SECP) Director (subject to the approval of SECP) Director (subject to the approval of SECP) Director Director (subject to the approval of SECP) |
| Company Secretary & Chief Financial Officer of the Pension Fund Manager | Mr. Muhammad Saqib Saleem | |
| Audit Committee | Mr. Nasim Beg Mr. Haroun Rashid Mr. Samad A. Habib Mr. Ali Munir | |
| Trustee | Habib Metropolitan Bank Limited 8th Floor, HBZ Plaza, I.I. Chundrigar Road, Karachi. | |
| Bankers | Habib Metropolitan Bank Limited | |
| Auditors | M. Yousuf Adil Saleem & Co. Chartered Accountants Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi. | |
| Legal Advisor | Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530 | |
| Registrar | Arif Habib Investments Limited 8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi. | |
| Rating | AM2 (Positive Outlook) Management Quality Rating assigned by PACRA | |

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

Dear Investor,

On behalf of the Board of Directors, I am pleased to present the financial results of **Pakistan Pension Fund** for the nine months ended March 31, 2012.

ECONOMY AND MONEY MARKET OVERVIEW

On the macroeconomic front, inflationary pressures have remained largely on the lower side during the period with YoY CPI inflation averaging 10.8% amid change in CPI methodology as well as high base-effect of last year. External account, however, has started deteriorating significantly with 8M FY12 current account balance posting a sizeable deficit of US\$ 3.0 billion amid higher trade deficit despite record remittances flows. Financial flows have remained weak during the period thereby posing serious risks towards balance of payment position as well as exchange rate. On the fiscal side, the government posted a budget deficit of 2.5% of GDP during 1H FY12 with about 94% funding coming from the domestic sources (including one-off circular debt adjustment, 1H FY12 deficit is around 4.4%). Significant deterioration in key macroeconomic indicators has compelled the SBP to keep its earlier adopted monetary easing stance at a halt during the latter part of the period under review.

In the money market, short term market rates remained on the higher side due to relatively tight liquidity scenario in the system amid continued NFA attrition. Due to sizeable depletion in net foreign assets (NFA) of the banking system, market liquidity remained largely tight almost throughout the period - compelling the SBP to constantly inject significant amount of money in the system through OMOs in order to calm down the market.

EQUITIES MARKET OVERVIEW

After remained bearish for the first six months of the period under review, bullish trend returned at the local bourses during the 3Q FY12 and pushed the KSE-100 Index by significant 21% during the quarter together with buoyant volumes. The major impetus to market came primarily from Finance minister's acceptance of SECP's proposal on CGT relaxation and tax amnesty scheme that reignited the investors' interest, particularly of retail investors which were largely sidelined after the imposition of CGT. Average volumes during the third quarter also improved significantly to 196 million shares, also largely contributed by mid to small-cap stocks. In addition to the local participation, foreign investors also made a comeback to the local bourse with a net inflow of US\$16.1 million after two consecutive quarters of net outflows. Strong corporate earnings announcement by key listed companies also served to uphold the momentum in the market despite concerns of macroeconomic imbalances.

Sector-wise, Banks, Cement, Oil & Gas and Chemical sectors remained center of major activity although significant interest was also seen in several small-cap stocks.

FUND PERFORMANCE

Debt Sub-fund

During the period under review, the debt sub-fund generated an annualized return of 11.7%. The fund built its exposure in GOP Ijarah Sukuk on the back of attractive yields and capital gains potential. The fund, however, decreased its exposure in Treasury Bills to around 36% while maintaining its exposure in PIBs to 42% at period-end.

Money Market Sub-fund

The money market sub-fund generated an annualized return of 10.5% during the period under review. The fund increased its exposure in Treasury Bills from 79.3% to 93.3% while reducing its cash exposure on the other hand.

Equity Sub-fund

The Equity sub-fund generated a return of 12.8% while the KSE-100 increased by 10.1% during the period under review. The sub-fund maintained its overall equity exposure to around 89%. Sector-wise, the sub-fund increased exposure in Oil & Gas, Banks, and Construction & Materials sectors while reducing its holdings from Chemicals and General Industrial sectors.

FUTURE OUTLOOK

Despite relatively lower inflation, fragile external and fiscal accounts would continue to keep a check on the SBP's future monetary direction. We continue to flag realization of foreign flows as the single most important variable especially in the backdrop of sustained oil prices, downward trend in cotton prices and debt repayments including IMF. However, re-emergence of talks over US flows under coalition support fund (CSF) and Kerry-Lugar bill would hold the key for the economic outlook in the near term.

Although the external environment, both political and macroeconomic, may remain challenging, market should continue to find support from the earnings season with a focus on Banking, Oil & Gas and Construction Materials Sectors. However, the market could seek correction/profit taking if there is any further delay on the CGT and amnesty related announcement.

ACKNOWLEDGMENT

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

On behalf of Directors,

Yasir Qadri
Chief Executive Officer
Dated: April 27, 2012

CONDENSED INTERIM BALANCE SHEET

As at March 31, 2012

| | | (Un-Audited) | | | | (Audited) |
|--|---------------------------|-------------------------|---------------------------------|------------|---------------|-------------|
| | | March 31, 2012 | | | | |
| Note | PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund | Total | June 30, 2011 | |
| Rupees | | | | | | |
| ASSETS | | | | | | |
| Balances with banks | 6 | 110,427 | 25,973 | 2,189,822 | 2,326,222 | 17,176,249 |
| Investments (as per condensed interim statement of investments by category) | | 59,021,584 | 89,304,655 | 68,222,561 | 216,548,800 | 197,493,562 |
| Dividend receivable | | 1,519,352 | - | - | 1,519,352 | 282,251 |
| Interest receivable | | 24,482 | 1,423,770 | 1,596 | 1,449,848 | 1,693,431 |
| Deposits and other receivables | 7 | 5,883,530 | 5,878,194 | 2,714,292 | 14,476,016 | 10,653,186 |
| TOTAL ASSETS | | 66,559,375 | 96,632,592 | 73,128,271 | 236,320,238 | 227,298,679 |
| LIABILITIES | | | | | | |
| Payable against redemption of units | | 1,620,079 | 1,565,956 | 957,135 | 4,143,170 | 5,871,119 |
| Payable to Pension Fund Manager | | 94,821 | 135,173 | 99,516 | 329,510 | 265,823 |
| Payable to the Trustee | | 10,540 | 15,025 | 11,062 | 36,627 | 34,366 |
| Payable to Auditors | | 66,674 | 103,202 | 80,485 | 250,361 | 225,500 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | | 14,153 | 22,127 | 17,154 | 53,434 | 64,880 |
| Payable against purchase of investment | | - | - | - | - | - |
| Accrued and other liabilities | 8 | 153,098 | 35,121 | 2,269,667 | 2,457,886 | 186,200 |
| TOTAL LIABILITIES | | 1,959,365 | 1,876,604 | 3,435,019 | 7,270,988 | 6,647,888 |
| NET ASSETS | | 64,600,010 | 94,755,988 | 69,693,252 | 229,049,250 | 220,650,791 |
| CONTINGENCY | | | | | | |
| Participants Sub-Funds (as per condensed interim statement of movement in participants' sub-funds) | 9 | 64,600,010 | 94,755,988 | 69,693,252 | | |
| Number of units in issue | | 563,440 | 648,921 | 458,700 | | |
| Net assets value per unit | | 114.65 | 146.02 | 151.94 | | |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information

For Arif Habib Investments Limited
(Pension Fund Manager)

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

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| Note | Nine months ended March 31, 2012 | | | | Nine months ended March 31, 2011 |
|------|----------------------------------|-------------------|---------------------------|-------|----------------------------------|
| | PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund | Total | |

Rupees

INCOME

| | | | | | |
|--|------------------|------------------|------------------|-------------------|-------------------|
| Capital (loss)/gain on sale of investments - net | 4,862,350 | 1,777 | 5,559 | 4,869,686 | 3,695,890 |
| Dividend income | 3,441,030 | - | - | 3,441,030 | 2,409,188 |
| Income from investment in government securities | - | 6,519,130 | 6,077,940 | 12,597,070 | 10,154,544 |
| Income from Term Finance Certificates - Sukuk | - | 863,756 | - | 863,756 | 1,878,293 |
| Profit on bank deposits | 252,530 | 152,061 | 186,905 | 591,496 | 554,379 |
| Impairment loss on listed equity investments classified as "available-for-sale" | 10.1 (2,329,618) | - | - | (2,329,618) | (593,272) |
| Unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss' | 364,619 | 7,042 | (11,833) | 359,828 | - |
| Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed | (21,602) | 152,193 | (48,227) | 82,364 | 6,788,853 |
| Total Income | 6,569,309 | 7,695,959 | 6,210,344 | 20,475,612 | 24,887,875 |

EXPENSES

| | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Remuneration to Pension Fund Manager | 636,912 | 995,706 | 771,981 | 2,404,599 | 2,139,035 |
| Sales tax on remuneration to Pension Fund Manager | 101,905 | 159,313 | 123,516 | 384,734 | - |
| Remuneration to the Trustee | 82,425 | 128,796 | 99,569 | 310,790 | 278,406 |
| Annual fee - Securities and Exchange Commission of Pakistan | 14,152 | 22,127 | 17,154 | 53,433 | 47,533 |
| Auditors' Remuneration | 70,976 | 108,835 | 85,050 | 264,861 | 225,206 |
| Custody and settlement charges | 231,360 | 41,964 | 2,810 | 276,134 | 72,406 |
| Legal and professional charges | 13,915 | 21,794 | 16,904 | 52,613 | 57,376 |
| Bank charges | 4,915 | 6,453 | 3,517 | 14,885 | 12,522 |
| Total Expenses | 1,156,560 | 1,484,988 | 1,120,501 | 3,762,049 | 2,832,484 |

| | | | | | |
|--|------------------|------------------|------------------|-------------------|-------------------|
| Net (loss) / income before taxation | 5,412,749 | 6,210,971 | 5,089,843 | 16,713,563 | 22,055,391 |
|--|------------------|------------------|------------------|-------------------|-------------------|

| | | | | | |
|----------------------------------|------|---|---|---|---------|
| Provision for taxation - current | 12 - | - | - | - | 127,237 |
|----------------------------------|------|---|---|---|---------|

| | | | | | |
|---|------------------|------------------|------------------|-------------------|-------------------|
| Net (loss) / income after taxation | 5,412,749 | 6,210,971 | 5,089,843 | 16,713,563 | 21,928,154 |
|---|------------------|------------------|------------------|-------------------|-------------------|

Other comprehensive (loss) / income for the period

| | | | | | |
|---|--------------|-----------|--------|-----------|-----------|
| Unrealised (loss)/ gain on re-valuation of investments classified as 'available for sale' - net | 10 2,166,891 | 1,394,447 | 14,661 | 3,576,000 | 7,363,186 |
|---|--------------|-----------|--------|-----------|-----------|

| | | | | | |
|---|------------------|------------------|------------------|-------------------|-------------------|
| Total comprehensive (loss) / income for the period | 7,579,640 | 7,605,418 | 5,104,504 | 20,289,563 | 29,291,340 |
|---|------------------|------------------|------------------|-------------------|-------------------|

| | | | | | |
|--------------------------|----------------|-------------|--------------|--|--|
| Earnings per unit | 13 9.58 | 9.90 | 10.88 | | |
|--------------------------|----------------|-------------|--------------|--|--|

The annexed notes 1 to 19 form an integral part of this condensed interim financial information

For Arif Habib Investments Limited
(Pension Fund Manager)

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

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| Note | Quarter ended March 31, 2012 | | | | Quarter ended March 31, 2011 |
|--|------------------------------|-------------------|---------------------------|------------|------------------------------|
| | PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund | Total | |
| ----- Rupees ----- | | | | | |
| INCOME | | | | | |
| Capital gain on sale of investments - net | 4,867,498 | - | - | 4,867,498 | 176,795 |
| Dividend income | 1,412,047 | - | - | 1,412,047 | 1,000,441 |
| Income from investment in government securities | - | 2,111,782 | 1,932,436 | 4,044,218 | 3,940,423 |
| Income from term finance certificates and sukuk bonds | - | 207,362 | - | 207,362 | 461,348 |
| Profit on bank accounts | 36,292 | 50,831 | 37,201 | 124,324 | 159,172 |
| Impairment loss on investments classified as 'available-for-sale' | 10.1 (99,936) | - | - | (99,936) | - |
| Unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss' | 364,619 | 7,042 | (11,833) | 359,828 | - |
| Element of (loss) / income and capital (losses) / gain included in prices of units issued less those in units redeemed | 2,564 | 346,198 | 102,317 | 451,079 | (970,349) |
| Total Income | 6,583,084 | 2,723,215 | 2,060,121 | 11,366,420 | 4,767,830 |
| EXPENSES | | | | | |
| Remuneration to Pension Fund Manager | 217,204 | 333,191 | 254,052 | 804,447 | 745,763 |
| Sales tax on remuneration to Pension Fund Manager | 34,752 | 53,311 | 40,648 | 128,711 | - |
| Remuneration to Trustee | 28,075 | 43,072 | 32,844 | 103,991 | 96,885 |
| Annual fee - Securities and Exchange Commission of Pakistan | 4,827 | 7,404 | 5,646 | 17,877 | 16,572 |
| Auditors' Remuneration | 22,788 | 35,020 | 26,720 | 84,528 | 73,973 |
| Custody and settlement charges | 129,094 | 36,764 | 1,810 | 167,668 | 8,178 |
| Legal and professional charges | 4,691 | 7,210 | 5,501 | 17,402 | 17,259 |
| Bank charges | 60 | 98 | (290) | (132) | 2 |
| Total expenses | 441,491 | 516,070 | 366,931 | 1,324,492 | 958,632 |
| Net (loss) /income before taxation | 6,141,593 | 2,207,145 | 1,693,190 | 10,041,928 | 3,809,198 |
| Provision for taxation - current | 12 - | - | - | - | 46,973 |
| Net (loss) / income after taxation | 6,141,593 | 2,207,145 | 1,693,190 | 10,041,928 | 3,762,225 |
| Other comprehensive (loss) / income for the period | | | | | |
| Unrealised (loss)/ gain on re-valuation of investments classified as 'available for sale' - net | 2,315,401 | 607,351 | 2,070 | 2,924,823 | 1,195,068 |
| Total comprehensive (loss) / income for the period | 8,456,994 | 2,814,496 | 1,695,260 | 12,966,750 | 4,957,293 |
| Earnings per unit | 13 10.94 | 3.57 | 3.73 | | |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information

For Arif Habib Investments Limited
(Pension Fund Manager)

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

Page 1 of 2

| | Nine months ended March 31, 2012 | | | | Nine months ended March 31, 2011 |
|--|----------------------------------|-------------------|---------------------------|--------------|----------------------------------|
| | PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund | Total | |
| ----- Rupees ----- | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Net income before taxation | 5,412,749 | 6,210,971 | 5,089,843 | 16,713,563 | 22,055,397 |
| Adjustments for non cash items: | | | | | |
| Impairment loss on investments classified as 'available-for-sale' | 2,329,618 | - | - | 2,329,618 | 593,272 |
| Unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss' | (364,619) | (7,042) | 11,833 | (359,828) | |
| Elements of loss / (income) and capital losses/ (gains) in prices of units issued less those in units redeemed - net | 21,602 | (152,193) | 48,227 | (82,364) | (6,788,853) |
| | 1,986,601 | (159,235) | 60,060 | 1,887,426 | (6,195,581) |
| (Increase) / decrease in assets | | | | | |
| Investments - net | (3,852,191) | (2,688,819) | (10,908,019) | (17,449,029) | (27,598,457) |
| Dividend receivable | (1,237,101) | - | - | (1,237,101) | (559,780) |
| Interest receivable | (12,547) | 246,523 | 9,607 | 243,583 | 1,066,290 |
| Deposits and other receivables | (3,553,716) | (435,075) | 165,961 | (3,822,830) | 1,946,983 |
| | (8,655,555) | (2,877,371) | (10,732,451) | (22,265,377) | (25,144,964) |
| (Decrease) / increase in liabilities | | | | | |
| Payable against redemption of units | 1,146,636 | (957,100) | (1,917,485) | (1,727,949) | - |
| Remuneration payable to Pension Fund Manager | 19,288 | 29,217 | 15,182 | 63,687 | 52,996 |
| Payable to Trustee | 775 | 1,327 | 159 | 2,261 | 6,712 |
| Payable to Auditors | (216) | 15,596 | 9,481 | 24,861 | 706 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | (4,929) | (3,139) | (3,378) | (11,446) | (2,350) |
| Payable against purchase of investment | - | - | - | - | - |
| Other liabilities | 108,246 | (53,569) | 2,217,009 | 2,271,686 | (3,826,717) |
| | 1,269,800 | (967,668) | 320,968 | 623,100 | (3,768,653) |
| Taxation paid | - | - | - | - | (126,917) |
| Cash (used in)/generated from operating activities | 13,595 | 2,206,697 | (5,261,580) | (3,041,287) | (13,180,718) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| Receipt of contribution | 4,761,625 | 11,646,341 | 5,915,718 | 22,323,685 | 41,946,507 |
| Payment against redemptions | (8,762,705) | (14,853,329) | (10,516,390) | (34,132,424) | (37,225,088) |
| Cash (used in) /generated from financing activities | (4,001,080) | (3,206,987) | (4,600,672) | (11,808,740) | 4,721,419 |
| Net (decrease)/ increase in cash and cash equivalents | (3,987,485) | (1,000,290) | (9,862,252) | (14,850,027) | (8,459,299) |
| Cash and cash equivalents at beginning of the period | 4,097,912 | 1,026,263 | 12,052,074 | 17,176,249 | 15,665,252 |
| Cash and cash equivalents at end of the period | 110,427 | 25,973 | 2,189,822 | 2,326,222 | 7,205,953 |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information

**For Arif Habib Investments Limited
(Pension Fund Manager)**

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

Page 2 of 2

| Quarter ended March 31, 2012 | | | | Quarter ended March 31, 2011 |
|------------------------------|----------------------|---------------------------------|-------|---------------------------------|
| PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund | Total | |

----- Rupees -----

CASH FLOW FROM OPERATING ACTIVITIES

| | | | | | |
|----------------------------|-----------|-----------|-----------|------------|-----------|
| Net income before taxation | 6,141,593 | 2,207,145 | 1,693,190 | 10,041,928 | 3,809,198 |
|----------------------------|-----------|-----------|-----------|------------|-----------|

Adjustments for:

| | | | | | |
|--|-----------|-----------|-----------|-----------|---------|
| Impairment loss on investments classified as 'available-for-sale' | 99,936 | - | - | 99,936 | - |
| Unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss' | (364,619) | (7,042) | 11,833 | (359,828) | - |
| Elements of loss / (income) and capital losses / (gains) in prices of units issued less those in units redeemed - net | (2,564) | (346,198) | (102,317) | (451,079) | 970,349 |
| | (267,247) | (353,240) | (90,484) | (710,971) | 970,349 |

(Increase) / decrease in assets

| | | | | | |
|--------------------------------|-------------|--------------|-------------|--------------|-------------|
| Investments - net | (3,867,849) | (6,768,260) | (3,601,738) | (14,237,847) | (3,194,993) |
| Dividend receivable | (1,412,047) | - | - | (1,412,047) | (691,832) |
| Interest receivable | 6,264 | 390,615 | 9,855 | 406,734 | 1,006,472 |
| Deposits and other receivables | (3,081,048) | (4,927,824) | (1,874,161) | (9,883,033) | 4,481 |
| | (8,354,680) | (11,305,469) | (5,466,044) | (25,126,193) | (2,875,872) |

(Decrease) / increase in liabilities

| | | | | | |
|--|-----------|-----------|-----------|-----------|---------|
| Payable against redemption of units | 1,421,664 | 1,330,210 | 933,969 | 3,685,843 | - |
| Remuneration payable to Pension Fund Manager | 18,311 | 6,515 | (1,325) | 23,501 | 11,509 |
| Payable to Trustee | 1,973 | 643 | (204) | 2,412 | 1,429 |
| Payable to Auditors | 22,787 | 35,020 | 26,721 | 84,528 | 73,973 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 4,827 | 7,404 | 5,646 | 17,877 | 16,573 |
| Payable against purchase of investment | (71,466) | - | - | (71,466) | - |
| Other liabilities | (155,448) | 6,869 | 2,127,986 | 1,979,407 | 14,758 |
| | 1,242,648 | 1,386,661 | 3,092,793 | 5,722,102 | 118,242 |

| | | | | | |
|---------------|---|---|---|---|----------|
| Taxation paid | - | - | - | - | (50,828) |
|---------------|---|---|---|---|----------|

| | | | | | |
|---|-------------|-------------|-----------|--------------|-----------|
| Cash (used in) / generated from operating activities | (1,237,686) | (8,064,903) | (770,545) | (10,073,133) | 1,971,089 |
|---|-------------|-------------|-----------|--------------|-----------|

CASH FLOW FROM FINANCING ACTIVITIES

| | | | | | |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| Receipt of contribution | 2,667,186 | 8,673,622 | 4,040,973 | 15,381,782 | 8,978,483 |
| Payment against redemptions | (1,522,052) | (2,333,706) | (3,316,581) | (7,172,339) | (9,834,785) |

| | | | | | |
|---|-----------|-----------|---------|-----------|-----------|
| Cash (used in) / generated from financing activities | 1,145,134 | 6,339,917 | 724,392 | 8,209,442 | (856,302) |
|---|-----------|-----------|---------|-----------|-----------|

Net (decrease) / increase in cash and cash equivalents

| | | | | | |
|---|---------|-----------|-----------|-----------|-----------|
| Cash and cash equivalents at beginning of the period | 202,979 | 1,750,959 | 2,235,975 | 4,189,913 | 6,091,165 |
| Cash and cash equivalents at end of the period | 110,427 | 25,973 | 2,189,822 | 2,326,222 | 7,205,952 |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information

For Arif Habib Investments Limited
(Pension Fund Manager)

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman

CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

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| | Nine months ended March 31, 2012 | | | | Nine months ended March 31, 2011 |
|--|----------------------------------|-------------------|---------------------------|--------------|----------------------------------|
| | PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund | Total | |
| | Rupees | | | | |
| Net assets at the beginning of the period | 60,999,848 | 90,509,750 | 69,141,193 | 220,650,791 | 175,808,664 |
| Amount received on issue of units | 4,761,625 | 11,646,341 | 5,915,718 | 22,323,685 | 41,946,506 |
| Amount paid on redemption of units | (8,762,705) | (14,853,329) | (10,516,390) | (34,132,424) | (37,225,088) |
| | (4,001,080) | (3,206,987) | (4,600,672) | (11,808,740) | 4,721,418 |
| Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net | | | | | |
| - amount representing loss / (income) and realised capital losses / (gains) - net | 21,602 | (152,193) | 48,227 | (82,364) | (6,788,853) |
| - amount representing unrealised diminution / (appreciation) in fair value of investments | 307,310 | 800,012 | 1,314,142 | 2,421,464 | (146,189) |
| | 328,912 | 647,819 | 1,362,369 | 2,339,100 | (6,935,042) |
| Net unrealized (loss) / gain during the period in the market value of investments classified as available-for-sale | 2,166,891 | 1,394,447 | 14,661 | 3,576,000 | 7,363,186 |
| Element of (loss) / income and capital (losses)/gains included in prices of units issued less those in units redeemed - amount representing unrealised (diminution) / appreciation - net | (307,310) | (800,012) | (1,314,142) | (2,421,464) | 146,189 |
| Net (loss) / income after taxation for the period | 5,412,749 | 6,210,971 | 5,089,843 | 16,713,563 | 21,928,154 |
| Net assets at the end of the period | 64,600,010 | 94,755,988 | 69,693,252 | 229,049,250 | 203,032,569 |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information

**For Arif Habib Investments Limited
(Pension Fund Manager)**

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman

CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

Page 2 of 2

| | Quarter ended March 31, 2012 | | | | Quarter ended March 31, 2011 |
|--|------------------------------|-------------------|---------------------------|-------------|------------------------------|
| | PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund | Total | |
| | ----- Rupees ----- | | | | |
| Net assets at the beginning of the period | 51,232,502 | 86,550,155 | 67,352,808 | 205,135,465 | 197,961,233 |
| Amount received on issue of units | 2,667,186 | 8,673,622 | 4,040,973 | 15,381,782 | 8,978,483 |
| Amount paid on redemption of units | (1,522,052) | (2,333,706) | (3,316,581) | (7,172,339) | (9,834,785) |
| | 1,145,134 | 6,339,917 | 724,392 | 8,209,442 | (856,302) |
| Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net | | | | | |
| - amount representing loss / (income) and realised capital losses / (gains) - net | (2,564) | (346,198) | (102,317) | (451,079) | 970,349 |
| - amount representing unrealised (appreciation)/ diminution in fair value of investments | 284,344 | (1,605,431) | (179,203) | (1,500,290) | (211,104) |
| | 281,780 | (1,951,629) | (281,520) | (1,951,369) | 759,245 |
| Net unrealized (loss) / gain during the period in the market value of investments classified as available-for-sale | 6,083,345 | 4,969 | 25,179 | 6,113,494 | 1,195,068 |
| Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing unrealised appreciation / (diminution) - net | (284,344) | 1,605,431 | 179,203 | 1,500,290 | 211,104 |
| Net (loss) / income after taxation for the period | 6,141,593 | 2,207,145 | 1,693,190 | 10,041,928 | 3,762,225 |
| Net assets at the end of the period | 64,600,010 | 94,755,988 | 69,693,252 | 229,049,250 | 203,032,573 |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information

For Arif Habib Investments Limited
(Pension Fund Manager)

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman

CONDENSED INTERIM STATEMENT OF INVESTMENTS BY CATEGORY AS AT MARCH 31, 2012

| (Un-Audited) | | | | (Audited) |
|---------------------------|-------------------------|------------------------------------|-------|---------------|
| March 31, 2012 | | | | June 30, 2011 |
| PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund | Total | |

Rupees

Available-for-sale investments

| | | | | | |
|---|-------------------|-------------------|-------------------|--------------------|--------------------|
| Listed equity securities | 38,602,310 | - | - | 38,602,310 | 54,967,501 |
| Pakistan Investment Bonds | - | 39,433,462 | - | 39,433,462 | 37,876,032 |
| Treasury Bills | - | 30,283,295 | 25,853,456 | 56,136,751 | 96,151,463 |
| Ijara Sukuk | - | 5,068,496 | - | 5,068,496 | - |
| Term Finance Certificates and Sukuk bonds | - | 8,667,716 | - | 8,667,716 | 8,498,566 |
| | <u>38,602,310</u> | <u>83,452,969</u> | <u>25,853,456</u> | <u>147,908,735</u> | <u>197,493,562</u> |

Investments classified as 'at fair value through profit or loss'

| (Un-Audited) | | | | (Audited) |
|---------------------------|-------------------------|------------------------------------|-------|---------------|
| March 31, 2012 | | | | June 30, 2011 |
| PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund | Total | |

Rupees

| | | | | | |
|---------------------------|-------------------|------------------|-------------------|-------------------|----------|
| Listed equity securities | 20,419,274 | - | - | 20,419,274 | - |
| Pakistan Investment Bonds | - | 920,622 | - | 920,622 | - |
| Treasury Bills | - | 4,931,064 | 42,369,105 | 47,300,169 | - |
| | <u>20,419,274</u> | <u>5,851,686</u> | <u>42,369,105</u> | <u>68,640,065</u> | <u>-</u> |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information

For Arif Habib Investments Limited
(Pension Fund Manager)

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman

CONDENSED INTERIM STATEMENT OF INVESTMENT PORTFOLIO (UN-AUDITED) AS AT MARCH 31, 2012

AS AT MARCH 31, 2012

PPF EQUITY SUB-FUND
LISTED SHARES - AVAILABLE-FOR-SALE

Page 1 of 3

| Name of the Investee Company | Number of shares | | | | As at March 31, 2012 | | | % of paid up capital of the investee company |
|--|---------------------|-----------------------------|--------------------------------------|-------------------------|----------------------|-------------------|---|--|
| | As at July 01, 2011 | Purchases during the period | Bonus/ Right Issue during the period | Sales during the period | As at March 31, 2012 | Cost | Market value Appreciation/ (Diminution) | |
| | | | | | | | | |
| Personal Goods | | | | | | | | |
| Nishat Chunian Limited | 72,000 | - | - | 72,000 | - | - | - | 0.00% |
| Nishat Mills Limited | 49,086 | - | - | 49,086 | - | - | - | 0.00% |
| Tobacco | | | | | | | | |
| Pakistan Tobacco Company Limited | 17,988 | 299 | - | 10,972 | 7,315 | 780,225 | 341,757 (438,468) | 0.00% |
| Industrial Metals and Mining | | | | | | | | |
| International Industries Limited | 56,519 | - | - | 56,519 | - | - | - | 0.00% |
| Electronic and Electrical Equipment | | | | | | | | |
| Pakistan Cables Limited | 9,532 | - | - | - | 9,532 | 1,558,249 | 393,004 (1,165,245) | 0.03% |
| Chemicals | | | | | | | | |
| Engro Corporation Limited | 14,709 | 15,850 | 7,519 | 30,493 | 7,585 | 768,617 | 753,039 (15,578) | 0.00% |
| Fatima Fertilizer Co. Limited | - | 112,000 | - | 112,000 | - | - | - | 0.00% |
| Fauji Fertilizers Bin Qasim Limited | 34,359 | - | - | 34,359 | - | - | - | 0.00% |
| Fauji Fertilizers Company Limited | 14,156 | 32,000 | - | 46,156 | - | - | - | 0.00% |
| Sitara Chemical Industries Limited | 20,767 | 13,000 | - | 33,767 | - | - | - | 0.00% |
| General Industries | | | | | | | | |
| Packages Limited | 24,403 | - | - | 24,403 | - | - | - | 0.00% |
| Thal Limited | 25,100 | - | 3,020 | 18,100 | 10,020 | 920,349 | 868,433 (51,916) | 0.01% |
| Banks | | | | | | | | |
| Allied Bank Limited | 44,083 | - | 4,408 | - | 48,491 | 2,140,814 | 3,107,303 966,489 | 0.01% |
| Bank Al-Habib Limited | 84,049 | 26,000 | 13,507 | 20,000 | 103,556 | 2,352,009 | 2,864,359 512,350 | 0.01% |
| Habib Metropolitan Bank Limited | 115,611 | - | - | 115,611 | - | - | - | 0.00% |
| Meezan Bank Limited | 149,785 | 20,000 | 17,202 | 32,162 | 154,825 | 1,923,538 | 4,381,548 2,458,009 | 0.02% |
| National Bank of Pakistan Limited | 35,500 | 26,000 | - | 61,500 | - | - | - | 0.00% |
| United Bank Limited | - | 48,000 | - | 12,000 | 36,000 | 1,911,112 | 2,760,480 849,368 | 0.00% |
| | | | | | | 8,327,474 | 13,113,690 4,786,216 | 20.30% |
| Balance carried forward | | | | | | 12,354,914 | 15,469,923 | 23.42% |

For Arif Habib Investments Limited
(Pension Fund Manager)

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman

**PPF EQUITY SUB-FUND
LISTED SHARES - AVAILABLE-FOR-SALE**

* The above include shares with a market value aggregating to Rs. 4,154,200 (June 2011: NIL) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

Yasir Qadri
Chief Executive Officer

**For Arif Habib Investments Limited
(Pension Fund Manager)**

Nasim Beg
Executive Vice Chairman

The annexed notes 1 to 19 form an integral part of this condensed interim financial information

Nasim Beg
Executive Vice Chairman

Yasir Qadri
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED) AS AT MARCH 31, 2012

PPF DEBT SUB-FUND
AVAILABLE-FOR-SALE INVESTMENTS

Page 1 of 2

| Name of Investment | Face value | | | | As at March 31, 2012 | | | Market value as a % of net asset of the sub - fund |
|-----------------------------------|--------------------|-----------------------------|-------------------------------------|----------------------|----------------------|--------------|----------------------------|--|
| | As at July 1, 2011 | Purchases during the period | Sales/ maturities during the period | As at March 31, 2012 | Cost | Market value | Appreciation/ (Diminution) | |
| ----- Rupees ----- | | | | | | | | |
| Pakistan investment bonds | 40,000,000 | - | - | 40,000,000 | 39,800,186 | 39,433,462 | (366,724) | 41.62% |
| Treasury bills | 39,900,000 | 56,000,000 | 63,900,000 | 32,000,000 | 30,293,732 | 30,283,295 | (10,437) | 31.96% |
| Government Ijarah Sukuk (3 years) | - | 5,000,000 | - | 5,000,000 | 5,062,826 | 5,068,496 | 5,670 | 5.35% |
| | 79,900,000 | 61,000,000 | 63,900,000 | 77,000,000 | 75,156,744 | 74,785,253 | (371,491) | 78.92% |

| Name of Investment | Issue Date | Number of Certificates | | | | As at March 31, 2012 | | | Market value as a percentage of net asset of the sub - investments | Market value as a percentage of total investments | Percentage in relation to the total size of the issue |
|---|------------|------------------------|-----------------------------|----------------------------------|----------------------|----------------------|--------------|-----------------------------|--|---|---|
| | | As at July 1, 2011 | Purchases during the period | Sales/ matured during the period | As at March 31, 2012 | Cost | Market value | Appreciation / (Diminution) | | | |
| (-----Number of Certificates-----) (-----Rupees-----) (----- % -----) | | | | | | | | | | | |
| Term Finance Certificates (TFCs) | | | | | | | | | | | |
| Bank Alfalah TFC-IV (Floating) | 2-Dec-09 | 500 | - | - | 500 | 2,499,251 | 2,532,982 | 33,731 | 2.86 | 1.71 | 0.05% |
| Engro Fertilizer Limited- TFC PRP-1 | 18-Mar-08 | 800 | - | - | 800 | 3,462,000 | 3,759,996 | 297,996 | 4.25 | 2.54 | 0.10% |
| Askari Commercial Bank Limited TFC | 4-Feb-05 | 175 | - | - | 175 | 862,079 | 883,463 | 21,384 | 1.00 | 0.60 | 0.06% |
| | | 1,475 | - | - | 1,475 | 6,823,330 | 7,176,441 | 353,111 | 8.11 | 4.85 | |
| Sukuk Bonds | | | | | | | | | | | |
| Pak Electron Limited | 8-May-08 | 750 | - | - | 750 | 1,379,110 | 1,491,275 | 112,165 | 1.68 | 1.01 | 0.13% |
| | | 750 | - | - | 750 | 1,379,110 | 1,491,275 | 112,165 | 1.68 | 1.01 | |
| Total | | 2,225 | - | - | 2,225 | 8,202,440 | 8,667,716 | 465,276 | 9.79 | 5.86 | |

INVESTMENTS AT 'FAIR VALUE THROUGH PROFIT OR LOSS'

| Name of Investment | Face value | | | | As at March 31, 2012 | | | Market value as a % of net asset of the sub - fund |
|---------------------------|--------------------|-----------------------------|-------------------------------------|----------------------|----------------------|--------------|----------------------------|--|
| | As at July 1, 2011 | Purchases during the period | Sales/ maturities during the period | As at March 31, 2012 | Book value | Market value | Appreciation/ (Diminution) | |
| -----Rupees----- | | | | | | | | |
| Pakistan investment bonds | - | 1,000,000 | - | 1,000,000 | 913,862 | 920,622 | 6,760 | 0.97% |
| Treasury bills | - | 5,000,000 | - | 5,000,000 | 4,930,782 | 4,931,064 | 282 | 5.20% |
| | - | 6,000,000 | - | 6,000,000 | 5,844,644 | 5,851,686 | 7,042 | 6.18% |

| | |
|---------------------------------------|---------------|
| Total | |
| March 31, 2012 | June 30, 2011 |
| Rupees | |
| Market Value of government securities | 80,636,939 |
| Market Value of TFCs and Sukuk bonds | 8,498,567 |
| | 89,304,655 |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information

**For Arif Habib Investments Limited
(Pension Fund Manager)**

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman

CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED) AS AT MARCH 31, 2012

AVAILABLE FOR SALE INVESTMENTS

Page 2 of 2

| Name of Investment | Face value | | | | As at March 31, 2012 | | | Market value as a % of net asset of the sub - fund |
|--------------------|--------------------|-----------------------------|-------------------------------------|----------------------|----------------------|--------------|----------------------------|--|
| | As at July 1, 2011 | Purchases during the period | Sales/ maturities during the period | As at March 31, 2012 | Book value | Market value | Appreciation/ (Diminution) | |

----- Rupees -----

PPF MONEY MARKET SUB-FUND

| | | | | | | | | |
|----------------|------------|-------------|-------------|------------|------------|------------|---------|--------|
| Treasury bills | 58,000,000 | 179,600,000 | 211,600,000 | 26,000,000 | 25,860,103 | 25,853,456 | (6,647) | 37.10% |
| | 58,000,000 | 179,600,000 | 211,600,000 | 26,000,000 | 25,860,103 | 25,853,456 | (6,647) | 37.10% |

-----Total-----

March 31, June 30,
2012 2011

----- Rupees -----

| | | |
|--------------|------------|------------|
| Market value | 25,853,456 | 76,715,780 |
|--------------|------------|------------|

INVESTMENTS CLASSIFIED AS 'AT FAIR VALUE THROUGH PROFIT OR LOSS'

| Name of Investment | Face value | | | | As at March 31, 2012 | | | Market value as a % of net asset of the sub - fund |
|--------------------|--------------------|-----------------------------|-------------------------------------|----------------------|----------------------|--------------|----------------------------|--|
| | As at July 1, 2011 | Purchases during the period | Sales/ maturities during the period | As at March 31, 2012 | Book value | Market value | Appreciation/ (Diminution) | |

----- Rupees -----

PPF MONEY MARKET SUB-FUND

| | | | | | | | | |
|----------------|---|------------|------------|------------|------------|------------|----------|--------|
| Treasury bills | - | 87,000,000 | 44,000,000 | 43,000,000 | 42,380,938 | 42,369,105 | (11,833) | 60.79% |
| | - | 87,000,000 | 44,000,000 | 43,000,000 | 42,380,938 | 42,369,105 | (11,833) | 60.79% |

-----Total-----

March 31, June 30,
2012 2011

----- Rupees -----

| | | |
|--------------|------------|------------|
| Market value | 25,853,456 | 76,715,780 |
|--------------|------------|------------|

The annexed notes 1 to 19 form an integral part of this condensed interim financial information

For Arif Habib Investments Limited
(Pension Fund Manager)

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman

CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

Page 1 of 2

| Contributions net of front end fee | Nine months ended March 31, 2012 | | | | | | | Nine months ended March 31, 2011 |
|------------------------------------|----------------------------------|-------------|-------------------|--------------|---------------------------|--------------|--------------|----------------------------------|
| | PPF Equity Sub-Fund | | PPF Debt Sub-Fund | | PPF Money Market Sub-fund | | Total | |
| | Units | Rupees | Units | Rupees | Units | Rupees | | |
| | ----- Rupees ----- | | | | | | | |
| Opening balance | 600,000 | 50,882,315 | 674,513 | 73,624,860 | 491,113 | 54,077,774 | 178,584,949 | 158,203,030 |
| Individuals - issue of units | 49,805 | 4,761,625 | 80,073 | 11,646,341 | 24,833 | 5,915,718 | 22,323,685 | 41,946,506 |
| - redemption of units | (86,365) | (8,762,705) | (105,664) | (14,853,329) | (57,246) | (10,516,390) | (34,132,424) | (37,225,088) |
| | (36,560) | (4,001,080) | (25,592) | (3,206,987) | (32,413) | (4,600,672) | (11,808,740) | 4,721,418 |
| Closing balance | 563,440 | 46,881,235 | 648,921 | 70,417,873 | 458,700 | 49,477,102 | 166,776,209 | 162,924,448 |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information

For Arif Habib Investments Limited
(Pension Fund Manager)

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman

CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

Page 2 of 2

| Contributions net of front end fee | Quarter ended March 31, 2012 | | | | | | | Quarter ended March 31, 2011 |
|------------------------------------|------------------------------|-------------|--------------------|-------------|----------------------------|-------------|-------------|------------------------------|
| | PIPF Equity Sub-fund | | PIPF Debt Sub-fund | | PIPF Money Market Sub-fund | | Total | |
| | Units | Rupees | Units | Rupees | Units | Rupees | | |
| ----- Rupees ----- | | | | | | | | |
| Opening balance | 549,010 | 45,736,101 | 605,039 | 64,077,956 | 454,301 | 48,752,710 | 158,566,767 | 163,780,750 |
| Individuals - issue of units | 32,472 | 2,667,186 | 60,300 | 8,673,622 | 12,458 | 4,040,973 | 15,381,782 | 8,978,483 |
| - redemption of units | (18,042) | (1,522,052) | (16,417) | (2,333,706) | (8,059) | (3,316,581) | (7,172,339) | (9,834,785) |
| | 14,430 | 1,145,134 | 43,882 | 6,339,917 | 4,399 | 724,392 | 8,209,442 | (856,302) |
| Closing balance | 563,440 | 46,881,235 | 648,921 | 70,417,873 | 458,700 | 49,477,102 | 166,776,209 | 162,924,448 |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information

For Arif Habib Investments Limited
(Pension Fund Manager)

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman

CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

Page 1 of 2

| Nine months ended March 31, 2012 | | | |
|--|---------------------------|-------------------------|------------------------------------|
| | PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund |
| | ----- No of units ----- | | |
| Total units outstanding at the beginning of the period | 600,000 | 674,513 | 491,113 |
| Add: Units issued during the period | 49,805 | 80,073 | 24,833 |
| Less: Units redeemed during the period | (86,365) | (105,664) | (57,246) |
| Total units in issue at the end of the period | 563,440 | 648,921 | 458,700 |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information

**For Arif Habib Investments Limited
(Pension Fund Manager)**

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman

CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

Page 2 of 2

| | Quarter ended March 31, 2012 | | |
|--|------------------------------|-------------------------|------------------------------------|
| | PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund |
| | ----- No of units ----- | | |
| Total units outstanding at the beginning of the period | 549,010 | 605,039 | 454,301 |
| Add: Units issued during the period | 32,472 | 60,300 | 12,458 |
| Less: Units redeemed during the period | (18,042) | (16,417) | (8,059) |
| Total units in issue at the end of the period | 563,440 | 648,921 | 458,700 |

The annexed notes 1 to 19 form an integral part of this condensed interim financial information

**For Arif Habib Investments Limited
(Pension Fund Manager)**

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

1 LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Pension Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (AHIL) 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 July 24, 2007 and was executed on September 5, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). Through a revised Trust Deed dated June 16, 2011, Habib Metropolitan Bank Limited has been appointed as new Trustee in place of MCFSL which was approved by SECP on July 7, 2011. The Fund is an open-ended pension fund consisting of three sub-funds namely PPF Equity Sub-Fund, PPF Debt Sub-Fund and PPF 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.

Based on shareholders' resolutions of MCB Asset Management Company Limited and Arif Habib Investments Limited the two companies have merged as of 27 June 2011 through operation of an order from the SECP issued under Section 282L of the Companies Ordinance 1984 (Order through letter no.SCD/NBFC-II/MCBAMCL & AHIL/271/2011 dated 10 June 2011). Arif Habib Investments Limited being a listed company is the surviving entity and in compliance of SBP's approval, it is a subsidiary of MCB Bank. However subsequent to the completion of the merger, the SECP issued an order postponing the effective date of the merger to 30 July 2011 (through letter no. SCD/PR & DD/AMCW/MCB-AMCL & AHI/348/2011 dated 27 June 2011). Since the merger had already taken place and the subsequent order of the SECP could not be complied with, the Company has sought a ruling by the honorable Sindh High Court (SHC). The honorable Sindh High Court (SHC) has held the SECP's subsequent order in abeyance and instructed SECP to treat the companies as merged pending a final ruling. Irrespective of the final ruling, the Fund's assets and NAV remain unaffected.

The Pension Fund Manager has been licensed to act as a Pension Fund Manager under VPS Rules through a certificate of registration issued by the SECP. The registered office of the Pension fund Manager is situated at Techno city Corporate Tower, Hasrat Mohani Road, Karachi, Pakistan.

2. STATEMENT OF COMPLIANCE

- 2.1 This condensed interim financial information have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Trust Deed, the VPS Rules and the directives issued by SECP.

Wherever, the requirements of the Trust Deed, the VPS Rules or the said directives differ with the requirements of IFRS, the requirements of the Trust Deed, the VPS Rules or the said directives take precedence. The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the IAS 34: 'Interim Financial Reporting' and guidelines issued by the SECP for the preparation of the quarterly reports of a pension fund.

- 2.2 This condensed interim financial information comprise of the condensed interim balance sheet as at March 31, 2012 and the condensed interim income statement, condensed interim cash flow statement, condensed interim statement of movement in participants' sub funds, condensed interim statement of investment by category, condensed interim statement of investment portfolio, condensed interim statement of other investments, condensed interim contribution table, condensed interim number of units in issue and notes thereto for the nine months ended March 31, 2012.
- 2.3 This condensed interim financial information are unaudited and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements of the Fund for the year ended June 30, 2011, except for the change in methodology as stated below:

3.1 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

During the period, the Fund has revised the methodology for determination of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed. As per the revised methodology, element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the year is recognised in income statement. Previously, the proportion of opening undistributed income received / paid on issue / redemption of units was being recognised in the income statement.

The revised methodology, in the opinion of the management, would ensure that continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units. The change did not have any impact on the net assets value (NAV) of the Fund.

4. RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Fund for the year ended June 30, 2011.

5. STANDARDS AND INTERPRETATIONS ADOPTED WITH NO EFFECT ON THE CONDENSED INTERIM FINANCIAL INFORMATION

5.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period:

The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning July 1, 2011:

IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The adoption of the revised standard did not have any impact on the Fund's condensed interim financial information.

IFRS 7 (amendment) 'Financial instruments: Disclosures'. This amendment was part of the IASB's annual improvement project published in May 2010. The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. Adoption of this amendment did not have any impact on the Fund's condensed interim financial information.

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

5.2 Standards, interpretations and amendments to published approved accounting standards, as adopted in Pakistan, that are not yet effective:

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in this condensed interim financial information.

| ----- (Un-audited) ----- | | | | (Audited) |
|--------------------------|----------------------|---------------------------------|-------|------------------------|
| As at March 31, 2012 | | | | As at June 30, 2011 |
| PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund | Total | |
| ----- Rupees ----- | | | | |

6. BALANCES WITH BANKS

| | | | | | |
|------------------|---------|--------|-----------|-----------|------------|
| Current accounts | - | 9,819 | 9,471 | 19,290 | - |
| Savings accounts | 110,427 | 16,154 | 2,180,351 | 2,306,932 | 17,176,249 |
| | 110,427 | 25,973 | 2,189,822 | 2,326,222 | 17,176,249 |

Saving accounts with banks carry interest at the rates ranging 5.00% to 8.00% per annum (June 2011: 5.00% to 11.75%)

7. DEPOSITS AND OTHER RECEIVABLES

| | | | | | |
|--------------------------------------|-----------|-----------|-----------|------------|------------|
| Security deposit | 2,700,000 | 200,000 | 100,000 | 3,000,000 | 800,000 |
| Receivable against issuance of units | 1,897,968 | 4,720,415 | 2,614,292 | 9,232,675 | 9,853,186 |
| Others | 1,285,562 | 957,779 | - | 2,243,341 | - |
| | 5,883,530 | 5,878,194 | 2,714,292 | 14,476,016 | 10,653,186 |

8. ACCRUED AND OTHER LIABILITIES

| | ------(Un-audited)----- | | | | (Audited) |
|----------------------|-------------------------|-------------------|---------------------------|-----------|---------------------|
| | As at March 31, 2012 | | | | As at June 30, 2011 |
| | PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund | Total | |
| Professional charges | 24,498 | 35,121 | 27,844 | 87,463 | 140,000 |
| Federal excise duty | 12,461 | - | - | 12,461 | - |
| Others | 116,139 | - | 2,241,823 | 2,357,962 | 46,200 |
| | 153,098 | 35,121 | 2,269,667 | 2,457,886 | 186,200 |

----- Rupees -----

9. CONTINGENCY

9.1 Contribution To Workers Welfare Fund

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequently, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on December 14, 2010 the Ministry filed its response against the Constitutional petition requesting the court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

During the period, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the Honorable High Court of Sindh. However, pending the decision of the said constitutional petition, the Management Company believes that the Fund is not liable to contribute to WWF and hence no provision has been recognised by the Management Company. The aggregate unrecognised amount of WWF as at March 31, 2012 amounted to Rs. 1.18 million (June 2011: Rs. 1.003 million).

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

| | ------(Un-audited)----- | | | | (Audited) |
|---|-------------------------|-------------------|---------------------------|---------------|---------------------|
| | As at March 31, 2012 | | | | As at June 30, 2011 |
| | PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund | Total | |
| Market value | 38,602,310 | 83,452,969 | 25,853,456 | 147,908,735 | 197,493,561 |
| Average cost | (31,586,485) | (83,359,184) | (25,860,103) | (140,805,772) | (197,897,188) |
| Net surplus/(deficit) | 7,015,825 | 93,785 | (6,647) | 7,102,964 | (403,627) |
| Impairment loss | | | | | |
| Opening | 5,722,140 | - | - | 5,722,140 | 9,190,573 |
| Charged during the period | 2,329,618 | - | - | 2,329,618 | 2,166,249 |
| Derecognized on sale of investment | (6,260,209) | - | - | (6,260,209) | (5,634,682) |
| | 1,791,549 | - | - | 1,791,549 | 5,722,140 |
| Net unrealised (appreciation) /diminution in fair value of investments at the beginning of the period | 6,640,483 | (1,300,662) | (21,308) | 5,318,513 | (289,798) |
| Current | 2,166,891 | 1,394,447 | 14,661 | 3,576,000 | 5,608,311 |

10.1

10.1 As at March 31, 2012, the management has carried out a scrip wise analysis of impairment in respect of equity securities classified as 'available - for- sale'.

11. SALES TAX ON REMUNERATION OF PENSION FUND MANAGER

During the current period, the provincial government has levied General Sales Tax at the rate of 16% on the remuneration of the Pension Fund Manager through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011.

12. TAXATION

Through Finance Act, 2011, pension funds are included in the list of entities on which provisions of section 113 regarding minimum tax shall not apply, effective from July 01, 2011. Earlier minimum tax @1% of turnover was chargeable under section 113 of the Income Tax Ordinance, 2001, although the income of the Fund is exempt from tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

13. EARNINGS PER UNIT

Earnings per unit (EPU) for the nine months and quarter ended March 31, 2012 in respect of each sub-fund has been calculated by dividing the net income after taxation of a sub-fund by the weighted average number of units of the sub-fund in circulation during the period, which are given below:

| | Nine months ended March 31, 2012 | | |
|------------------------------------|---|----------------------------------|--|
| | PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund |
| Weighted average number of units | 564,775 | 627,631 | 468,010 |
| Net income after taxation (Rupees) | 5,412,749 | 6,210,971 | 5,089,843 |
| Earnings per unit | 9.58 | 9.90 | 10.88 |

| | Quarter ended March 31, 2012 | | |
|------------------------------------|-------------------------------------|----------------------------------|--|
| | PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund |
| Weighted average number of units | 561,464 | 617,914 | 454,066 |
| Net income after taxation (Rupees) | 6,141,593 | 2,207,145 | 1,693,190 |
| Earnings per unit | 10.94 | 3.57 | 3.73 |

14. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include Arif Habib Investments Limited (AHIL) being the Pension Fund Manager and MCB Bank Limited being the holding company of AHIL. Habib Metropolitan Bank 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 an agreed terms.

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

14.1 Transactions during the period

| -----Un Audited----- | | | | Nine months ended March 31, 2011 |
|----------------------------------|-----------------------|----------------------------------|-------|--|
| Nine months ended March 31, 2012 | | | | |
| PPF Equity Sub-Fund | PPF Debt Sub- Fund | PPF Money Market Sub- Fund | Total | |
| ----- Rupees ----- | | | | |

**Arif Habib Investments Limited - Pension
Fund Manager**

| | | | | | |
|---------------------------|---------|---------|---------|-----------|-----------|
| Remuneration | 636,912 | 995,706 | 771,981 | 2,404,599 | 1,393,272 |
| Sales tax on remuneration | | | | | |
| Sales load | 7,587 | 55,913 | 24,250 | 87,749 | 14,451 |

Habib Metropolitan Bank Limited

| | | | | | |
|-------------------------|---------|---------|---------|---------|---|
| Profit on bank deposits | 288,404 | 156,351 | 188,526 | 633,281 | - |
|-------------------------|---------|---------|---------|---------|---|

Habib Metropolitan Bank Limited - Trustee

| | | | | | |
|-------------|--------|---------|--------|---------|---|
| Trustee fee | 82,425 | 128,796 | 99,569 | 310,790 | - |
|-------------|--------|---------|--------|---------|---|

MCB Financial Services Limited - Former Trustee

| | | | | | |
|---------------------|---|---|---|---|---------|
| Trustee fee payable | - | - | - | - | 181,521 |
|---------------------|---|---|---|---|---------|

Directors and officers

| | | | | | |
|---|---------|-----------|-----------|-----------|------------|
| Issue of 4,267 units of PPF Equity sub - fund (2011: 14,983 units) | 429,587 | - | - | 429,587 | 1,403,737 |
| Issue of 6,608 units of PPF Debt sub - fund (2011: 80,670 units) | - | 940,670 | - | 940,670 | 9,992,443 |
| Issue of 6,024 units of PPF Money Market sub - fund (2011: 106,090 units) | - | - | 889,629 | 889,629 | 13,781,160 |
| Redemption of 5,278 units of PPF Equity sub - fund (2011: 210,586 units) | 539,265 | - | - | 539,265 | 17,637,113 |
| Redemption of 30,583 units of PPF Debt sub - fund (2011: 53,139 units) | - | 4,291,492 | - | 4,291,492 | 6,674,079 |
| Redemption of 37,463 units of PPF Money Market sub - fund (2011: 20,573 units) | - | - | 5,470,617 | 5,470,617 | 2,815,531 |

| -----Un Audited----- | | | | Quarter ended March 31, 2011 |
|------------------------------|----------------------|---------------------------------|-------|---------------------------------|
| Quarter ended March 31, 2012 | | | | |
| PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund | Total | |
| ----- Rupees ----- | | | | |

**Arif Habib Investments Limited - Pension
Fund Manager**

| | | | | | |
|--------------|---------|---------|---------|---------|---------|
| Remuneration | 217,204 | 333,191 | 254,052 | 804,447 | 715,955 |
| Sales load | 5,592 | 52,440 | 23,419 | 81,450 | 2,431 |

Habib Metropolitan Bank Limited

| | | | | | |
|-------------------------|--------|--------|--------|---------|---|
| Profit on bank deposits | 69,385 | 50,831 | 37,202 | 157,418 | - |
|-------------------------|--------|--------|--------|---------|---|

Habib Metropolitan Bank Limited - Trustee

| | | | | | |
|-------------|--------|---------|--------|---------|---|
| Trustee fee | 82,425 | 128,796 | 99,569 | 310,790 | - |
|-------------|--------|---------|--------|---------|---|

| -----Un Audited----- | | | | Quarter ended March 31, 2011 |
|------------------------------|----------------------|---------------------------------|-------|---------------------------------|
| Quarter ended March 31, 2012 | | | | |
| PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund | Total | |

-----Rupees-----

MCB Financial Services Limited - Former Trustee

Trustee fee payable - - - - 93,208

Directors and officers

Issue of 2,013 units of PPF Equity sub - fund
(2011: 217 units) 210,405 - - 210,405 22,514

Issue of 3,630 units of PPF Debt sub - fund
(2011: 960 units) - 525,879 - 525,879 125,298

Issue of 2,715 units of PPF Money Market
sub - fund (2011: 1,003 units) - - 408,860 408,860 137,497

Redemption of 1,184 units of PPF Equity sub - fund
(2011: 7,154 units) 128,085 - - 128,085 687,705

Redemption of 4,279 units of PPF Debt sub - fund
(2011: 13,810 units) - 620,771 - 620,771 1,799,324

Redemption of 3,763 units of PPF Money Market
sub - fund (2011: 19,727 units) - - 567,843 567,843 2,700,676

14.2 Amounts outstanding as at period end

| -----Un Audited----- | | | | (Audited) |
|------------------------|----------------------|---------------------------------|-------|---------------|
| As at March 31, 2012 | | | | |
| PPF Equity Sub-Fund | PPF Debt Sub-Fund | PPF Money Market Sub-Fund | Total | June 30, 2011 |

-----Rupees-----

**Arif Habib Investments Limited -
Pension Fund Manager**

Remuneration payable 1,620,079 1,565,956 957,135 4,143,170 265,823

Investment of 300,000 units as seed capital
in each sub-fund (June 2011: 300,000) 34,395,000 43,806,000 45,582,000 123,783,000 112,992,000

Habib Metropolitan Bank Limited

Bank Balances 110,427 16,154 2,180,351 2,306,932 16,737,023

Mark-up receivable 24,482 21,536 1,596 47,614 56,444

Habib Metropolitan Bank Limited -Trustee

Trustee fee payable 10,540 15,025 11,062 36,627 -

MCB Financial Services Limited - Former Trustee

Trustee fee payable - - - - 34,366

Directors and Officers

Investment in PPF Equity Sub - Fund 10,389
units (June 2011: 128,529 units) 1,191,099 - - 1,191,099 13,067,500

Investment in PPF Debt Sub - Fund 22,239
units (June 2011: 124,206 units) - 3,247,339 - 3,247,339 16,667,215

Investment in PPF Money Market Sub - Fund
27,019 units (June, 2011: 87,138 units) - - 4,105,267 4,105,267 12,267,229

15. ACCOUNTING ESTIMATES AND JUDGEMENTS

"The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses . Actual results may differ from these estimates.

The significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty were consistent as those that applied to financial statements as at and for the year ended June 30, 2011."

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arms length transaction. Investments are revalued at the market prices using the appropriate method prevailing on the balance sheet date. The estimated fair value of all other assets and liabilities is considered not different from book value.

17. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on April 27, 2012 by the Board of Directors of the Pension Fund Manager.

18. SIGNIFICANT EVENTS AFTER THE END OF INTERIM PERIOD

There is no significant event to report after the end of interim period ended March 31, 2012

19. GENERAL

Figures have been rounded off to the nearest Rupee.

**For Arif Habib Investments Limited
(Pension Fund Manager)**

Yasir Qadri
Chief Executive Officer

Nasim Beg
Executive Vice Chairman