



**Bachat** ka Doosra Naam

## Quarterly Report

March 31, 2013  
(Unaudited)



Funds Under Management  
of  
Arif Habib Investments Limited

# **PAKISTAN PENSION FUND**

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## FUND'S INFORMATION

<b>Pension Fund Manager</b>	Arif Habib Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
<b>Board of Directors</b>	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 Officer (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)
<b>Audit Committee</b>	Mr. Haroun Rashid Mr. Nasim Beg Mr. Samad A. Habib Mr. Ali Munir	Chairman Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Yasir Qadri	Chairman Member Member Member Member
<b>Company Secretary &amp; Chief Operating Officer</b>	Mr. Muhammad Saqib Saleem, ACA	
<b>Chief Financial Officer</b>	Mr. Umair Ahmed, ACA	
<b>Trustee</b>	Habib Metropolitan Bank Limited 8th Floor, HBZ Building I.I. Chundrigar Road, Karachi.	
<b>Bankers</b>	Habib Metropolitan Bank Limited	
<b>Auditors</b>	M. Yousuf Adil Saleem & Co. Chartered Accountant Cavish Court, 8-35 Block 7-8 KUSHU, Shara-e-Faisal Karachi	
<b>Legal Advisor</b>	Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Pension Fund's** accounts review for the nine months ended March 31st 2013.

## ECONOMY AND MONEY MARKET OVERVIEW

On the macroeconomic front, Mar'13 YoY CPI inflation of 6.57% was lowest since Aug'07, with 9M FY13 average CPI at 7.98%. CPI inflation may dip further in April and remain in the lower range for the next few months. However, with the base effect neutralizing CPI would start rising again expectedly towards the later part of the year. On the other hand, external current account had witnessed significant pressures during the past few months and changed its course during Feb'13 by posting a CA Deficit of US\$ 596 million - taking the 8M FY13 CAB to a deficit of US\$ 700 million. FX reserves continued to remain under pressure amid weaker financial account flows and heavy debt repayments including that of IMF during Mar'13- touching US\$ 12.37 billion mark, as of Mar' 22 2013. On the fiscal front, the government's reliance on domestic sources for fiscal funding has continued with YTD borrowing from banking system stood at an alarming level of PKR 937 billion by Mar'22 2013. With stressing its concerns on the external and fiscal accounts, the State Bank of Pakistan took comfort from declining inflationary trend and lowered its policy discount rate cumulatively by 250 bps to 9.5% during the period under review.

The short term money market rates remained in the higher range during most part of the period owing to relatively tight liquidity position in the system with few exceptions where the market witnessed floors also. SBP continued to inject sizeable amount through Open Market Operations to provide needed liquidity in the market. Given a downward trajectory in YoY CPI inflation coupled with SBP monetary easing stance, the yield curve has adjusted significantly downwards during the period. 1 year PKRV adjusted downwards by 246 bps to 9.51%, while longer tenure 10 year PKRV adjusted downwards by 139 bps to 11.89% during the period under review.

## EQUITIES MARKET OVERVIEW

Positive start of stock market at the beginning of FY13 proved to be a sustainable bullish trend which is still prevailing in the market on the back of positive sentiments generated by timely dissolution of assembly and smooth transition of power to the interim set up. KSE 100 index made new historical high of 18185.19 and posted an outstanding return of 30.7% during the period. Improvement in market activity was also observed and average daily volume turnover remained around 170m shares. Foreign investment continued to flow in the market at a regular pace and resulted in a net inflow of around \$227.7m during 9 months.

Major interest during the period remained in Construction & Materials, Consumer, Oil and Gas and Electricity Sectors where strong inherent bottom line growth, healthy payouts and favorable projected impact of fall in interest rates thrived investor interest. Highly levered companies were also remained in the limelight during the period amid aggressive policy rate cut of cumulative 250 bps by the SBP during the period. Fertilizer manufactures also came in strong demand on the resolution of gas supply issue in later part of the period. Strong corporate results as well as healthy payouts by key companies served to keep the positive momentum intact in the market despite of major concerns on macroeconomic imbalances.

## FUND PERFORMANCE

### Equity Fund

The Equity sub-fund generated a return of 34.8% while the KSE-100 increased by 30.7% during the period under review. The sub-fund increased its overall equity exposure from 83.9% to 87.4%. Sector-wise, the sub-fund increased its exposure in Construction and Materials, Chemicals, Electricity and Oil & Gas sectors, whilst reduced its exposure towards Commercial Banks and Pharma & Bio Tech sectors.

The Net Asset of the Fund as at March 31, 2013 stood at Rs. 96.032 million as compared to Rs 74.227 million as at June 30 2012 registering an increase of 29.38%.

The Net Asset Value (NAV) per unit as at March 31, 2013 was Rs. 157.67 as compared to opening NAV of Rs. 116.84 per unit as at June 30, 2012 registering an increase of Rs. 40.83 per unit.

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

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## Debt Fund

The debt sub-fund generated an annualized return of 9.9% during 9m FY13. The fund's exposure towards GoP Ijarah Sukuk was slightly reduced to 3.4% as compared to 4% at the beginning of the period whereas exposure towards PIBs declined considerably from 32.4% to 7.7% after realizing gain from the downward shift in the yield curve. The Fund, on the other hand, increased its exposure towards T-Bills from 39.4% to 80.6% while reducing TFC allocation from 12.3% to 6.8% during the period under review.

The Net Asset of the Fund as at March 31, 2013 stood at Rs. 145.815 million as compared to Rs 124.591 million as at June 30 2012 registering an increase of 17.03%.

The Net Asset Value (NAV) per unit as at March 31, 2013 was Rs. 159.92 as compared to opening NAV of Rs. 148.83 per unit as at June 30, 2012 registering an increase of Rs. 11.09 per unit.

## Money Market Fund

The money market sub-fund generated a return of 8.3% during the period. The fund increased its exposure in T-bills from 91.9% to 98.1% during the period.

The Net Asset of the Fund as at March 31, 2013 stood at Rs. 102.069 million as compared to Rs 87.072 million as at June 30 2012 registering an increase of 17.22%

The Net Asset Value (NAV) per unit as at March 31, 2013 was Rs. 165.04 as compared to opening NAV of Rs. 155.31 per unit as at June 30, 2012 registering an increase of Rs. 9.73 per unit.

## FUTURE OUTLOOK

Going forward despite continued lower range of CPI inflation, further rate cut seems a distant possibility given deteriorating fiscal and external accounts, significant IMF repayments ahead and alarming monetary growth - while the potential return to the IMF may result in a cycle of monetary tightening by end of 2Q CY13. Government bond market, which remained active for last few months on the back of soft inflation numbers and expected monetary easing, has started to become relatively less active, especially on the longer end, with the anticipation of no rate cut and possible rate hikes in the next 2-4 months. In this backdrop, the activities are expected to be concentrated at short-end Treasury Bills going forward.

On the equity front severe pressure on external account, reversal of monetary expansion cycle resulting in interest rate hike and reduction in subsidies going forward would be challenging and high volatility might be observed in the stock market. However in short run attractive valuations, positive earnings outlook of major companies, liquidity inflows on both local and foreign fronts are expected to keep the market going while positive sentiments generated by smooth transfer of power to the new elected Government is expected to provide the much needed support. Prudence requires us to be cautious and extra vigilant to the unfolding macro situation while keep responding to strong fundamentals based stimuli.

## 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**

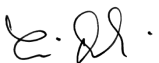
Chief Executive Officer

Dated: April 24, 2013

# CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2013

		----- (Un-Audited) -----				(Audited)
		March 31, 2013				
Note	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub- Fund	Total	June 30, 2012	
----- Rupees -----						
<b>ASSETS</b>						
Balances with banks	5.	6,113,619	1,344,889	1,787,239	9,245,747	5,888,838
Investments (as per condensed interim statement of investments by category)		84,244,995	144,103,206	100,466,055	328,814,256	254,286,300
Dividend receivable		3,291,054	-	-	3,291,054	661,029
Profit receivable		23,736	597,750	6,634	628,120	1,885,422
Deposits and other receivables	6.	2,701,147	200,000	100,000	3,001,147	25,783,699
<b>TOTAL ASSETS</b>		<b>96,374,551</b>	<b>146,245,844</b>	<b>102,359,928</b>	<b>344,980,324</b>	<b>288,505,288</b>
<b>LIABILITIES</b>						
Payable against redemption of units		-	-	-	-	479,358
Payable to Arif Habib Investments Limited - Pension Fund Manager		141,776	212,380	148,509	502,665	357,717
Payable to the Habib Metro Bank Limited - Trustee		14,333	21,629	15,080	51,041	39,464
Payable to Auditors		72,216	108,890	75,611	256,718	250,203
Annual fee payable to the Securities and Exchange Commission of Pakistan		21,950	33,191	23,041	78,182	73,591
Accrued expenses and other liabilities	7.	92,672	53,825	29,118	175,615	1,415,218
<b>TOTAL LIABILITIES</b>		<b>342,947</b>	<b>429,915</b>	<b>291,359</b>	<b>1,064,221</b>	<b>2,615,551</b>
<b>NET ASSETS</b>		<b>96,031,604</b>	<b>145,815,929</b>	<b>102,068,569</b>	<b>343,916,103</b>	<b>285,889,737</b>
<b>CONTINGENCY</b>						
8						
Participants' Sub-Funds (as per condensed interim Statement of Movement in Participants' sub-funds)		96,031,604	145,815,929	102,068,569		
-----Number of units-----						
Number of units in issue		609,078	911,783	618,441		
-----Amount in Rupees-----						
Net assets value per unit		157.67	159.92	165.04		

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

  
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Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)

  
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Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

## FOR THE NINE MONTHS ENDED MARCH 31, 2013

Note	Nine months ended March 31, 2013				Nine months ended March 31, 2012
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	
----- Rupees -----					
<b>INCOME</b>					
Capital gain on sale of investments	14,381,620	1,962,587	339	16,344,546	4,869,686
Dividend income	6,048,816	-	-	6,048,816	3,441,030
Income from investment in government securities	-	8,356,140	6,819,259	15,175,399	12,597,070
Income from Term Finance Certificates - Sukuk	-	1,610,311	-	1,610,311	863,756
Profit on bank and other deposits	311,565	312,484	149,542	773,590	591,496
Unrealized gain / (loss) in fair of investment classified as 'at fair value through profit or loss'	4,812,377	33,520	(11,493)	4,834,405	359,828
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	497,044	611,748	408,142	1,516,934	82,364
<b>Total Income</b>	26,051,423	12,886,789	7,365,789	46,304,001	22,805,230
Reversal of / (provision) against investments classified as 'available for sale'	1,253,225	(835,719)	-	417,506	(2,329,618)
<b>Total Income - net of provision against investments</b>	27,304,648	12,051,070	7,365,789	46,721,506	20,475,612
<b>EXPENSES</b>					
Remuneration of Arif Habib Investments Limited - Pension Fund Manager	988,142	1,493,175	1,036,917	3,518,234	2,404,599
Sales tax on remuneration to Pension Fund Manager	158,104	238,907	165,907	562,918	384,734
Remuneration of Habib Metro Bank Limited - Trustee	121,136	183,220	127,186	431,542	310,790
Annual fee - Securities and Exchange Commission of Pakistan	21,950	33,191	23,040	78,181	53,433
Auditors' Remuneration	78,643	119,722	83,150	281,515	264,861
Custody and settlement charges	725,955	161,998	-	887,953	276,134
Legal and professional charges	14,746	22,314	15,490	52,550	52,613
Bank charges	1,531	9,313	4,392	15,235	14,885
<b>Total Expenses</b>	2,110,207	2,261,840	1,456,082	5,828,128	3,762,049
<b>Net income before taxation</b>	25,194,441	9,789,230	5,909,707	40,893,378	16,713,563
Provision for taxation - current	-	-	-	-	-
<b>Net income after taxation</b>	25,194,441	9,789,230	5,909,707	40,893,378	16,713,563
<b>Other comprehensive income for the period</b>					
Unrealised gain on re-valuation of investments classified as 'available for sale' - net	612,693	141,550	-	754,243	3,576,000
<b>Total comprehensive income for the period</b>	25,807,134	9,930,780	5,909,707	41,647,621	20,289,563
<b>Earnings per unit</b>	40.74	11.46	10.30		

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

For Arif Habib Investment Limited  
(Management Company)

  
Chief Executive Officer

  
Director



# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED March 31, 2013

	Note	Quarter ended March 31, 2013				Quarter ended March 31, 2012
		PPF Equity Sub-Fund	PPF Debt Sub- Fund	PPF Money Market Sub- Fund	Total	
----- Rupees -----						
<b>INCOME</b>						
Capital gain / (Loss) on sale of investments - net		3,314,382	9,837	(7)	3,324,212	4,867,498
Dividend income		2,941,761	-	-	2,941,761	1,412,047
Income from investment in government securities		-	2,563,954	2,134,727	4,698,681	4,044,218
Income from Term Finance Certificates - Sukuk bonds		-	655,418	-	655,418	207,362
Profit on bank and other deposit		63,946	111,654	56,918	232,517	124,324
Impairment loss on investments classified as 'available-for-sale'		-	-	-	-	-
Unrealized (loss) / gain on revaluation of investment classified as 'at fair value through profit and loss'-net		(1,186,850)	(205,092)	(28,723)	(1,420,664)	359,828
Element of income / (loss) and capital gain / (losses) included in prices of units issued less those in units redeemed		1,194,072	500,549	344,082	2,038,703	451,079
<b>Total Income</b>		6,327,312	3,636,319	2,506,997	12,470,628	11,366,420
Reversal of / (provision) against investments classified as 'available for sale'		1,253,225	-	-	1,253,225	-
		7,580,537	3,636,319	2,506,997	13,723,853	11,366,420
<b>Total Income - net of provision against investments</b>						
<b>EXPENSES</b>						
Remuneration of Arif Habib Investments Limited - Pension Fund Manager	10.	344,160	513,699	357,989	1,215,848	804,447
Sales tax on remuneration to Pension Fund Manager		55,067	82,192	57,278	194,537	128,711
Remuneration of Habib Metropolitan Bank Limited - Trustee		41,671	62,319	43,379	147,369	103,991
Annual fee - Securities and Exchange Commission of Pakistan		7,633	11,415	7,945	26,993	17,877
Auditors' Remuneration		26,148	39,101	27,217	92,466	84,528
Custody and settlement charges		193,811	46,226	-	240,037	167,668
Legal and professional charges		4,880	7,299	5,081	17,260	17,402
Bank charges		-	2,621	1,857	4,478	(132)
<b>Total Expenses</b>		673,370	764,872	500,746	1,938,988	1,324,492
<b>Net income before taxation</b>		6,907,167	2,871,448	2,006,251	11,784,864	10,041,928
Provision for taxation - current	11.	-	-	-	-	-
<b>Net income after taxation</b>		6,907,167	2,871,448	2,006,251	11,784,864	10,041,928
<b>Other comprehensive income for the period</b>						
Unrealised gain on re-valuation of investments classified as 'available for sale' - net		(883,426)	(98,510)	-	(981,936)	2,924,823
<b>Total comprehensive income for the period</b>		6,023,741	2,772,937	2,006,251	10,802,929	12,966,750
<b>Earnings per unit</b>	12.	11.46	3.27	3.39		

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

For Arif Habib Investment Limited  
(Management Company)

  
Chief Executive Officer

  
Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

## FOR THE NINE MONTHS ENDED MARCH 31, 2013

	Nine months ended March 31, 2013				Nine months ended March 31, 2012
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market sub-Fund	Total	
	----- Rupees -----				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net income before taxation	25,194,441	9,789,230	5,909,707	40,893,378	16,713,563
<b>Adjustments for non cash items:</b>					
Capital (gain) on sale of investment-net	(14,381,620)	(1,962,587)	(339)	(16,344,546)	-
(Reversal) / Impairment loss on investments classified as 'available-for-sale'	(1,253,225)	835,719	-	(417,506)	2,329,618
Unrealized (gain) / loss on revaluation of investment classified as 'at fair value through profit and loss'	(4,812,377)	(33,520)	11,493	(4,834,405)	(359,828)
Elements of (income) / loss and (gains) / capital losses in prices of units issued less those in units redeemed - net	(497,044)	(611,748)	(408,142)	(1,516,934)	(82,364)
	(20,944,267)	(1,772,136)	(396,988)	(23,113,391)	1,887,426
<b>Decrease / (increase) in assets</b>					
Investments - net	207,833	(32,400,217)	(19,984,873)	(52,177,257)	(17,449,029)
Dividend receivable	(2,630,025)	-	-	(2,630,025)	(1,237,101)
Profit receivable	(11,819)	1,262,968	6,153	1,257,302	243,583
Deposits and other receivables	4,864,038	11,493,199	6,425,315	22,782,552	(3,822,830)
	2,430,027	(19,644,050)	(13,553,404)	(30,767,427)	(22,265,377)
<b>(Decrease) / increase in liabilities</b>					
Payable against redemption of units	(185,414)	(182,136)	(111,808)	(479,358)	(1,727,949)
Payable to Arif Habib Investments Limited - Pension Fund Manager	45,127	61,067	38,754	144,948	63,687
Payable to the Habib Metropolitan Bank Limited - Trustee	3,670	4,936	2,972	11,577	2,261
Payable to Auditors	4,770	5,596	(3,851)	6,515	24,861
Annual fee payable to the Securities and Exchange Commission of Pakistan	2,212	2,679	(300)	4,591	(11,446)
Payable against purchase of investment	-	-	-	-	-
Accrued expenses and other liabilities	(991,116)	(141,482)	(107,005)	(1,239,603)	2,271,686
	(1,120,751)	(249,341)	(181,238)	(1,551,330)	623,100
<b>Cash generated from / (used in) from operating activities</b>	5,559,450	(11,876,297)	(8,221,924)	(14,538,770)	(3,041,287)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Receipt of contribution	7,348,778	24,182,483	19,747,889	51,279,150	22,323,685
Payment against redemptions	(10,854,110)	(12,276,728)	(10,252,634)	(33,383,472)	(34,132,424)
<b>Cash (used in) / generated from financing activities</b>	(3,505,332)	11,905,755	9,495,255	17,895,678	(11,808,739)
<b>Net increase (decrease) / in cash and cash equivalents</b>	2,054,119	29,458	1,273,331	3,356,908	(14,850,026)
Cash and cash equivalents at beginning of the period	4,059,500	1,315,430	513,908	5,888,838	17,176,249
<b>Cash and cash equivalents at end of the period</b>	6,113,619	1,344,889	1,787,239	9,245,746	2,326,223

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

For Arif Habib Investment Limited  
(Management Company)

  
Chief Executive Officer

  
Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

## FOR THE QUARTER ENDED MARCH 31, 2013

	Quarter ended March 31, 2013				Quarter ended March 31, 2012
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market sub Fund	Total	
	----- Rupees -----				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net income before taxation	6,907,167	2,871,448	2,006,251	11,784,865	10,041,928
<b>Adjustments for:</b>					
Capital (gain) on sale of investment-net	(3,314,382)	(9,837)	7	(3,324,212)	
Unrealized (gain) / loss on revaluation of investment classified as 'at fair value through profit and loss'	(4,812,377)	205,092	11,493	(4,595,793)	(359,828)
Impairment loss on investments classified as 'available-for-sale'	4,746,002	-	17,230	4,763,232	99,936
Elements of (income) / loss and (gains) / capital losses in prices of units issued less those in units redeemed - net	(1,194,072)	(500,549)	(344,082)	(2,038,703)	(451,079)
	(4,574,830)	(305,294)	(315,352)	(5,195,476)	(710,971)
<b>Decrease /(increase) in assets</b>					
Investments - net	4,774,598	(10,899,642)	(8,246,225)	(14,372,237)	(14,237,847)
Dividend receivable	(2,487,160)	-	-	(2,487,160)	(1,412,047)
Profit receivable	(13,272)	(38,425)	5,033	(46,664)	406,734
Deposits and other receivables	1,673,298	28,557	53,722	1,755,577	(9,883,033)
	3,947,464	(10,909,510)	(8,187,469)	(15,149,515)	(25,126,193)
<b>(Decrease) / Increase in liabilities</b>					
Payable against redemption of units	(1,505,101)	(1,087,671)	(330,277)	(2,923,049)	3,685,843
Payable to Arif Habib Investments Limited - Pension Fund Manager	6,864	11,815	9,988	28,667	23,501
Payable to the Habib Metropolitan Bank Limited - Trustee	1,261	2,224	1,682	5,166	2,413
Payable to Auditors	26,148	39,101	27,217	92,467	84,528
Annual fee payable to the Securities and Exchange Commission of Pakistan	7,633	11,415	7,947	26,995	17,877
Payable against purchase of Investment					(71,466)
Accrued expenses and other liabilities	(412,245)	(202,126)	(253,090)	(867,461)	1,979,407
	(1,875,440)	(1,225,242)	(536,533)	(3,637,214)	5,722,103
<b>Cash generated from / (used in) operating activities</b>	4,404,362	(9,568,599)	(7,033,104)	(12,197,340)	(10,073,133)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Receipt of contribution	2,924,900	11,289,630	8,476,504	22,691,034	15,381,782
Payment against redemptions	(1,952,047)	(2,669,036)	(1,703,425)	(33,383,472)	(7,172,339)
<b>Cash generated from / (used in) operating activities</b>	972,853	8,620,594	6,773,079	(10,692,437)	8,209,443
<b>Net increase / (decrease) in cash and cash equivalents</b>	5,377,215	(948,004)	(260,025)	(22,889,778)	(1,863,690)
Cash and cash equivalents at beginning of the period	736,405	2,292,892	2,047,264	5,076,561	4,189,913
<b>Cash and cash equivalents at end of the period</b>	6,113,619	1,344,889	1,787,239	(17,813,217)	2,326,223

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

For Arif Habib Investment Limited  
(Management Company)

  
Chief Executive Officer

  
Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	Nine months ended March 31, 2013				Nine months ended March 31, 2012
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	
	----- Rupees -----				
Net assets at the beginning of the period	74,226,846	124,591,142	87,071,749	285,889,737	220,650,791
Amount received on issue of units	7,348,778	24,182,483	19,747,889	51,279,150	22,323,685
Amount paid on redemption of units	(10,854,110)	(12,276,728)	(10,252,634)	(33,383,472)	(34,132,424)
	(3,505,332)	11,905,755	9,495,255	17,895,678	(11,808,739)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed -net					
- amount representing (income) / loss and realised capital (gains) / losses - net	(497,044)	(611,748)	(408,142)	(1,516,934)	(82,364)
- amount representing unrealised (appreciation) / diminution in fair value of investments	(6,686)	(3,675,063)	(3,203,695)	(6,885,444)	2,421,464
	(503,729)	(4,286,812)	(3,611,836)	(8,402,378)	2,339,100
Net unrealized gain / (loss) during the period in the market value of investments classified as available-for-sale	612,693	141,550	-	754,243	3,576,000
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	6,686	3,675,063	3,203,695	6,885,444	(2,421,464)
Net income after taxation for the period	25,194,441	9,789,230	5,909,707	40,893,378	16,713,563
Net assets at the end of the period	96,031,604	145,815,929	102,068,569	343,916,103	229,049,251

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

  
\_\_\_\_\_  
Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2013

	Quarter ended March 31, 2013				Quarter ended March 31, 2012
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	
	----- Rupees -----				
Net assets at the beginning of the period	90,229,082	134,922,925	93,633,320	318,785,327	205,135,465
Amount received on issue of units	2,924,900	11,289,630	8,476,504	22,691,034	15,381,782
Amount paid on redemption of units	(1,952,047)	(2,669,036)	(1,703,425)	(6,324,508)	(7,172,339)
	972,853	8,620,594	6,773,079	16,366,526	8,209,443
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed -net					
- amount representing (income) / loss and realised capital (gains) / losses - net	(1,194,072)	(500,549)	(344,082)	(2,038,703)	(451,079)
- amount representing unrealised (appreciation) / diminution in fair value of investments	644,200	(4,724,215)	(3,203,695)	(7,283,710)	(1,500,290)
	(549,871)	(5,224,765)	(3,547,776)	(9,322,413)	(1,951,369)
Net unrealized gain / (loss) during the period in the market value of investments classified as available-for-sale	(883,426)	(98,488)	-	(981,914)	6,113,494
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	(644,200)	4,724,215	3,203,695	7,283,710	1,500,290
Net income after taxation for the period	6,907,167	2,871,447	2,006,252	11,784,866	10,041,928
Net assets at the end of the period	96,031,604	145,815,929	102,068,569	343,916,103	229,049,250

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

  
\_\_\_\_\_  
Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM STATEMENT OF INVESTMENTS BY CATEGORY AS AT MARCH 31, 2013

----- (Un-Audited) -----				(Audited)
March 31, 2013				
PPF Equity	PPF Debt	PPF Money Market	Total	June 30, 2012
Sub-Fund	Sub-Fund	Sub-Fund		
----- Rupees -----				

Investment 'at fair value through profit and loss'

Listed equity securities	69,479,874	-	-	69,479,874	43,576,371
Pakistan Investment Bonds	-	984,309	-	984,309	931,282
Market Treasury Bills	-	117,835,946	100,466,055	218,302,001	98,728,046
Term Finance Certificates and Sukuk bonds	-	7,076,958	-	7,076,958	7,000,000
	69,479,874	125,897,213	100,466,055	295,843,142	150,235,699

Available-for-sale' investments

Listed equity securities	14,765,121	-	-	14,765,121	19,816,542
Pakistan Investment Bonds	-	10,283,030	-	10,283,030	39,635,741
Market Treasury Bills	-	-	-	-	31,159,568
Term Finance Certificates and Sukuk bonds	-	2,902,463	-	2,902,463	8,436,250
Government Ijara Sukuk	-	5,020,500	-	5,020,500	5,002,500
	14,765,121	18,205,993	-	32,971,114	104,050,601
	<u>84,244,995</u>	<u>144,103,206</u>	<u>100,466,055</u>	<u>328,814,256</u>	<u>254,286,300</u>

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



Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)



Director

**CONDENSED INTERIM STATEMENT OF INVESTMENT PORTFOLIO (UNAUDITED)**  
**AS AT MARCH 31, 2013**

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

Name of the Investee Company	Number of shares					As at March 31, 2013			Market value as a % of net assets of the sub fund	% of the issued capital of the investee company
	As at July 1, 2012	Purchases during the year	Bonus / Right issue during the year	Sales during the year	As at March 31, 2013	Cost	Market value	Appreciation/ (Diminution)		
						Rupees			%	%
OIL AND GAS PRODUCERS										
Attock Petroleum Limited	2,250	6,400	-	1,700	6,950	3,413,244	3,391,600	-21,644	3.53	0.0101
National Refinery Limited	-	20,400	-	20,400	-	-	-	-	-	-
Oil & Gas Development Company Limited	7,260	33,400	-	17,500	23,160	4,301,468	4,723,250	421,782	4.92	0.0005
Pakistan Oilfields Limited	4,240	6,000	-	-	10,240	4,141,695	4,645,171	503,477	4.84	0.0043
Pakistan Petroleum Limited	5,900	24,500	2,100	-	32,500	5,494,728	5,694,325	199,597	5.93	0.0020
Pakistan State Oil Company Limited	847	22,300	4,149	21,296	6,000	1,249,847	1,218,780	-31,067	1.27	0.0024
Shell Pakistan Limited	-	16,900	-	-	16,900	2,339,297	2,435,121	95,824	2.54	0.0197
						20,940,279	22,108,248	1,167,969	23	
CHEMICALS										
Clariant Pakistan Limited	-	12,100	-	-	12,100	3,055,775	2,732,543	(323,232)	2.85	0.0355
Engro Corporation Limited	18,500	51,500	-	26,000	44,000	4,572,457	5,676,000	1,103,543	5.91	0.0086
Fauji Fertilizer Bin Qasim Limited	-	312,000	-	290,000	22,000	843,300	827,420	(15,880)	0.86	0.0024
Fauji Fertilizer Company Limited	30,000	75,200	-	105,000	200	22,731	21,980	(751)	0.02	0.0000
I.C.I. Pakistan Limited	-	27,200	-	27,200	-	-	-	-	-	-
						8,494,263	9,257,943	763,680	9.64	
FORESTRY AND PAPER										
Century Paper and Board Limited	-	500	-	500	-	-	0	-	-	-
Pakistan Paper Products Limited	11,395	-	2,279	-	13,674	552,430	578,000	25,570	0.60	0.2279
CONSTRUCTION AND MATERIALS										
Attock Cement Pakistan Limited	28,000	-	2,250	30,250	-	-	-	-	-	-
Cherat Cement Company Limited	135,000	77,000	-	135,000	77,000	3,726,750	3,979,360	252,610	4.14	0.0806
Fauji Cement Company Limited	-	640,000	-	300,000	340,000	2,355,031	2,859,400	504,369	2.98	0.0255
Kohat Cement Limited	28,000	45,500	-	46,104	27,396	1,414,087	2,136,066	721,979	2.22	0.0213
Lafarge Pakistan Cement Limited	250,000	-	-	250,000	-	-	-	-	-	-
Lucky Cement Limited	2,931	7,700	-	-	10,631	1,352,173	1,781,649	429,476	1.86	0.0033
Fecto Cement Limited	-	62,500	-	-	62,500	2,226,640	2,215,625	(11,015)	2.31	0.1246
						11,074,681	12,972,100	1,897,420	14	
GENERAL INDUSTRIALS										
Ghani Glass Limited	-	1,500	150	1,650	-	-	-	-	-	-
Packages Limited	-	18,000	-	18,000	-	-	-	-	-	-
Thal Limited	24,000	-	2,102	26,102	-	-	-	-	-	-
Tri-Pack Films Limited	-	6,500	-	6,500	-	-	-	-	-	-
						-	-	-	-	
INDUSTRIAL ENGINEERING										
Al-Ghazi Tractors Limited	-	4,000	-	2,700	1,300	290,388	275,171	(15,217)	0.29	0.0030
Millat Tractors Limited	6,710	2,550	-	9,260	-	-	-	-	-	-
						290,388	275,171	(15,217)	0.29	
AUTOMOBILE AND PARTS										
Exide Pakistan Limited	18,384	-	-	18,384	-	-	-	-	-	-
FOOD PRODUCERS										
Engro Foods Limited	-	27,500	-	10,000	17,500	1,854,990	2,224,775	369,785	2.32	0.0023
National Foods Limited	-	3,000	-	3,000	-	-	-	-	-	-
Uni Lever Pakistan Limited	-	200	-	200	-	-	-	-	-	-
						1,854,990	2,224,775	369,785	2.32	
PERSONAL GOODS										
Ellcot Spining Mills Limited	-	20,000	-	-	20,000	767,490	1,060,000	292,510	1.10	0.1826
Faisal Spinning Mills Limited	-	17,500	-	2,000	15,500	885,714	1,627,345	741,631	1.69	0.1550
Gadoon Textile	-	10,000	-	10,000	-	-	-	-	-	-
Suraj Cotton Mills limited	-	10,000	-	10,000	-	-	-	-	-	-
Bata Pakistan	-	300	-	-	300	383,000	390,000	7,000	0.41	0.0040
						2,036,204	3,077,345	1,041,141	3	
TOBACCO										
Pakistan Tabacco Company Limited	-	36,500	-	30,000	6,500	461,233	513,500	52,267	0.53	0.0025
PHARMA AND BIO TECH										
Abbott Laboratories Pakistan	27,500	-	-	27,500	-	-	-	-	-	-
Ferozsons Laboratories Limited	-	35,500	550	24,500	11,550	1,009,829	924,000	(85,829)	0.96	0.0383
GlaxoSmithKline Limited	42,000	5,500	-	47,500	-	-	-	-	-	-
						1,009,829	924,000	(85,829)	0.96	
MEDIA										
Hum Network Limited	50,000	22,000	-	50,500	21,500	471,134	617,050	145,916	0.64	0.0436

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----- Rupees ----- % %

Pakistan Telecommunication Company  
Limited  
Wateen Telecom Limited

2,227,592	2,631,111	403,519	2.74
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Askari Bank Limited	-	271,000	-	271,000	-	-	-	-	-
Bank Al-Falah Limited	196,000	133,500	-	196,000	133,500	2,301,115	2,015,850	(285,265)	2.10
Bank Al-Habib Limited	17,850	93,500	-	-	111,350	3,323,150	2,930,732	(392,418)	3.05
BankIslami Pakistan Limited	-	310,000	-	-	310,000	2,671,975	1,959,200	(712,775)	2.04
Habib Bank Limited	-	-	-	-	-	-	-	-	-
JS Bank Limited	-	111,500	-	111,500	-	-	-	-	-
Meezan Bank Limited	6,500	45,000	5,665	-	57,165	1,492,980	1,490,863	(2,117)	1.55
National Bank Of Pakistan	-	66,000	7,425	16,500	56,925	2,433,045	2,221,214	(211,831)	2.31
United Bank Limited	26,700	27,000	-	53,000	700	55,528	57,512	1,984	0.06
						<u>12,277,792</u>	<u>10,675,371</u>	<u>(1,602,421)</u>	<u>11.12</u>

Pakistan Reinsurance Company Limited	-	292,000	-	150,000	142,000	2,976,682	3,625,260	648,578	3.78	0.0473
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----- Total -----	
March 2013	June 2012
-----Rupees-----	

69,479,874 43,576,371

The annexed notes form an integral part of these condensed interim financial information

Director

  
\_\_\_\_\_  
**Director**



# STATEMENT OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2013

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

Name of the Investee Company	----- Number of shares -----					As at March 31, 2013			Market value as a % of net assets of the sub-fund	% of the issued capital of the investee company
	Opening balance	Purchases during the year	Bonus / Right issue during the year	Sales during the year	As at March 31, 2013	Cost	Market value	Appreciation/ (Diminution)		
						----- Rupees -----			%	%
OIL AND GAS PRODUCERS										
Attock Petroleum Limited	3,846	-	-	3,500	346	134,365	168,848	34,483	0.18	0.0005
Pakistan Oilfields Limited	4,654	-	-	300	4,354	922,178	1,975,105	1,052,927	2.06	0.0018
Pakistan Petroleum Limited	11,949	-	2,487	2,000	12,436	1,406,990	2,178,912	771,922	2.27	0.0008
						2,463,533	4,322,865	1,859,332	4.50	
CHEMICALS										
Fauji Fertilizer Company Limited	28	-	-	28	-	-	-	-	-	-
FORESTRY AND PAPER										
Security Papers Limited	45,760	-	-	-	45,760	1,740,820	2,427,568	686,748	2.53	0.1112
CONSTRUCTION AND MATERIALS										
Lucky Cement Limited	22,054	-	-	7,100	14,954	1,056,949	2,506,141	1,449,192	2.61	0.0046
GENERAL INDUSTRIALS										
Thal Limited	10,020	-	-	10,020	-	-	-	-	-	-
ELECTRONIC AND ELECTRICAL EQUIPMENT										
Pakistan Cables Limited	9,532	-	-	9,532	-	-	-	-	-	-
ELECTRICITY										
Hub Power Company Limited	50,145	-	-	2,000	48,145	1,749,239	2,419,768	670,528	2.52	0.0042
BANKS										
Bank Al-Habib Limited	103,556	-	-	57,500	46,056	1,046,044	1,212,194	166,150	1.26	0.0046
Meezan Bank Limited	64,825	-	7,130	-	71,955	805,383	1,876,586	1,071,204	1.95	0.0072
United Bank Limited	16,000	-	-	16,000	-	-	-	-	-	-
						1,851,426	3,088,780	1,237,354	3.22	
Total						8,861,968	14,765,121	5,903,154	15	

Market value

<b>Total</b>	
March 2013	June 2012
<b>Rupees</b>	
<b>14,765,121</b>	<b>19,816,542</b>

The annexed notes form an integral part of these condensed interim financial information

For Arif Habib Investment Limited  
(Management Company)

  
Chief Executive Officer

  
Director

# CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED) AS AT MARCH 31, 2013

## PPF DEBT SUB-FUND

'AT FAIR VALUE THROUGH PROFIT OR LOSS

Name of Investment	Face value				As at March 31, 2013			Market value as a % of net asset of the sub - fund
	As at July 1 2012	Purchases during the period	Sales/ maturities during the period	As at March 31 2013	Carrying value	Market value	Appreciation	
----- Rupees -----								
Pakistan investment bonds	1,000,000	225,000,000	225,000,000	1,000,000	931,413	984,309	52,896	0.68
Treasury bills	18,550,000	194,500,000	100,450,000	122,900,000	117,932,280	117,835,946	(96,334)	80.81
	19,550,000	419,500,000	325,450,000	123,900,000	118,863,693	118,820,255	(43,438)	

Name of Investment	Issue Date	Number of Certificates				As at March 31, 2013			Market value as a percentage of net asset of the sub - fund	Market value as a percentage of total investments	Percentage in relation to the total size of the issue
		As at July 1, 2012	Purchases during the period	Sales/ matured during the period	As at March 31 2013	Carrying value	Market value	Appreciation			
<div>(-----Number of Certificates-----)</div> <div>(----- Rupees -----)</div> <div>(----- % -----)</div>											
Term Finance Certificates (TFCs)											
Standard Chartered Bank-TFC	29-Jun-12	1,400	-	-	1,400	7,000,000	7,076,958	76,958	4.85	2.15	0.35%
Total		1,400	-	-	1,400	7,000,000	7,076,958	76,958	5	2	

Market Value of government securities  
Market Value of TFCs and Sukuk bonds

----- Total -----	
March 31, 2013	June 30, 2012
----- Rupees -----	
118,820,255	19,166,992
7,076,958	7,000,000
<u>125,897,213</u>	<u>26,166,992</u>

The annexed notes form an integral part of these condensed interim financial information

For Arif Habib Investment Limited  
(Management Company)

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED) AS AT MARCH 31, 2013

AS AT MARCH 31, 2013

PPF DEBT SUB-FUND  
AVAILABLE FOR SALE' INVESTMENTS

Name of Investment	Face value				As at March 31, 2013			Market value as a % of net asset of the sub - fund
	As at July 1, 2012	Purchases during the period	Sales/ maturities during the period	As at March 31, 2013	Cost	Market value	Appreciation/ (Diminution)	
-----Rupees-----								
Pakistan investment bonds	40,000,000	-	30,000,000	10,000,000	9,860,974	10,283,030	422,056	7.05
Treasury bills	32,000,000	-	32,000,000	-	-	-	-	
Government Ijarah Sukuk (3 years)	5,000,000	-	-	5,000,000	5,062,825	5,020,500	(42,325)	3.44
	77,000,000	-	62,000,000	15,000,000	14,923,799	15,303,530	379,731	

Name of Investment	Issue Date	Number of Certificates				As at As at March 31, 2013			Market value as a percentage of net asset of the sub - fund	Market value as a percentage of total investments	Percentage in relation to the total size of the issue
		As at July 1, 2012	Purchases during the period	Sales/ matured during the period	As at March 31, 2013	Cost	Market value	Appreciation/ (Diminution)			
(-----Number of Certificates-----) (-----Rupees-----) (-----%-----)											
Term Finance Certificates (TFCs)											
Bank Alfalah TFC-IV (Floating)	2-Dec-09	500	-	-	500	2,498,249	2,612,662	114,413	2.95	0.79	0.05%
Engro Fertilizer Limited- TFC PRP-1	18-Mar-08	800	-	800	-	-	-	-	-	-	
Askari Commercial Bank Limited TFC	4-Feb-05	175	-	175	-	-	-	-	-	-	
		1,475	-	975	500	2,498,249	2,612,662	114,413	2.95	0.79	
Sukuk Bonds											
Pak Electron Limited	8-May-08	750	-	-	750	1,378,935	289,801	(1,089,134)	0.33	0.09	0.13%
		750	-	-	750	1,378,935	289,801	(1,089,134)	0.33	0.09	
Total		2,225	-	975	1,250	3,877,184	2,902,463	(974,721)	3.28	0.88	

----- Total -----

March 31, 2013    June 30, 2012

----- Rupees -----

Market Value of government securities  
Market Value of TFCs and Sukuk bonds

15,303,530	75,797,809
2,902,463	8,436,250
18,205,993	84,234,059

The annexed notes form an integral part of these condensed interim financial information

For Arif Habib Investment Limited  
(Management Company)



Chief Executive Officer



Director

# CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED) AS AT MARCH 31, 2013

PPF MONEY MARKET SUBFUND  
AT FAIR VALUE THROUGH PROFIT OR LOSS

Name of Investment	Face value				As at March 31, 2013			Market value as a % of net asset of the sub - fund
	As at July 1, 2012	Purchases during the period	Sales/ maturities during the period	As at March 31, 2013	Book value	Market value	Appreciation	

----- Rupees -----

At fair value through profit and loss'

Treasury bills	81,300,000	317,700,000	298,000,000	101,000,000	100,477,548	100,466,055	(11,493)	98.43
	<u>81,300,000</u>	<u>317,700,000</u>	<u>298,000,000</u>	<u>101,000,000</u>	<u>100,477,548</u>	<u>100,466,055</u>	<u>(11,493)</u>	

----- Total -----

March 31, 2013    June 30, 2012

----- Rupees -----

Market value

100,466,055    80,492,336

The annexed notes form an integral part of these condensed interim financial information



Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)



Director

**CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2013**

Contributions net of front end fee	Nine months ended March 31, 2013							Nine months ended March 31, 2012
	PPF Equity Sub-Fund		PPF Debt Sub-Fund		PPF Money Market Sub-fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
	----- Rupees -----							
Opening balance	635,304	55,207,346	837,126	98,120,794	560,625	65,091,168	218,419,308	178,584,949
Individuals - issue of units	2,007	7,348,778	159,966	24,182,483	106,097	19,747,889	51,279,150	22,323,685
- redemption of units	(28,233)	(10,854,110)	(85,309)	(12,276,728)	(48,281)	(10,252,634)	(33,383,472)	(34,132,424)
	(26,226)	(3,505,332)	74,657	11,905,755	57,815	9,495,255	17,895,678	(11,808,739)
Closing balance	609,078	51,702,014	911,783	110,026,549	618,441	74,586,423	236,314,986	166,776,210

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)



Director

**CONDENSED INTERIM CONTRIBUTION TABLE (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2013**

Contributions net of front end fee	Quarter ended March 31, 2013							Quarter ended March 31, 2012
	PPF Equity Sub-fund		PPF Debt Sub-fund		PPF Money Market Sub-fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
----- Rupees -----								
Opening balance	603,152	50,729,161	858,505	101,405,955	577,786	67,813,344	219,948,460	158,566,767
Individuals - issue of units	(25,582)	2,924,900	55,715	11,289,630	34,346	8,476,504	22,691,034	15,381,782
- redemption of units	31,508	(1,952,047)	(2,437)	(2,669,036)	6,309	(1,703,425)	(6,324,508)	(7,172,339)
	5,927	972,853	53,278	8,620,594	40,654	6,773,079	16,366,526	8,209,443
Closing balance	609,078	51,702,014	911,783	110,026,549	618,441	74,586,423	236,314,986	166,776,210

The annexed notes form an integral part of this condensed interim financial information.

  
\_\_\_\_\_  
Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)

  
\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	Nine months ended March 31, 2013		
	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	635,304	837,126	560,625
Add: Units issued during the period	2,007	159,966	106,097
Less: Units redeemed during the period	(28,233)	(85,309)	(48,281)
Total units in issue at the end of the period	<u>609,078</u>	<u>911,783</u>	<u>618,441</u>

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)



Director

**CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2013**

Quarter ended March 31, 2013			
	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	603,152	858,505	577,786
Add: Units issued during the period	(25,582)	55,715	34,346
Less: Units redeemed during the period	31,508	(2,437)	6,309
Total units in issue at the end of the period	<u>609,078</u>	<u>911,783</u>	<u>618,441</u>

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)



Director



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

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## 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 May 24, 2007 and was executed on June 4, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). Habib Metropolitan Bank Limited 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 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 the 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. Fund's assets and NAV remain unaffected, irrespective of the final ruling.

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

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund and figures have been rounded off to the nearest rupee.

Title to the assets of the Fund is held in the name of the Trustee.

## 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.
- 2.2** This condensed interim financial information comprise of the condensed interim balance sheet as at March 31, 2013 and the condensed interim income statement, condensed interim cash flow statement, condensed interim statement of movement in participants' sub funds, condensed interim statement of investments by category, condensed interim statement of investment portfolio, condensed interim contribution table, condensed interim statement of number of units in issue and notes forming part thereof. The disclosures made in this condensed interim financial report have, however, been limited based on the requirements of the IAS 34: 'Interim Financial Reporting' and guidelines issued by the SECP for the preparation of the quarterly reports of a pension fund. It does not include all the information and disclosures made in the annual published financial statements and should be read in conjunction with the financial statements for the year ended June 30, 2012. Comparative information of the condensed interim income statement, condensed interim cash flow statement, condensed interim statement of movement in participants' sub funds and condensed interim contribution table for the half year ended March 31, 2013 and the quarter ended March 31, 2013 are un-audited and have been included to facilitate comparison.

## 3. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

### 3.1 Significant Accounting Policies

The accounting policies and the 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, 2012 except for:

#### a) Basis of valuation of debt securities

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 1 dated January 6, 2009 as amended by Circular No. 33 dated October 24, 2012. In the determination of the rates, MUFAP takes into account the holding

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

pattern of these securities and categorizes them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

## b) Impairment of financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the income statement.

Provision for non-performing debt securities and other exposures is made in accordance with the criteria specified in Circular No. 1 dated January 6, 2009 as amended by Circular No. 33 dated October 24, 2012 and Circular No. 13 dated May 4, 2009 issued by SECP. The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company.

**3.2** The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2012.

**3.3** Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the fund except where changes affected presentation and disclosures in this condensed interim financial information.

## 4. FINANCIAL RISK MANAGEMENT

The Fund's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Fund as at and for the year ended 30 June 2012.

(Un-audited)				Audited As at June 30, 2012
As at March 31, 2013				
PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub- Fund	Total	
Rupees				

## 5. BALANCES WITH BANKS

Savings accounts	6,113,619	1,344,889	1,787,239	9,245,747	5,888,838
	6,113,619	1,344,889	1,787,239	9,245,747	5,888,838

Saving accounts with banks carry interest at the rates ranging 5.00% to 7.50% per annum (June 2012: 5.00% to 8%)

## 6. DEPOSITS AND OTHER RECEIVABLES

Receivable against issuance of units	-	-	-	-	22,034,867
Receivable from Sale of Investments	-	-	-	-	-
Security deposits	2,700,000	200,000	100,000	3,000,000	3,000,000
Receivable from Subfunds	-	-	-	-	747,690
Others	1,147	-	-	1,147	1,142
	2,701,147	200,000	100,000	3,001,147	25,783,699

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013**

----- (Un-audited) -----				Audited As at June 30, 2012
As at March 31, 2013				
PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub- Fund	Total	

----- Rupees -----

**7. ACCRUED EXPENSES AND OTHER LIABILITIES**

Professional charges payable	27,400	36,688	29,118	93,206	104,926
Federal excise duty	7,725	-	-	7,725	21,759
Payable to Sub Funds	-	-	-	-	747,690
Others	57,548	17,136	-	74,684	540,843
	<u>92,672</u>	<u>53,825</u>	<u>29,118</u>	<u>175,615</u>	<u>1,415,218</u>

**8. CONTINGENCY**

**8.1 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 Honourable High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending for adjudication.

Subsequent to the year ended 30 June 2010, 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 14 December 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.

Subsequent to the year ended June 30, 2011, the Honourable 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. In March 2013 a larger bench of the Sindh High Court (SHC) in various constitutional petitions declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, do not suffer from any constitutional or legal infirmity.

However, as per our legal counsel the stay granted to Voluntary Pension Schemes (VPS) remains intact and the constitution petitions filed by the VPS to challenge the Workers Welfare Fund contribution have not been affected SHC judgment and hence no provision has been recognised by the Management Company in this condensed interim financial information. The aggregate unrecorded amount of WWF as at March 31, 2013 amounted to Rs. 1.053 million, Rs. 0.778 million and Rs. 0.576 million for equity sub-fund, debt sub-fund and money market sub-fund respectively including Rs.0.549 million, 0.582 million and 0.458 million for equity sub-fund, debt sub-fund and money market sub-fund respectively. If the same were recognised, the net asset value per unit of each sub-fund would as at March 31, 2013 would have been lower by Rs. 1.73, 0.85 and 0.93 for equity sub-fund, debt sub-fund and money market sub-fund (June 30, 2012 : Rs 0.86, 0.69 and 0.82 ) respectively.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013**

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

	----- (Un-Audited) -----				Audited As at June 30, 2012
	As at March 31, 2013				
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	
	----- Rupees -----				
Market value	14,765,121	18,205,993	-	32,971,114	104,050,601
Average cost	(8,861,967)	(18,800,983)	-	(27,662,950)	(99,914,185)
	5,903,154	(594,990)	-	5,308,164	4,136,416
Impairment loss					
Opening	1,253,225	-	-	1,253,225	5,722,140
Charged during the period	-	-	-	-	2,229,682
Derecognised on sale of investments	(1,253,225)	-	-	(1,253,225)	(6,698,597)
	-	-	-	-	1,253,225
Net Surplus / (deficit)	5,903,154	(594,990)	-	5,308,164	5,389,641
Provision against debt securities					
Opening	-	366,270	-	366,270	-
Charged during the period	-	835,719	-	835,719	366,270
Derecognised on sale of investments	-	-	-	-	-
	-	1,201,989	-	1,201,989	366,270
Net unrealised (appreciation) /diminution in fair value of investments at the beginning of the period	(5,290,462)	(465,449)	-	(5,755,911)	(5,315,184)
Current year appreciation	612,693	141,550	-	754,243	440,727

**9.1.** As at March 31, 2013, the management carried out a scrip-wise analysis of impairment in respect of equity securities classified as 'available-for-sale'.

**10. REMUNERATION OF PENSION FUND MANAGER**

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

**11. TAXATION**

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.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

## 12. EARNINGS PER UNIT

Earnings per unit (EPU) for the nine months and quarter ended March 31, 2013 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:

	For the nine months ended March 31, 2013		
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund
Weighted average number of units	618,376	854,286	573,997
Net income after taxation (Rupees)	25,194,441	9,789,230	5,909,707
Earnings per unit	40.74	11.46	10.30

	Quarter ended March 31, 2013		
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund
Weighted average number of units	602,479	877,022	591,794
Net income after taxation (Rupees)	6,907,167	2,871,448	2,006,251
Earnings per unit	11.46	3.27	3.39

## 13. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include the Pension Fund Manager and MCB Bank Limited being the holding company of the Pension Fund Manager, Habib Metropolitan Bank Limited being the Trustee, other collective investment schemes managed by the Pension Fund Manager as Management Company and directors and key management personnel of the Pension Fund Manager.

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

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

### 13.1 Transactions during the period

-----Un-Audited-----					Period ended March 31, 2012
For the nine months ended March 31, 2013					
PPF Equity Sub-Fund	PPF Debt Sub- Fund	PPF Money Market Sub- Fund		Total	
-----Rupees-----					
Arif Habib Investments Limited - Pension Fund Manager					
Remuneration	988,142	1,493,175	1,036,917	3,518,234	2,404,599
Sales load	4,056	13,169	12,037	29,262	87,749
Habib Metropolitan Bank Limited					
Profit on bank Deposits	301,555	312,484	149,542	763,580	633,281
Habib Metropolitan Bank Limited - Trustee					
Trustee fee	121,136	183,220	127,186	431,542	310,790

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013**

	-----Un-Audited-----				For the nine months ended March 31, 2012
	For the nine months ended March 31, 2013				
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	
	-----Rupees-----				
Next Capital					
Brokerage *	11,901	-	-	11,901	-
Directors and officers					
Issue of 2,454 units of PPF Equity sub - fund (2012: 4,267 units)	355,540	-	-	355,540	429,587
Issue of 36,651 units of PPF Debt sub - fund (2012: 6,608 units)	-	5,649,355	-	5,649,355	940,670
Issue of 45,202 units of PPF Money Market sub - fund (2012: 6,024 units)	-	-	7,176,430	7,176,430	889,629
Redemption of 31,320 units of PPF Equity sub - fund (2012: 5,278 units)	4,220,715	-	-	4,220,715	539,265
Redemption of 51,157 units of PPF Debt sub - fund (2012: 30,583 units)	-	7,857,827	-	7,857,827	4,291,492
Redemption of 41,491 units of PPF Money Market sub - fund (2012: 37,463 units)	-	-	6,585,921	6,585,921	5,470,617
	-----Un-Audited-----				Quarter ended March 2012
	Quarter ended March 31, 2013				
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	
	-----Rupees-----				
Arif Habib Investments Limited - Pension Fund Manager					
Remuneration	344,160	513,699	357,989	1,215,848	804,447
Sales load	-	-	-	-	81,450
Habib Metropolitan Bank Limited					
Profit on bank deposits	62,482	109,186	55,797	227,464	157,418
Habib Metropolitan Bank Limited - Trustee					
Trustee fee	41,671	62,319	43,379	147,369	310,790
Next Capital					
Brokerage *	2,411	-	-	2,411	-
Directors and officers					
Issue of 1,687 units of PPF Equity sub - fund (2012: 2,013 units)	247,436	-	-	247,436	210,405
Issue of 11,540 units of PPF Debt sub - fund (2012: 3,630 units)	-	1,825,074	-	1,825,074	525,879
Issue of 9,864 units of PPF Money Market sub - fund (2012: 2,715 units)	-	-	1,611,326	1,611,326	408,860
Redemption of 5,814 units of PPF Equity sub - fund (2012: 1,184 units)	877,601	-	-	877,601	128,085
Redemption of 1,0340 units of PPF Debt sub - fund (2012: 4,279 units)	-	1,635,485	-	1,635,485	620,771
Redemption of 6,300 units of PPF Money Market sub - fund (2012: 3,763 units)	-	-	1,031,179	1,031,179	567,843

\* The amount disclosed represents the amount of brokerage paid to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter-parties are not connected persons.

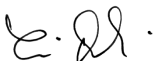
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013**

**13.2 Amounts outstanding as at period / year end**

	-----Un-Audited-----				Audited June 30, 2012
	As at March 31, 2013				
	PPF Equity Sub-Fund	PPF Debt Sub- Fund	PPF Money Market Sub- Fund	Total	
	----- Rupees -----				
<b>Arif Habib Investments Limited - Pension Fund Manager</b>					
Remuneration payable	141,776	212,380	148,509	502,665	357,717
Sales Load payable	-	-	-	-	314,098
Investment of 300,000 units as seed capital in each sub-fund (June 2012: 300,000)	47,301,000	47,976,000	49,512,000	144,789,000	126,293,010
<b>Habib Metropolitan Bank Limited</b>					
Balance with bank	6,113,619	1,344,889	1,787,239	9,245,747	5,869,548
Mark-up receivable	23,736	11,798	6,584	42,117	35,663
Remuneration Payable	14,333	21,629	15,080	51,041	39,464
<b>Directors and Officers</b>					
Investment In PPF Equity Sub - Fund 20,270 units (June 2012: 49,135 units)	3,195,999			3,195,999	2,197,052
Investment In PPF Debt Sub - Fund 19,829 units (June 2012: 34,334 units)		3,170,978		3,170,978	3,883,519
Investment In PPF Money Market Sub - Fund 15,185 units (June, 2012: 11,475 units)			2,506,176	2,506,176	4,659,571

**14. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information has been authorised for issue in the meeting of the Board of Directors of the Management Company held on April 24, 2013.

  
\_\_\_\_\_  
Chief Executive Officer

**For Arif Habib Investment Limited  
(Management Company)**

  
\_\_\_\_\_  
Director

Please find us on



by typing: **Bachat Ka Doosra Naam**

## **Arif Habib Investments Limited**

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