



**Bachat** ka Doosra Naam

## Quarterly Report September 30, 2013 (Unaudited)



**Funds Under Management  
of  
MCB-Arif Habib Savings and Investments Limited**  
*(formerly: Arif Habib Investments Ltd.)*

# **PAKISTAN PENSION FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings and Investments Limited</b> (Formerly: Arif Habib Investments Limited) 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
<b>Board of Directors of the Management Company</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	Chairman Member Member
<b>Human Resource 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	
<b>Chief Financial Officer</b>	Mr. Umair Ahmed	
<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 Accountants Cavis Court, A-35, Block 7 & 8, KCHSU, Sharae Faisal, Karachi-75350	
<b>Legal Advisor</b>	Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings and Investments Limited</b> (Formerly: Arif Habib Investments Limited) 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
<b>Rating</b>	AM2 - Management Quality Rating assigned by PACRA	

## **REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 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 first quarter ended September 30th 2013.

### **ECONOMY AND MONEY MARKET OVERVIEW**

On the macroeconomic front, inflation has remained slightly higher during the period with CPI averaging around 8.06% amid implementation of tax reforms and higher food prices. The current account balance remained in pressure posting a deficit of \$632 million during 2MFY14 as opposed to surplus of \$582 million during the same period last fiscal year. During the last year, saving grace came in the form of proceeds under the account of Coalition support funds in August, 2012 amounting to \$1.18 bn. On the other hand, financial account registered a surplus of \$401 million in 2MFY14 as compared to deficit of \$271 million during the corresponding period last year.

Out of total \$3 billion repayments to IMF due in FY14, the government repaid around \$850 million to IMF in the 1QFY14. This along with delay in Coalition Support Funds and higher oil payments has reduced reserve balance to around \$ 9.9 billion as on 27-Sep-13, from \$11 billion at the start of the FY14. Consequently, the local currency fell by more than 6% against USD during 1QFY14.

During the quarter, the country successfully managed to enter into three-year \$6.6 billion loan program with IMF. Out of total financing of around \$2.2 billion scheduled for FY14 under IMF Extended Fund Facility (EFF), the country received first tranche of around \$543 million in 1QFY14.

Moreover, Fiscal side has remained a cause of concern for policy makers with FY13 deficit touching a level of around 8% of GDP (Rs 1.83 trillion deficit size in absolute terms) as opposed to the budgeted deficit of around 6.5%.

Keeping in view that inflation is likely to increase going forward and to arrest decline in foreign reserves balance, the government announced 50 bps hike in the discount rate in the last monetary policy, sending a strong signal that the discount rate will be used to keep inflation rate under check. A combination of higher power tariffs, rise in oil prices and rupee depreciation is likely to keep inflationary pressure on the higher side during the year.

In the money market, short term market rates remained on the higher side amid tight liquidity in the system. Despite Rs 94 billion net growth in Net Domestic Assets during the quarter (till 27th Sep), money supply (M2) has contracted due to reduction in Net Foreign Assets by around Rs 150 billion. Hence, M2 has contracted by 0.63% in the 1QFY14 (till 27th Sep) as opposed to expansion of 0.58% during the same period last year. While Borrowing from SBP increased by Rs444 billion as opposed to net decline in borrowing of around Rs 372 billion during the same period last year.

Given an upward trajectory in YoY CPI inflation coupled with monetary tightening scenario, the yield curve has adjusted significantly upwards during the period. Hence 1 year PKRV adjusted upwards by 77 bps to 9.71 %, while longer tenure year 10 year PKRV adjusted upwards by 203 bps to 12.96 % during the quarter under review.

### **EQUITIES MARKET OVERVIEW**

In light of smooth political transition, the ongoing financial year started on a positive note, with stock market touching an all time high of 23,776.22 on 24-July-2013. The index posted a return of 10.9% during July, outperforming regional markets. But on account of tepid performance in August and September the benchmark index recorded a total gain of 3.9% during the 1QFY14, with KSE-100 index closing at 21,832.68 at the end of quarter. Restrictive forces that played a dampening role for the market were rationalization of tariffs and gas prices, launch of initiatives to enhance revenue administration, monetary

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2013

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tightening and growing concerns on feeble exchange rate outlook. Although activity remained stable in terms of both volumes and turnover, foreigners remained net seller with a cumulative net outflow of US\$ 94 million during the period under review.

Major interest during the period remained in Textile, Construction & Materials and Power Sectors on the heels of strong inherent bottom line growth and healthy payouts. With the market expecting interest rates to increase going forward, Banking sector performed better towards the start of the quarter until the present government announced to peg minimum deposit rates on saving accounts to overnight repo rate.

### FUND PERFORMANCE

#### Equity Fund

The Equity sub-fund generated a return of 5.62% while the KSE-100 increased by 3.76% during the period under review. The sub-fund decreased its overall equity exposure from 95.6% at the beginning of the year to 91.6% at the end of September 2013. Sector-wise, the sub-fund increased exposure in Electricity sector, while reducing exposure towards Oil & Gas and Construction & Materials sectors.

The Net Asset of the Fund as at September 30, 2013 stood at Rs. 132.85 million as compared to Rs 124.46 million as at June 30 2013 registering an increase of 6.47%.

The Net Asset Value (NAV) per unit as at September 30, 2013 was Rs. 192.39 as compared to opening NAV of Rs. 182.15 unit as at June 30, 2013 registering an increase of Re. 10.24 per unit.

#### Debt Fund

The debt sub-fund generated an annualized return of 0.46% during the period under review. The fund's exposure towards GoP Ijarah Sukuk and TFCs broadly remained unchanged whereas exposure towards PIBs declined from 36.6% to 6.1%. The Fund, on the other hand, increased its exposure towards T-Bills from 48% to 84.3% during the period under review.

The Net Asset of the Fund as at September 30, 2013 stood at Rs. 179.36 million as compared to Rs 173.72 million as at June 30 2013 registering an increase of 3.24%.

The Net Asset Value (NAV) per unit as at September 30, 2013 was Rs. 164.02 as compared to opening NAV of Rs. 163.83 per unit as at June 30, 2012 registering an increase of Re. 0.19 per unit.

#### Money Market Fund

The money market sub-fund generated a return of 6.28% for the quarter. The fund increased its exposure in T-bills from around 97.5% to 97.9% while cash exposure increased to 2% at quarter end.

The Net Asset of the Fund as at September 30, 2013 stood at Rs. 118.12 million as compared to Rs 112.70 million as at June 30 2013 registering an increase/decrease of 4.81%

The Net Asset Value (NAV) per unit as at September 30, 2013 was Rs. 170.74 as compared to opening NAV of Rs. 168.08 per unit as at June 30, 2013 registering an increase of Re. 2.66 per unit.

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2013

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### FUTURE OUTLOOK

We will continue to closely monitor foreign inflows in the presence of higher oil prices and debt repayment to international donors. We believe that the sustainability of external account, in the presence of higher inflationary pressures, would be a key factor shaping up interest rate direction. The foreign reserve balance will continue to remain in the limelight, with the country scheduled to repay more than \$2.3 billion to IMF during the next three quarters. As a result, the local currency is likely to remain under pressure.

The reserve position is likely to improve towards the later half of the ongoing fiscal year, with the government expecting significant improvement in foreign direct investments and materialization of pledges made by multilateral agencies. In addition to projected CSF inflow of around \$1.2 billion, the country is eyeing inflow of \$2.7 billion during the next three quarters under the umbrella of program financing.

While the economic environment is challenging, corporate earnings are by and large expected to continue to improve. Earnings growth is expected to continue in E&P, Textile, Power and cement sector. The rupee depreciation bodes well for textile, E&P and power sector, while higher allocation in PSDP will increase demand for cement.

### 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.

For and on behalf of the board



**Yasir Qadri**

Chief Executive

Karachi: October 23, 2013

# **FINANCIAL STATEMENTS**



# CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2013

		(Un-Audited)				(Audited)
		September 30, 2013				
Note		PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub- Fund	Total	June 30, 2013
Rupees						
ASSETS						
Balances with banks	4	4,687,828	1,759,131	2,421,883	8,868,842	6,308,019
Investments (as per condensed interim statement of investments by category)		122,498,694	177,601,856	116,106,365	416,206,915	399,191,110
Receivable against sale of Investments		1,947,503	-	-	1,947,503	-
Dividend receivable		2,050,655	-	-	2,050,655	907,040
Interest receivable		29,521	607,237	28,642	665,401	3,150,244
Deposits and other receivables	5	2,706,098	200,002	100,047	3,006,147	10,388,133
TOTAL ASSETS		133,920,299	180,168,226	118,656,938	432,745,463	419,944,546
LIABILITIES						
Payable against redemption of units		-	-	-	-	-
Payable to Pension Fund Manager		198,268	255,425	167,159	620,852	629,033
Payable to the Trustee - Habib Metropolitan Bank Limited		19,847	25,570	16,735	62,151	58,070
Payable to Auditors		138,607	196,644	134,235	469,485	-
Annual fee payable to the Securities and Exchange Commission of Pakistan		11,744	14,941	9,715	36,400	109,472
Accrued and other liabilities	6	701,240	318,974	208,408	1,228,622	8,263,466
TOTAL LIABILITIES		1,069,706	811,552	536,252	2,417,511	9,060,041
NET ASSETS		132,850,593	179,356,673	118,120,686	430,327,952	410,884,505
Participants Sub-Funds (as per condensed interim statement of movement in participants' sub-funds)						
		132,850,593	179,356,673	118,120,686		
Number of units						
Number of units in issue		690,526	1,093,512	691,809		
Rupees						
Net assets value per unit		192.39	164.02	170.74		

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

  
Chief Executive Officer

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

  
Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

Note	Quarter ended September 30, 2013				Quarter ended September 30, 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	10,317,807	(2,240,692)	27	8,077,142	7,566,892	
Dividend income	2,307,555	-	-	2,307,555	1,428,528	
Income from investment in government securities	-	3,778,810	2,508,424	6,287,234	5,348,476	
Income from Term Finance Certificates - Sukuk	-	414,034	-	414,034	488,159	
Profit on bank deposits	70,854	68,070	59,675	198,600	283,447	
Unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss'	(512,144)	(298,799)	(25,475)	(836,418)	3,786,318	
Element of income and capital gains included in prices of units issued less those in units redeemed	340,327	324,162	137,368	801,858	(77,710)	
<b>Total Income</b>	12,524,399	2,045,586	2,680,019	17,250,005	18,824,109	
<b>EXPENSES</b>						
Remuneration to Pension Fund Manager	711,141	904,663	588,313	2,204,117	1,305,947	
Remuneration to the Trustee	61,387	78,095	50,787	190,269	140,051	
Annual fee - Securities and Exchange Commission of Pakistan	11,744	14,940	9,716	36,400	25,040	
Auditors' Remuneration	30,491	38,798	25,231	94,521	85,706	
Custody and settlement charges	330,810	57,818	-	388,628	343,993	
Legal and professional charges	5,815	7,242	4,710	17,767	17,646	
Provision against debt securities	-	19,313	-	-	-	
Bank charges	348	2,328	1,148	3,824	6,971	
Provision for Workers' Welfare Fund	227,453	18,448	40,002	285,903	-	
<b>Total Expenses</b>	1,379,190	1,141,644	719,908	3,221,429	1,925,353	
<b>Net (loss) /income before taxation</b>	11,145,209	903,942	1,960,112	14,290,657	16,898,756	
Provision for taxation - current	9	-	-	-	-	
<b>Net (loss) / income after taxation</b>	11,145,209	903,942	1,960,112	14,290,657	16,898,756	
<b>Other comprehensive (loss) / income for the period</b>						
Unrealised (loss)/ gain on re-valuation of investments classified as 'available for sale' - net	8	(3,737,765)	(366,115)	-	(4,103,880)	1,942,645
<b>Total comprehensive income / (loss) for the period</b>		7,407,444	537,827	1,960,112	10,186,777	18,841,401
<b>Earnings per unit</b>	10	16.05	0.83	2.87		

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

  
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Chief Executive Officer

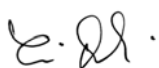
MCB-Arif Habib Savings and Investments Limited  
(formerly: Arif Habib Investments Limited)  
(Management Company)

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

	Quarter ended September 30, 2013				Quarter ended September 30, 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	11,145,209	903,942	1,960,112	14,009,262	16,657,683
<b>Adjustments for non cash items:</b>					
Capital gain / (loss) on sale of investments - net	(10,317,807)	2,240,692	(27)	(8,077,142)	(7,566,892)
Impairment loss on investments classified as 'available-for-sale'	-	-	-	-	-
Unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss'	512,144	298,799	25,475	836,418	(3,786,318)
Elements of loss / (income) and capital losses/ (gains) in prices of units issued less those in units redeemed - net	(340,327)	(324,162)	(137,368)	(801,858)	77,710
	(10,145,990)	2,215,328	(111,920)	(8,042,582)	(11,275,500)
<b>(Increase) / decrease in assets</b>					
Investments - net	8,347,517	(18,306,290)	(5,867,691)	(15,826,464)	(22,748,292)
Dividend receivable	(1,143,615)	-	-	(1,143,615)	(934,009)
Interest receivable	(15,236)	2,501,870	(1,790)	2,484,843	443,341
Deposits and other receivables	(1)	5,786,182	1,595,804	7,381,985	21,128,793
	7,188,665	(10,018,238)	(4,273,678)	(7,103,251)	(2,110,167)
<b>(Decrease) / increase in liabilities</b>					
Payable against redemption of units	-	-	-	-	1,345,639
Remuneration payable to Pension Fund Manager	(6,884)	419	(1,716)	(8,181)	75,360
Payable to Trustee	906	2,031	1,145	4,081	5,208
Payable to Auditors	30,491	38,799	25,231	94,520	85,706
Annual fee payable to the Securities and Exchange Commission of Pakistan	(19,861)	(31,135)	(22,076)	(73,072)	(48,551)
Other liabilities	(6,973,678)	174,007	139,792	(6,659,879)	206,344
	(6,969,026)	184,120	142,376	(6,642,530)	1,669,705
Taxation paid	-	-	-	-	-
<b>Cash (used in)/generated from operating activities</b>	1,218,858	(6,714,848)	(2,283,111)	(7,779,100)	4,941,721
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Receipt of contribution	5,829,479	11,381,106	6,682,481	23,893,066	16,772,141
Payment against withdrawal	(4,503,237)	(5,962,979)	(3,086,928)	(13,553,144)	(20,100,463)
<b>Cash (used in) /generated from financing activities</b>	1,326,242	5,418,127	3,595,553	10,339,923	(3,328,322)
<b>Net (decrease)/ increase in cash and cash equivalents</b>	2,545,100	(1,296,720)	1,312,443	2,560,823	1,613,399
Cash and cash equivalents at beginning of the period	2,142,728	3,055,851	1,109,440	6,308,019	5,888,838
<b>Cash and cash equivalents at end of the period</b>	4,687,828	1,759,131	2,421,883	8,868,842	7,502,237

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

  
Chief Executive Officer

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

  
Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED  
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	Quarter ended September 30, 2013				Quarter ended September 30, 2012
	PPF Equity Sub-Fund	PPF Debt Sub- Fund	PPF Money Market Sub Fund	Total	
	----- Rupees -----				
Net assets at the beginning of the period	124,457,234	173,724,882	112,702,389	410,884,505	285,889,737
Amount received on issue of units	5,829,479	11,381,106	6,682,481	23,893,066	16,772,141
Amount paid on redemption of units	(4,503,237)	(5,962,979)	(3,086,928)	(13,553,144)	(20,100,463)
	1,326,242	5,418,127	3,595,553	10,339,923	(3,328,322)
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	(340,327)	(324,162)	(137,368)	(801,858)	77,710
- amount representing unrealised diminution / (appreciation) in fair value of investments	5,792,102	1,780,016	1,331,297	8,903,414	472,251
	5,451,775	1,455,853	1,193,929	8,101,557	549,961
Net unrealized (loss) during the period in the market value of investments classified as available-for-sale	(3,737,765)	(366,115)	-	(4,103,880)	1,942,645
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	(5,792,102)	(1,780,016)	(1,331,297)	(8,903,414)	(472,251)
Net income after taxation for the period	11,145,209	903,942	1,960,112	14,009,262	16,657,683
Net assets at the end of the period	132,850,593	179,356,673	118,120,686	430,327,952	301,239,453

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

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

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

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM STATEMENT OF INVESTMENTS BY CATEGORY AS AT SEPTEMBER 30, 2013

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

<div>------(Un-Audited)-----</div>				(Audited)	
September 30, 2013					
PPF Equity Sub- Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	June 30, 2013	
<div>-----Rupees-----</div>					
Listed equity securities	114,163,827	-	-	114,163,827	111,486,104
Pakistan Investment Bonds	-	991,666	-	991,666	53,463,941
Term Finance Certificate	-	6,935,985	-	6,935,985	6,954,500
Treasury Bills	-	151,931,787	116,106,365	268,038,151	193,919,006
	<div>114,163,827</div>	<div>159,859,438</div>	<div>116,106,365</div>	<div>390,129,629</div>	<div>365,823,551</div>

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

Investments classified as 'Available-for-sale'

Listed equity securities	8,334,867	-	-	8,334,867	15,239,713
Pakistan Investment Bonds	-	10,087,650	-	10,087,650	10,491,630
Treasury Bills	-	-	-	-	-
Ijara Sukuk	-	5,016,500	-	5,016,500	5,012,000
Term Finance Certificates and Sukuk bonds	-	2,638,269	-	2,638,269	2,624,217
	<u>8,334,867</u>	<u>17,742,419</u>	<u>-</u>	<u>26,077,286</u>	<u>33,367,560</u>

Investments at market value

<u>122,498,694</u>	<u>177,601,856</u>	<u>116,106,365</u>	<u>416,206,915</u>	<u>399,191,110</u>
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The annexed notes form an integral part of this condensed interim financial information

  
Chief Executive Officer

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

  
Director

# CONDENSED INTERIM STATEMENT OF INVESTMENT PORTFOLIO (UN-AUDITED) AS AT SEPTEMBER 30, 2013

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

Page 1 of 3

Name of the Investee Company	Number of shares					As at September 30, 2013			Market value as a % of net assets of the sub-fund	% of paid up capital of the investee company
	As at July 01, 2013	Purchases during the period	Bonus/ Right Issue during the period	Sales during the period	As at September 30, 2013	Cost	Market value	Appreciation		
----- Rupees -----										
<b>Banks</b>										
Bank Al-Habib Limited	36,556	-	-	-	36,556	830,276	1,325,886	495,610	1.00%	0.00%
Meezan Bank Limited	53,955	-	-	-	53,955	603,911	2,002,270	1,398,359	1.51%	0.01%
						1,434,187	3,328,156	1,893,969	2.51%	
<b>Electricity</b>										
The Hub Power Company Limited	24,145	-	-	-	24,145	877,254	1,538,761	661,507	1.16%	0.00%
						877,254	1,538,761	661,507	1.16%	
<b>Oil and Gas Producers</b>										
Attock Petroleum Limited.	346	-	69	-	415	134,365	179,097	44,733	0.13%	0.00%
Pakistan Oil Fields Limited	4,354	-	-	4,354	-	-	-	-	0.00%	0.00%
Pakistan Petroleum Limited	12,436	-	387	10,500	2,323	219,036	442,764	223,728	0.33%	0.00%
						353,401	621,861	268,460	0.47%	
<b>Forestry and Papers</b>										
Security Paper Limited	45,760	-	9,152	-	54,912	1,740,820	2,846,089	1,105,269	2.14%	0.13%
						1,740,820	2,846,089	1,105,269	2.14%	
<b>Construction and Material</b>										
Lucky Cement	14,954	-	-	14,954	-	-	-	-	0.00%	0.00%
						-	-	-	0.00%	
<b>Total</b>						<b>4,405,661</b>	<b>8,334,867</b>	<b>3,929,206</b>	<b>6%</b>	

----- Total -----		
Un audited September 30, 2013	Audited 30, 2013	June
----- Rupees -----		
8,334,867	15,239,713	

\* The above include shares with a market value aggregating to Rs.3,186,500 (June 2013: 3,082,500) 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.

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

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

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

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM STATEMENT OF INVESTMENT PORTFOLIO (UN-AUDITED)

## AS AT SEPTEMBER 30, 2013

PPF EQUITY SUB-FUND  
LISTED SHARES - 'AT FAIR VALUE THROUGH PROFIT OR LOSS'

Page 3 of 3

Name of the Investee Company	Number of shares					As at September 30, 2013			Market value as a % of net assets of the sub fund	% of paid up capital of the investee company
	As at July 01, 2013	Purchases during the period	Bonus/ Right Issue during the period	Sales during the period	As at September 30, 2013	Carrying Value	Market value	Appreciation/ (Diminution)		
-----Rupees-----										
<b>Industrial Engineering</b>										
International Steels Limited	-	500	-	-	500	9,005	8,585	(420)	0.01%	0.00%
						9,005	8,585	(420)	0.01%	
<b>Chemicals</b>										
Dawood Hercules	18,000	-	-	18,000	-	-	-	-	0.00%	0.00%
Engro Corporation Limited	11,000	18,000	-	-	29,000	4,024,270	3,937,620	(86,650)	2.96%	0.01%
Fauji Fertilizers Bin Qasim Limited	132,000	-	-	132,000	-	-	-	-	0.00%	0.00%
Fauji Fertilizers Company Limited	16,400	-	-	16,400	-	-	-	-	0.00%	0.00%
Sitara Chemical Industries Limited	20,000	-	-	-	20,000	3,997,800	4,430,000	432,200	3.33%	0.09%
						8,022,070	8,367,620	345,550	6.30%	
<b>Banks</b>										
Bank Al-Falah Limited	413,500	90,000	-	135,000	368,500	7,072,270	7,716,390	644,120	5.81%	0.03%
Bank Al-Habib Limited	211,350	-	-	21,000	190,350	5,175,617	6,903,995	1,728,378	5.20%	0.02%
BankIslamic Pakistan Limited	335,000	-	-	335,000	-	-	-	-	0.00%	0.00%
Meezan Bank Limited	57,165	-	-	-	57,165	1,657,785	2,121,393	463,608	1.60%	0.01%
National Bank Of Pakistan	7,425	-	-	-	7,425	305,316	365,978	60,662	0.28%	0.00%
Soneri Bank Limited	125,500	-	-	125,500	-	-	-	-	0.00%	0.00%
United Bank Limited	33,700	15,000	-	20,000	28,700	3,408,255	3,806,481	398,226	2.87%	0.00%
						17,619,243	20,914,237	3,294,994	15.74%	
<b>Electricity</b>										
The Hub Power Company Limited	61,850	121,000	-	-	182,850	12,106,802	11,653,031	(453,772)	8.77%	0.02%
Kot Addu Power Company	-	148,000	-	125,000	23,000	1,343,557	1,466,940	123,383	1.10%	0.00%
						13,450,360	13,119,971	(330,389)	9.88%	
<b>Oil and Gas Producers</b>										
Attock Petroleum Limited.	10,450	5,200	3,130	-	18,780	8,931,704	8,104,697	(827,007)	6.10%	0.03%
Oil & Gas Development Co. Limited	24,960	5,000	-	29,000	960	220,281	225,619	5,338	0.17%	0.00%
Pakistan Oil Fields Limited	13,240	6,300	-	19,446	94	47,396	40,301	(7,095)	0.03%	0.00%
Pakistan Petroleum Limited	32,500	23,000	10,000	5,500	60,000	11,169,134	11,436,000	266,866	8.61%	0.00%
Pakistan State Oil Company Limited	22,000	23,300	-	8,000	37,300	11,410,474	9,776,330	(1,634,144)	7.36%	0.02%
Shell Pakistan Limited	10,400	-	-	10,400	-	-	-	-	0.00%	0.00%
						31,778,989	29,582,947	(2,196,042)	22.3%	
<b>Fixed Line Telecommunication</b>										
Pakistan Telecommunication Company Ltd. "A"	28,000	290,000	-	157,000	161,000	4,198,642	4,211,760	13,118	3.17%	0.00%
						4,198,642	4,211,760	13,118	3.17%	
<b>Forestry and Papers</b>										
Pakistan Paper Products	6,674	-	-	-	6,674	292,922	270,297	(22,625)	0.20%	0.11%
						292,922	270,297	(22,625)	0.20%	
<b>Construction and Material</b>										
Cherat Cement Co. Ltd.	77,000	-	-	0	77,000	4,480,630	3,808,420	(672,210)	2.87%	0.08%
Fauji Cement Company Limited	167,000	-	-	167,000	-	-	-	-	0.00%	0.00%
Fecto Cement	62,500	-	-	54,000	8,500	408,085	331,075	(77,010)	0.25%	0.02%
Kohat cement	80,396	15,000	-	20,000	75,396	6,638,539	6,979,408	340,869	5.25%	0.06%
Lucky Cement	10,631	8,500	-	10731	8,400	2,041,171	1,942,836	(98,335)	1.46%	0.00%
Maple Leaf Cement	-	336,000	-	0	336,000	8,357,585	7,183,680	(1,173,905)	5.41%	0.06%
						21,926,010	20,245,419	(1,680,591)	15.24%	
<b>Industrial Transportation</b>										
Pakistan National Shipping Corporation	-	20,000	-	-	20,000	1,160,260	1,162,600	2,340	0.88%	0.02%
						1,160,260	1,162,600	2,340	0.88%	
<b>Automobile and Parts</b>										
Pak Suzuki Motor Company Limited	26,000	-	-	3,000	23,000	3,420,560	3,220,000	(200,560)	2.42%	0.03%
						3,420,560	3,220,000	(200,560)	2.42%	
<b>Food Producers</b>										
Engro Foods Limited	17,500	-	-	17,500	-	-	-	-	0.00%	0.00%
						-	-	-	0.00%	
<b>Household Goods</b>										
Tariq Glass Industries	-	154,000	-	154,000	-	-	-	-	0.00%	0.00%
						-	-	-	0.00%	
<b>Personal Goods</b>										
Bata Pakistan	300	3,000	-	-	3,300	5,684,730	5,610,000	(74,730)	4.22%	0.04%
Ellcot Spinning Mills Limited	20,000	-	-	-	20,000	1,297,800	1,596,000	298,200	1.20%	0.18%
Faisal Spinning	15,500	-	-	3,700	11,800	1,177,640	1,274,400	96,760	0.96%	0.12%
						8,160,170	8,480,400	320,230	6.38%	
<b>Tobacco</b>										
Pakistan Tobacco Company Limited	15,000	-	-	15,000	-	-	-	-	0.00%	0.00%
						-	-	-	0.00%	
<b>Health Care Equipment and Services</b>										
Shifa International Hospitals Limited	44,500	-	-	44,500	-	-	-	-	0.00%	0.00%
						-	-	-	0.00%	

# CONDENSED INTERIM STATEMENT OF INVESTMENT PORTFOLIO (UN-AUDITED) AS AT SEPTEMBER 30, 2013

Name of the Investee Company	-----Number of shares-----					As at September 30, 2013			Market value as a % of net assets of the sub fund	% of paid up capital of the investee company
	As at July 01, 2013	Purchases during the period	Bonus/ Right Issue during the period	Sales during the period	As at September 30, 2013	Carrying Value	Market value	Appreciation/ (Diminution)		
----- Rupees -----										
<b>Pharma and Bio Tech</b>										
Ferozsons Laboratories Limited	11,550	-	-	-	11,550	1,282,281	1,152,113	(130,169)	0.87%	0.04%
						1,282,281	1,152,113	(130,169)	0.87%	
<b>Media</b>										
Hum Network Limited	21,500	-	-	21,500	-	-	-	-	0.00%	0.00%
						-	-	-	0.00%	
<b>Non Life insurance</b>										
Pakistan Reinsurance Company Limited	142,000	0	-	0	142,000	3,355,460	3,427,880	72,420	2.58%	0.05%
						3,355,460	3,427,880	72,420	2.58%	
<b>Total</b>						<b>114,675,971</b>	<b>114,163,827</b>	<b>(512,144)</b>	<b>86%</b>	
									----- Total -----	
									Un audited      Audited	
									September      June	
									30, 2013      30, 2013	
									----- Rupees -----	

**Total Market Value**

**114,163,827      111,486,104**

\* The above include shares with a market value aggregating to Rs. 3,186,500 (June 2013: 3,082,500) 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.

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

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

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

  
\_\_\_\_\_  
Director



# CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED) AS AT SEPTEMBER 30, 2013

PPF DEBT SUB-FUND  
AVAILABLE-FOR-SALE INVESTMENTS

Page 1 of 2

Name of Investment	Face value				As at September 30, 2013			Market value as a % of net asset of the sub - fund
	As at July 1, 2013	Purchases during the period	Sales/ maturities during the period	As at September 30, 2013	Cost	Market value	Appreciation/ (Diminution)	
Rupees								
Pakistan investment bonds	10,000,000	-	-	10,000,000	9,861,448	10,087,650	226,202	5.62%
Treasury bills	-	-	-	-	-	-	-	0.00%
Government Ijarah Sukuk (3 years)	5,000,000	-	-	5,000,000	5,062,825	5,016,500	(46,325)	2.80%
	15,000,000	-	-	15,000,000	14,924,273	15,104,150	179,877	8.42%

Name of Investment	Issue Date	Number of Certificates				As at September 30, 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, 2013	Purchases during the period	Sales/ matured during the period	As at September 30, 2013	Cost	Market value	Appreciation/ (Diminution)			
<div>(-----Number of Certificates-----)</div> <div>(-----Rupees-----)</div> <div>(-----%-----)</div>											
Term Finance Certificates (TFCs)											
Bank Alfalah TFC-IV (Floating)	2-Dec-09	500	-	-	500	2,497,749	2,638,269	140,520	1.47	1.49	0.05%
Engro Fertilizer Limited- TFC PRP-1	18-Mar-08	-	-	-	-	-	-	-	0.00	-	0.00%
Askari Commercial Bank Limited TFC	4-Feb-05	-	-	-	-	-	-	-	0.00	-	0.00%
		500	-	-	500	2,497,749	2,638,269	140,520	1.47	1.49	0.05%
Sukuk Bonds											
Pak Electron Limited	8-May-08	750	-	-	750	843,225	-	(843,225)	0.00	-	0.13%
		750	-	-	750	843,225	-	(843,225)	0.00	-	0.13%
Total		1,250	-	-	1,250	3,340,974	2,638,269	(702,705)	1.47	1.49	

## INVESTMENTS AT 'FAIR VALUE THROUGH PROFIT OR LOSS'

Name of Investment	Face value				As at September 30, 2013			Market value as a % of net asset of the sub - fund
	As at July 1, 2013	Purchases during the period	Sales/ maturities during the period	As at September 30, 2013	Carrying Value	Market value	Appreciation/ (Diminution)	
Rupees								
Pakistan investment bonds	51,000,000	-	50,000,000	1,000,000	992,489	991,666	(823)	0.55%
Treasury bills	87,400,000	117,600,000	48,900,000	156,100,000	152,211,248	151,931,787	(279,461)	84.71%
	138,400,000	117,600,000	98,900,000	157,100,000	153,203,737	152,923,453	(280,284)	85.26%

Name of Investment	Issue Date	Number of Certificates				As at September 30, 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, 2013	Purchases during the period	Sales/ matured during the period	As at September 30, 2013	Carrying Value	Market value	Appreciation/ (Diminution)			
<div><div>(-----Number of Certificates-----)</div><div>(-----Rupees-----)</div><div>(-----%-----)</div></div>											
Term Finance Certificates (TFCs)											
Standard Chartered Bank (Pakistan) Limited - TFC	29-Jun-12	1,400	-	-	1,400	6,954,500	6,935,985	(18,515)	3.87%	3.91%	0.28
		1,400	-	-	1,400	6,954,500	6,935,985	(18,515)	3.87%	3.91%	0.28

----- Total -----  
Un audited September 30, 2013      Audited June 30, 2013  
----- Rupees -----

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

168,027,603      152,622,455  
9,574,254      9,578,717  
177,601,856      162,201,172

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

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

Chief Executive Officer

Director

# CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED) AS AT SEPTEMBER 30, 2013

PPF MONEY MARKET SUB-FUND  
INVESTMENTS CLASSIFIED AS 'AT FAIR VALUE THROUGH PROFIT OR LOSS'

Name of Investment	Face value				As at September 30, 2013			Market value as a % of net asset of the sub-fund
	As at July 1, 2013	Purchases during the period	Sales/ maturities during the period	As at September 30, 2013	Book value	Market value	Appreciation/ (Diminution)	

----- Rupees -----

Treasury bills	112,250,000	111,500,000	106,000,000	117,750,000	116,131,840	116,106,365	(25,475)	98.29%
	112,250,000	111,500,000	106,000,000	117,750,000	116,131,840	116,106,365	(25,475)	98.29%

----- Total -----

Un audited September 30, 2013	Audited June 30, 2013
-------------------------------------	--------------------------

----- Rupees -----

Market value	116,106,365	110,264,122
--------------	-------------	-------------

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

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

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

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

Page 1 of 2

Contributions net of front end fee	Quarter ended September 30, 2013							Quarter ended September 30, 2013
	PPF Equity Sub-fund		PPF Debt Sub-fund		PPF Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
	----- Rupees -----							
Opening balance	683,253	63,815,403	1,060,373	134,160,840	670,540	83,291,602	281,267,845	218,419,308
Individuals - issue of units	29,593	5,829,479	69,608	11,381,105	39,437	6,682,481	23,893,065	16,771,174
- redemption of units	(22,320)	(4,503,237)	(36,468)	(5,962,979)	(18,168)	(3,086,929)	(13,553,145)	(20,100,463)
	7,273	1,326,242	33,139	5,418,126	21,269	3,595,552	10,339,921	(3,329,289)
Closing balance	690,526	65,141,645	1,093,513	139,578,966	691,809	86,887,154	291,607,766	215,090,019

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

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

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

  
\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

Page 2 of 2

	Quarter ended September 30, 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	683,253	1,060,373	670,540
Add: Units issued during the period	29,593	69,608	39,437
Less: Units redeemed during the period	(22,320)	(36,468)	(18,168)
Total units in issue at the end of the period	690,526	1,093,512	691,809

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

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

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

  
\_\_\_\_\_  
Director

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** The Pakistan Pension Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited (formerly: Arif Habib Investments Ltd) 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. PPF 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.
- 1.2** MCB-Arif Habib Saving and Investments Limited (Formerly: Arif Habib Investment 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.
- 1.3** Title to the assets of the Fund is held in the name Habib Metropolitan Bank Limited as Trustee of the Fund.

**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 September 30, 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 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 quarter ended September 30, 2013.
- 2.3** The directors of the Pension Fund Manager declare that these condensed interim financial statements give a true and fair view of the Fund.
- 2.4** This condensed interim financial information are unaudited and should be read in conjunction with the financial statements of the Fund for the year ended September 30, 2013.

**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, 2013.

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

**4 BALANCES WITH BANKS**

Current accounts	-	-	-	-	-
Savings accounts	4,687,828	1,759,131	2,421,883	8,868,842	6,308,019
	4,687,828	1,759,131	2,421,883	8,868,842	6,308,019

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

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

**5 DEPOSITS AND OTHER RECEIVABLES**

	Rupees			
Security deposit	2,700,000	200,000	100,000	3,000,000
Receivable against issuance of units	2	2	(2)	2
Others	6,096	-	50	6,146
	2,706,098	200,002	100,047	3,006,147

**6 ACCRUED AND OTHER LIABILITIES**

Professional charges	38,584	51,123	38,718	128,425
Federal excise duty	17,137	-	-	17,137
Others	645,519	267,851	169,690	1,083,060
	701,240	318,974	208,408	1,228,622

**7 PROVISION FOR WORKERS' WELFARE FUND**

**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 (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

On July 15 ,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 nature 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 year 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 the legal counsel the stay granted to Collective Investment Schemes (CIS) remains intact and the constitution petitions filed by the CIS to challenge the Workers Welfare Fund contribution have not been affected by SHC judgment

The Management Company as a matter of abundant precaution has started making provision effective from May 10, 2013 for WWF amounting to Rs. 0.199 million, Rs. 0.082 million and Rs. 0.034 million for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively in these financial statements out of total provision of Rs. 1.367 million, Rs. 0.882 million and Rs. 0.626 million for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively in view of the afore mentioned developments and uncertainties created by the recent decision by Honorable Sindh High Court. The unrecognised liability for the period from July 1, 2008 to May 09, 2013 amounts to Rs. 1.168 million, Rs. 0.801 million and Rs. 0.592 million for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively. The amount of WWF charged during the period is Rs. 0.227 million, Rs. 0.018 million, Rs. 0.040 million for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively. The net asset value per unit of the fund as at September 30, 2013 would have been lower by Rs. 1.692, Rs. 0.732 and Rs. 0.856 for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively if the same were recognised.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

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

	------(Un-audited)-----				Audited
	As at September 30, 2013				As at June 30, 2013
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	
----- Rupees -----					
Market value	8,334,867	17,742,419	-	26,077,286	33,367,560
Average cost	(4,405,661)	(20,311,565)	-	(24,717,227)	(26,373,701)
Net surplus/(deficit)	3,929,206	(2,569,147)	-	1,360,059	6,993,859
Impairment loss					
Opening	-	-	-	-	1,253,225
Charged during the period	-	-	-	-	-
Derecognized on sale of investment	-	-	-	-	(1,253,225)
	-	-	-	-	-
	3,929,206	(2,569,147)	-	1,360,059	6,993,859
Provision against non performing debt securities					
Opening	-	1,510,607	-	1,510,607	366,270
Charged during the period	9.1 -	19,313	-	19,313	1,144,337
	-	1,529,920	-	1,529,920	1,510,607
Net unrealised (appreciation) /diminution in fair value of investments at the beginning of the year	(7,666,971)	673,112	-	(6,993,859)	(5,755,911)
Current period (diminution) / appreciation	(3,737,765)	(366,115)	-	(4,103,880)	2,748,555

**9 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, 2011, 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.

**10 EARNINGS PER UNIT**

Earnings per unit (EPU) for the quarter ended September 30, 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:

	Quarter ended September 30, 2013		
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund
Weighted average number of units	694,473	1,088,546	682,631
Net income after taxation (Rupees)	11,145,209	903,942	1,960,112
Earnings per unit	16.05	0.83	2.87

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	Quarter ended September 30, 2012		
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund
Weighted average number of units	634,870	839,238	562,674
Net income after taxation (Rupees)	10,694,134	3,871,539	2,092,010
Earnings per unit	16.84	4.61	3.72

**11 TRANSACTIONS WITH CONNECTED PERSONS**

Connected persons include MCB - Arif Habib Savings and Investments Limited (formerly: Arif Habib Investments Limited) 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.

**11.1 Transactions during the period**

-----Un Audited-----				Quarter ended September 30, 2012
Quarter ended September 30, 2013				
PPF Equity Sub-Fund	PPF Debt Sub- Fund	PPF Money Market Sub- Fund	Total	
-----Rupees-----				

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

Remuneration	711,141	904,663	588,313	2,204,117	1,305,947
Sales load	-	-	-	-	29,232

**Habib Metropolitan Bank Limited - Trustee**

Remuneration	61,387	78,095	50,787	190,269	140,051
Profit earned during the period	51,727	65,611	53,998	171,335	36,622
Bank Charges	348	2,328	1,148	3,824	7,985

**Arif Habib Limited - Brokerage house**

Brokerage*	2,751	-	-	2,751	-
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**Next Capital Limited**

Brokerage*	8,362	-	-	8,362	-
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**Directors and officers**

Issue of 1,947 units of PPF Equity sub - fund (2012: 69 units)	388,329	-	-	388,329	9,118
Issue of 8,515 units of PPF Debt sub - fund (2012: 24,064 units)	-	1,395,113	-	1,395,113	3,661,087
Issue of 11,366 units of PPF Money Market sub - fund (2012: 34,775 units)	-	-	1,938,075	1,938,075	5,474,697
Redemption of 12,174 units of PPF Equity sub - fund (2012: 25,506 units)	2,434,698	-	-	2,434,698	3,343,115
Redemption of 4,412 units of PPF Debt sub - fund (2012: 40,702 units)	-	723,044	-	723,044	6,204,557
Redemption of 578 units of PPF Money Market sub - fund (2012: 35,025 units)	-	-	97,317	97,317	5,528,126



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

\*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.

**11.2 Amounts outstanding as at period end**

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

	-----Un Audited-----				(Audited)
	As at September 30, 2013				June 30, 2013
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	
	----- Rupees -----				
Remuneration payable	198,268	255,425	167,159	620,852	629,033
Investment of 300,000 units as seed capital in each sub-fund (June 2013: 300,000)	57,717,000	49,206,000	51,222,000	158,145,000	154,219,439
<b>Habib Metropolitan Bank Limited - Trustee</b>					
Remuneration payable	19,847	25,570	16,735	62,151	58,070
Bank Balances	4,687,828	1,759,131	2,421,883	8,868,842	6,308,019
Mark-up receivable	29,521	15,147	28,642	73,310	61,355
<b>Arif Habib Limited - Brokerage house</b>					
Brokerage payable	1,125	-	-	1,125	-
<b>Next Capital Limited</b>					
Brokerage payable	200	-	-	200	-
<b>Directors and Officers</b>					
Investment In PPF Equity Sub - Fund 26,561 units (June 2013: 36,787 units)	5,110,049	-	-	5,110,049	6,700,752
Investment In PPF Debt Sub - Fund 28,394 units (June 2013: 24,290 units)	-	4,657,108	-	4,657,108	3,979,431
Investment In PPF Money Market Sub - Fund 24,037 units (June, 2013: 13,250 units)	-	-	4,104,162	4,104,162	2,227,060

**12 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information were authorised for issue on 23 October 2013 by the Board of Directors of the Pension Fund Manager.

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

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

  
\_\_\_\_\_  
Director

Please find us on



by typing: **Bachat Ka Doosra Naam**

**MCB-Arif Habib Savings and Investments Limited**  
*(formerly: Arif Habib Investments Limited)*

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