

Half Year Report
December 31, 2015
(Unaudited)



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

Vision

To become synonymous with Savings.

Mission

To become a preferred Savings and Investment Manager in the domestic and regional markets, while maximizing stakeholder's value.

Core Values

The Company takes pride in its orientation towards client service. It believes that its key success factors include continuous investment in staff, systems and capacity building, and its insistence on universal best practices at all times.

PAKISTAN PENSION FUND

Vision

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings and Investments Limited 24 th Floor, Centrepont, Off Shaheed-e-Millat Expressway, Near K.P.T. Interchange, Karachi.	
Board of Directors	Mian Mohammad Mansha	Chairman
	Mr. Nasim Beg	Executive Vice Chairman
	Dr. Syed Salman Ali Shah	Director
	Mr. Haroun Rashid	Director
	Mr. Ahmed Jahangir	Director
	Mr. Samad A. Habib	Director
	Mr. Mirza Mahmood Ahmad	Director
Audit Committee	Mr. Haroun Rashid	Chairman
	Mr. Ahmed Jahangir	Member
	Mr. Samad A. Habib	Member
Human Resource & Remuneration Committee	Dr. Syed Salman Ali Shah	Chairman
	Mr. Nasim Beg	Member
	Mr. Haroun Rashid	Member
	Mr. Ahmed Jahangir	Member
Company Secretary & Acting Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Financial Officer	Mr. Asif Mehdi	
Trustee	Central Depository Company of Pakistan Limited CDC House, 99-B Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi-74400	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited	
Auditors	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road, P.O. Box. 15541, Karachi, Sindh-75530, Pakistan	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area, Phase VI, DHA, Karachi.	
Transfer Agent	MCB-Arif Habib Savings and Investments Limited 24 th Floor, Centrepont, Off Shaheed-e-Millat Expressway, Near K.P.T. Interchange, Karachi.	
Rating	AM2 + Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Pension Fund's** accounts review for the first half ended December 31st, 2015.

ECONOMY AND MONEY MARKET OVERVIEW

Overall economic score card continued to gather stability with the significant drop in Int'l Crude Oil Prices. Inflation continued to soften despite a small portion of recent decline in oil prices is passed through as other commodity prices and overall food sector also contributed to the overall slowdown. Recent drop in crude oil has deferred the earlier anticipated uptick in inflation as the full year FY16 average inflation is now expected to remain below 3%.

External account continued to remain stable where Petroleum Group Imports during the 1HFY16 are lower by approx 39% compared to 1HFY15. However, sizeable increase in imports of food and machinery groups and a significant decline in exports (down 14.5% in 1HFY15 YoY) shaved off approximately the two third of the benefit of drop oil prices. Suffering from weak global demand and relative in-competitiveness the decline was most visible in the other manufacturing sector followed by food and textile sectors. Overall Balance of payment account reported a surplus of near USD 1.5 billion supported by a narrower current account and inflows in financial account. Overall positive external account impact and strong foreign exchange reserves balance of near USD 20.76 Billion alongwith strict vigilance of SBP kept the rupee relatively stable.

M2 growth returned to positive territory on FY16 to date basis (25-Dec) which reflects the seasonal adjustment where Net Domestic Assets continually supported by a net government borrowing of about PKR 95 billion with a contribution from Net Financial Asset of PKR 168 billion. Money markets remained optimistic about further cut in discount rate and its sustainability in later half of the year. Yield Curve has thus recently witnessed a slight increase in slope with longer dated bonds remaining relatively less responsive to the expected change in policy rate.

EQUITIES MARKET OVERVIEW

The local equity market measured by KSE-100 Index retreated 4.6% during 1HFY15 as it could not bear the brunt of the rout in commodities and global equities. Even a cut in discount rate could not trigger a boost in investor's confidence, as continuous foreign selling forced the local investors to remain cautious. Foreigners sold US\$ 240 million of equities during the period which were primarily absorbed by Companies (US\$ 64.7 million), NBFCs (US\$ 63.4 million) and Individuals (US\$ 52.0 million).

Oil & Gas and Commercial Banks, with a major weight in the index, remained laggards during the period. The market cap of Oil & Gas sector plunged by 26% during the period after the collapse of crude oil, with regional benchmark Arab Light, falling by 49%. Similarly, Commercial banks lost 5% during the period after the central bank reduced the discount rate by 50 bps while the outlook for inflation continues to remain benign.

On the flip side, Pharmaceuticals and Construction & Material remained top performers. Pharmaceuticals gained 20% during the period, after Drug Regulatory Authority of Pakistan ("DRAP") approved the pricing formula for the sector. Alongside, bumper results posted by the pharmaceutical companies boosted investor's sentiment in the sector. Construction and Materials sector also managed to garner investor attention as local dispatches witnessed double digit growth. Moreover, the outlook for infrastructure plays remains robust as flows from China Pakistan Economic Corridor ("CPEC") materialize. The weak performance of commodity prices has hit the major sectors at the bourse as the effect is not limited to Oil. Spillover of weak inflation on banks may continue to keep the sector performance in check.

FUND PERFORMANCE

Debt Fund

The debt sub-fund generated an annualized return of 7.84% during the period under review. The fund's exposure towards T-Bills decreased from 30.2% to 18.2% whereas exposure towards PIBs increased from 64.5% to 75.4% in order to keep funds' position well aligned towards any further monetary easing.

The Net Assets of the Fund as at December 31, 2015 stood at Rs. 378.74 million as compared to Rs. 339.03 million as at June 30, 2015 registering an increase of 11.71%.

The Net Asset Value (NAV) per unit as at December 31, 2015 was Rs. 213.26 as compared to opening NAV of Rs. 205.15 per unit as at June 30, 2015 registering an increase of Rs. 8.11 per unit.

Money Market Fund

The money market sub-fund generated a return of 4.65% during the period. The fund's exposure in T-bills decreased to 97.6% from 98.8% while exposure in cash increased to 2.3% from 1.1% during the period.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

The Net Assets of the Fund as at December 31, 2015 stood at Rs. 148.74 million as compared to Rs. 139.07 million as at June 30, 2015 registering an increase of 6.95%.

The Net Asset Value (NAV) per unit as at December 31, 2015 was Rs. 197.54 as compared to opening NAV of Rs. 193.02 per unit as at June 30, 2015 registering an increase of Rs. 4.52 per unit.

Equity Fund

The Equity sub-fund generated a return of 0.64% while the KSE-100 decreased by 4.60% during the period under review. The sub-fund increased its overall equity exposure from 90.1% to 93.4%. Sector-wise, the sub-fund increased its exposure in Power Generation & Distribution, sector whilst reduced its exposure towards Oil & Gas Exploration, Construction & Materials and Paper & Board sectors.

The Net Assets of the Fund as at December 31, 2015 stood at Rs. 429.84 million as compared to Rs. 394.81 million as at June 30, 2015 registering an increase of 8.87%.

The Net Asset Value (NAV) per unit as at December 31, 2015 was Rs. 378.32 as compared to opening NAV of Rs. 375.91 per unit as at June 30, 2015 registering an increase of Rs. 2.41 per unit.

FUTURE OUTLOOK

Crude Oil Prices have created space on fiscal account with lower subsidies and debt servicing burden however major reforms for resolution of circular debt are yet missing which in turn is leaving the chronic issue unresolved. On the other hand, the weak economic outlook of GCC region and Saudi Arabia opens up a potential risk to flow of remittances which contribute more than 60% to the total. Weak exports and potentially weak remittances can be a significant threat to overall stable economic environment and more importantly the exchange rate. Despite real positive interest rates and weak inflationary outlook, we think the emerging risks to current account shall weigh on any considerations for significant monetary easing.

The short term macro stability is expected to provide favorable environment for economic activities to pick up. The average Consumer Price Index is expected to remain around 3% for the year with the second half of fiscal year inflation expected to average around 4%. We expect the inflation to gradually pick up but it is expected to remain well anchored next year assuming oil prices remain at lower levels.

Budgeted target for economic growth appear achievable while fiscal deficit may marginally exceed due to challenges in revenue collection despite significant reduction in subsidies.

The China Pakistan Economic Corridor is expected to provide much needed impetus to growth with \$46 billion program expected to spur activity in the construction and power space which would have its trickle down affects. However, the current account is expected to worsen with import bill increasing in the short term along with the Foreign Direct Investment inflows. Profit repatriation in the long term would also be a concern for the balance of payments position.

Pakistan being in an economic expansionary cycle amid better positioning due to lower oil prices (oil centric import bill), lower/stable interest rate environment along with growth trigger in the form China Pakistan Economic Corridor would fare better compared to other Emerging Market economies. The \$46 billion program is expected to favour the construction and allied industrial sectors. Banking sector is also expected to be beneficiary of strong advances growth in a stable interest rate environment. The index heavy sectors are expected to gain lime light in second half of the calendar year with the bottoming out of crude oil prices and interest rate easing cycle. However, the volatility in global markets lead by slow down in Chinese economy and redemption pressures on emerging market funds would keep the short term market performance in check. But we reiterate our stance of no fundamental weakness in the market with the market premium over the risk free rate increasingly attractive due to recent underperformance.

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,



Saqib Saleem
Acting Chief Executive Officer

February 04, 2016

AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION



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AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Pakistan Pension Fund** (the Fund) as at **31 December 2015**, the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Statement of Cash Flows, condensed interim Statement of Movement in Participants' Sub-Funds, condensed interim Statement of Investments by Category, condensed interim Statement of Investments Portfolio, condensed interim Statement of other investments, condensed interim Contribution Table and condensed interim Statement of Number of Units in Issue and notes to the accounts for the half year then ended (here-in-after referred to as "interim financial information"). The Pension Fund Manager is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

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

AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION



Building a better
working world

Emphasis of matter

We draw attention to note 9.1 to the accompanying condensed interim financial statements which explains the contingency with respect to the contribution for Workers' Welfare Fund aggregating to Rs.2.561 million for which no provision has been made in the financial statements.

Our conclusion is not qualified in respect of the above matter.

A handwritten signature in black ink, appearing to read 'Shabbir Yunus', written over a horizontal line.

Chartered Accountants

Engagement Partner: Shabbir Yunus

Date: 04 February 2016

Karachi

A member firm of Ernst & Young Global Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED) AS AT DECEMBER 31, 2015

(Un-Audited)						(Audited)
December 31, 2015						
		Equity sub fund	Debt sub fund	Money market sub fund	Total	June 30, 2015
Note		(Rupees)				
Assets						
Balances with banks	5	23,824,629	8,717,486	3,515,872	36,057,987	44,824,742
Investments (as per condensed interim statement of investments by category)		408,408,544	370,235,568	146,811,994	925,456,106	843,404,078
Dividend receivable		612,000	-	-	612,000	499,201
Profit receivable		86,887	13,709,567	8,380	13,804,834	10,584,241
Receivable against sale of units		1,860,000	-	-	1,860,000	-
Deposits and other receivables	6	2,812,908	210,000	110,000	3,132,908	3,093,613
Total assets		437,604,968	392,872,621	150,446,246	980,923,835	902,405,875
Liabilities						
Payable to Pension Fund Manager	7	614,671	557,689	214,626	1,386,986	1,316,015
Payable to Central Depository Company Limited - Trustee and related sales tax		61,467	55,767	21,461	138,695	105,735
Annual fee payable to the Securities and Exchange Commission of Pakistan		70,225	61,717	24,318	156,260	235,239
Payable against purchase of equity securities		818,025	-	-	818,025	18,129,700
Payable against redemption of units		-	10,000,000	22,098	10,022,098	19,912
Accrued expenses and other liabilities	8	6,200,184	3,455,105	1,418,960	11,074,249	9,697,012
Total liabilities		7,764,572	14,130,278	1,701,463	23,596,313	29,503,613
Net assets		429,840,396	378,742,343	148,744,783	957,327,522	872,902,262
Participants' sub funds (as per condensed interim Statement of Movement in Participants' sub funds)						
		429,840,396	378,742,343	148,744,783		
----- Number of units -----						
Number of units in issue		1,136,186	1,776,002	752,987		
----- (Rupees) -----						
Net assets value per unit		378.32	213.26	197.54		

Contingencies and commitments 9

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2015

Half year ended December 31, 2015					Half year ended December 31, 2014	
	Equity sub fund	Debt sub fund	Money market sub fund	Total		
Note	----- (Rupees) -----					
Income						
Net capital gain / (loss) on sale of investments						
'available-for-sale'	(1,118,025)	4,198,975	-	3,080,950	2,229,415	
'at fair value through profit or loss - held-for-trading'	4,283,227	136,617	1,390	4,421,234	21,626,755	
Dividend income on shares						
'available-for-sale'	6,721,248	-	-	6,721,248	454,692	
'at fair value through profit or loss - held-for-trading'	2,252,589	-	-	2,252,589	4,711,148	
Income from Government Securities						
'available-for-sale'	-	11,043,082	-	11,043,082	6,877,599	
'at fair value through profit or loss - held-for-trading'	-	4,074,060	4,890,609	8,964,669	14,247,268	
Income from Term Finance Certificates and						
sukuk bonds classified as 'available-for-sale'	-	189,934	-	189,934	255,818	
Profit on bank and other deposits	412,506	180,454	109,829	702,789	534,392	
Unrealised gain / (loss) on revaluation of investments -						
'at fair value through profit or loss - held-for-trading' - net	9,271,498	(82,238)	7,246	9,196,506	25,537,433	
Reversal of provision against debt securities	-	535,714	-	535,714	-	
Total income	21,823,043	20,276,598	5,009,074	47,108,715	76,474,520	
Expenses						
Remuneration of Pension Fund Manager	11	3,158,518	2,775,924	1,093,764	7,028,206	4,793,646
Sindh sales tax and Federal Excise Duty on						
remuneration of Pension Fund Manager		1,018,307	894,957	352,629	2,265,893	1,601,078
Remuneration of Central Depository						
Company Limited - Trustee		315,851	277,591	109,375	702,817	485,314
Sales tax on remuneration of trustee	12	44,221	38,865	15,315	98,401	-
Annual fee - Securities and Exchange						
Commission of Pakistan (SECP)		70,225	61,717	24,318	156,260	106,516
Auditors' remuneration		114,227	102,006	41,077	257,310	227,244
Custody and settlement charges		156,320	123,350	-	279,670	1,224,158
Securities transaction cost		261,904	25,610	779	288,293	-
Legal and professional charges		37,939	-	-	37,939	-
Impairment loss on available-for-sale investment		10,252,750	-	-	10,252,750	-
Provision for Workers' Welfare Fund		-	-	-	-	1,391,776
Bank charges		3,608	21,504	10,032	35,144	46,065
Total expenses		15,433,870	4,321,524	1,647,289	21,402,683	9,875,797
Net income from operating activities		6,389,173	15,955,074	3,361,785	25,706,032	66,598,723
Element of income / (loss) and capital gains / (losses)						
included in prices of units issued less those redeemed:						
arising from capital gain and unrealised gain		1,495,142	117,449	7,885	1,620,476	(380,615)
arising from other income		200,521	598,632	97,924	897,077	1,997,809
Net income for the period before taxation		8,084,836	16,671,155	3,467,594	28,223,585	68,215,917
Taxation	13	-	-	-	-	-
Net income for the period after taxation		8,084,836	16,671,155	3,467,594	28,223,585	68,215,917
Earnings per unit	14	7.35	9.46	4.65		

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)


FOR THE QUARTER ENDED DECEMBER 31, 2015

		Quarter ended December 31, 2015				Quarter ended December 31, 2014
		Equity sub fund	Debt sub fund	Money market sub fund	Total	
Note		(Rupees)				
Income						
Net capital gain on sale of investments						
'available-for-sale'		3,439,458	403,934	-	3,843,392	2,229,415
'at fair value through profit or loss - held-for-trading'		317	130,300	159	130,776	21,046,172
Dividend income on shares classified as						
'available-for-sale'		3,722,108	-	-	3,722,108	454,692
'at fair value through profit or loss - held-for-trading'		1,346,693	-	-	1,346,693	1,749,115
Income from Government Securities						
'available-for-sale'		-	5,415,159	-	5,415,159	3,440,202
'at fair value through profit or loss - held-for-trading'		-	1,857,643	2,430,787	4,288,430	7,190,364
Income from Term Finance Certificates and sukuk bonds 'classified as 'available-for-sale'		-	91,362	-	91,362	128,136
Profit on bank and other deposits		216,568	60,670	24,792	302,030	262,869
Unrealised gain / (loss) on revaluation of investments						
'at fair value through profit or loss - held-for-trading' - net		5,316,600	(466,824)	(60,730)	4,789,046	21,186,910
Reversal of provision against debt securities		-	267,857	-	267,857	-
Total income		14,041,744	7,760,101	2,395,008	24,196,853	57,687,875
Expenses						
Remuneration of Pension Fund Manager	11	1,594,157	1,434,637	555,369	3,584,163	2,869,374
Sindh sales tax and Federal Excise Duty on remuneration of Pension Fund Manager		513,958	462,525	179,051	1,155,534	430,388
Remuneration of Central Depository Company Limited - Trustee		159,412	143,461	55,534	358,407	246,893
Sales tax on remuneration of trustee	12	22,320	20,087	7,777	50,184	-
Annual fee - Securities and Exchange Commission of Pakistan (SECP)		35,429	31,884	12,343	79,656	54,959
Auditors' remuneration		56,371	50,624	19,600	126,595	128,942
Custody and settlement charges		169,330	48,605	779	218,714	824,874
Legal and professional charges		37,939	-	-	37,939	-
Impairment loss on available-for-sale investment		10,252,750	-	-	10,252,750	-
Provision for Workers' Welfare Fund		-	-	-	-	1,084,358
Bank charges		2,443	8,761	5,228	16,432	42,199
Total expenses		12,844,109	2,200,584	835,681	15,880,374	5,681,987
Net income from operating activities		1,197,635	5,559,517	1,559,327	8,316,479	52,005,888
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those redeemed:						
arising from capital gain and unrealised gain		(19,370,522)	5,357	1,004	(19,364,161)	(50,400)
arising from other income		19,875,106	(57,581)	22,887	19,840,412	1,177,610
Net income for the period before taxation		1,702,219	5,507,293	1,583,218	8,792,730	53,133,098
Taxation	13	-	-	-	-	-
Net income for the period after taxation		1,702,219	5,507,293	1,583,218	8,792,730	53,133,098
Earnings per unit	14	2.09	3.78	2.10		

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

Half year ended December 31, 2015					Half year ended December 31, 2014
Note	Equity Sub Fund	Debt Sub Fund	Money market Sub Fund	Total	
	----- (Rupees) -----				
Net income for the period	8,084,836	16,671,155	3,467,594	28,223,585	68,215,917
Other comprehensive income					
Items to be reclassified to profit or loss in subsequent period					
Net unrealised gain on revaluation of available-for-sale investments	10 2,025,325	706,345	-	2,731,670	7,008,942
Reclassification adjustment on sale / maturity of available-for-sale investments	(6,111,550)	(2,552,259)	-	(8,663,809)	(2,078,125)
	(4,086,225)	(1,845,914)	-	(5,932,139)	4,930,817
Total comprehensive income for the period	3,998,611	14,825,241	3,467,594	22,291,446	73,146,734

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.


**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2015**

	Quarter ended December 31, 2015				Quarter ended December 31, 2014
	Equity Sub Fund	Debt Sub Fund	Money market Sub Fund	Total	
	(Rupees)				
Net income for the period	1,702,219	5,507,293	1,583,218	8,792,730	53,133,098
Other comprehensive income					
Items to be reclassified to profit or loss in subsequent periods					
Net unrealized gain on revaluation of available-for-sale investments	23,676,793	2,384,179	-	26,060,972	5,375,753
Reclassification adjustment on sale / maturity of available-for-sale investments	(2,863,482)	(2,525,616)	-	(5,389,098)	(2,078,125)
	20,813,311	(141,437)	-	20,671,874	3,297,628
Total comprehensive income for the period	22,515,530	5,365,856	1,583,218	29,464,604	56,430,726

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Half year ended December 31, 2015				Half year ended December 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	(Rupees)				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income before taxation	8,084,836	16,671,155	3,467,594	28,223,585	68,215,917
Adjustments for non cash charges and other items:					
Capital gain on sale of investments	(3,165,202)	(4,335,592)	(1,390)	(7,502,184)	(23,856,170)
Unrealised (gain) / loss on revaluation of investments - 'at fair value through profit or loss - held-for-trading' - net	(9,271,498)	82,238	(7,246)	(9,196,506)	(25,537,433)
Impairment loss on investments classified as available-for-sale	10,252,750	-	-	10,252,750	-
Reversal of provision against debt securities	-	(535,714)	-	(535,714)	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those redeemed: arising from capital gain and unrealised gain	(1,495,142)	(117,449)	(7,885)	(1,620,476)	380,615
arising from other income	(200,521)	(598,632)	(97,924)	(897,077)	(1,997,809)
	(3,879,613)	(5,505,149)	(114,445)	(9,499,207)	(51,010,797)
(Increase) / decrease in assets					
Investments - net	(32,772,136)	(40,404,820)	(7,825,555)	(81,002,511)	(45,073,805)
Dividend receivable	(112,799)	-	-	(112,799)	180,008
Profit receivable	(23,077)	(3,201,831)	4,315	(3,220,593)	(1,834,785)
Receivable against sale of units	(1,860,000)	-	-	(1,860,000)	(171,828,722)
Deposits and other receivables	(39,295)	-	-	(39,295)	(7,790,000)
	(34,807,307)	(43,606,651)	(7,821,240)	(86,235,198)	(226,347,304)
(Decrease) / increase in liabilities					
Payable to Pension Fund Manager	30,377	43,035	(2,441)	70,971	164,281
Payable to the Trustee	14,567	14,411	3,980	32,958	10,337
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	(22,802)	(34,014)	(22,163)	(78,979)	(51,832)
Payable against purchase of investments	(17,311,675)	-	-	(17,311,675)	175,810,785
Payable against redemption of units	-	10,000,000	22,098	10,022,098	-
Accrued and other liabilities	617,520	571,432	168,373	1,357,325	2,714,355
	(16,672,013)	10,594,864	169,847	(5,907,302)	178,647,926
Cash (used in) / generated from operating activities	(47,274,097)	(21,845,781)	(4,298,244)	(73,418,122)	(30,494,258)
CASH FLOW FROM FINANCING ACTIVITIES					
Receipt of contribution	66,764,613	61,679,512	18,001,654	146,445,779	114,195,488
Payment against withdrawal	(34,036,586)	(36,073,951)	(11,683,875)	(81,794,412)	(96,595,815)
Net cash generated from financing activities	32,728,027	25,605,561	6,317,779	64,651,367	17,599,673
Net (decrease) / increase in cash and cash equivalent during the period	(14,546,070)	3,759,780	2,019,535	(8,766,755)	(12,894,585)
Cash and cash equivalents at beginning of the period	38,370,699	4,957,706	1,496,337	44,824,742	34,637,488
Cash and cash equivalents at end of the period	23,824,629	8,717,486	3,515,872	36,057,987	21,742,903

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED DECEMBER 31, 2015

	Quarter ended December 31, 2015				Quarter ended December 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income before taxation	1,702,219	5,507,293	1,583,218	8,792,730	53,133,098
Adjustments for non cash charges and other items:					
Capital gain on sale of investments	(3,439,775)	(534,234)	(159)	(3,974,168)	(23,275,587)
Unrealised (gain) / loss on revaluation of investments - 'at fair value through profit or loss - held-for-trading' - net	(5,316,600)	466,824	60,730	(4,789,046)	(21,186,910)
Impairment loss on investments classified as 'available-for-sale'	10,252,750	-	-	10,252,750	-
Reversal of provision against debt securities	-	(267,857)	-	(267,857)	
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those redeemed: arising from capital gain and unrealised gain	19,370,522	(5,357)	(1,004)	19,364,161	50,400
arising from other income	(19,875,106)	57,581	(22,887)	(19,840,412)	(1,177,610)
	991,791	(283,043)	36,680	745,428	(45,589,707)
(Increase) / decrease in assets					
Investments - net	(8,830,710)	(5,772,630)	(384,707)	(14,988,047)	8,798,840
Dividend receivable	2,921,439	-	-	2,921,439	2,490,964
Profit receivable	(33,794)	(8,826,104)	(632)	(8,860,530)	(7,246,979)
Receivable against sale of units	(1,860,000)	-	-	(1,860,000)	(171,828,722)
Deposits and other receivables	(35,625)	-	-	(35,625)	(7,590,000)
	(7,838,690)	(14,598,734)	(385,339)	(22,822,763)	(175,375,897)
Increase in liabilities					
Payable to Pension Fund Manager	48,975	41,010	9,984	99,969	42,673
Payable to the Trustee	4,897	4,098	996	9,991	6,954
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	35,430	31,884	12,342	79,656	54,959
Payable against redemption of units	-	10,000,000	22,098	10,022,098	-
Accrued and other liabilities	1,257,431	389,142	106,664	1,753,237	184,448,454
	1,346,733	10,466,134	152,084	11,964,951	184,553,040
Cash (used in) / generated from operating activities	(3,797,947)	1,091,650	1,386,643	(1,319,654)	16,720,534
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipt of contribution	18,278,556	18,664,195	6,015,598	42,958,349	80,111,331
Payment against withdrawal	(3,820,911)	(18,080,347)	(4,519,145)	(26,420,403)	(79,360,767)
Net cash generated from financing activities	14,457,645	583,848	1,496,453	16,537,946	750,564
Net increase in cash and cash equivalent during the period	10,659,698	1,675,498	2,883,096	15,218,292	17,471,098
Cash and cash equivalents at beginning of the period	13,164,931	7,041,988	632,776	20,839,695	4,271,806
Cash and cash equivalents at end of the period	<u>23,824,629</u>	<u>8,717,486</u>	<u>3,515,872</u>	<u>36,057,987</u>	<u>21,742,904</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

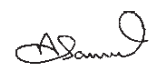
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	Half year ended December 31, 2015				Half year ended December 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
Net assets at the beginning of the period	394,809,421	339,027,622	139,065,219	872,902,262	595,325,674
Amount received on issuance of units	66,764,613	61,679,512	18,001,654	146,445,779	114,195,488
Amount paid on redemption of units	(34,036,586)	(36,073,951)	(11,683,875)	(81,794,412)	(96,595,815)
	32,728,027	25,605,561	6,317,779	64,651,367	17,599,673
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					
- arising from capital gain and unrealised gain	(1,495,142)	(117,449)	(7,885)	(1,620,476)	380,615
- arising from other income	(200,521)	(598,632)	(97,924)	(897,077)	(1,997,810)
Amount representing unrealised (appreciation) / diminution in fair value of investments	(22,440,957)	12,549,287	2,961,372	(6,930,298)	10,182,342
	(24,136,620)	11,833,206	2,855,563	(9,447,851)	8,565,147
Net unrealised (loss) / gain during the period in the market value of investments classified as available-for-sale	(4,086,225)	(1,845,914)	-	(5,932,139)	4,930,817
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	22,440,957	(12,549,287)	(2,961,372)	6,930,298	(10,182,342)
Net income after taxation for the period	8,084,836	16,671,155	3,467,594	28,223,585	68,215,917
Net assets at the end of the period	429,840,396	378,742,343	148,744,783	957,327,522	684,454,886

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

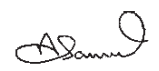
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2015**

	Quarter ended December 31, 2015				Quarter ended December 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
Net assets at the beginning of the period	393,371,706	372,740,415	145,689,003	911,801,124	628,381,493
Amount received on issuance of units	18,278,556	18,664,195	6,015,598	42,958,349	80,111,331
Amount paid on redemption of units	(3,820,911)	(18,080,347)	(4,519,145)	(26,420,403)	(79,360,767)
	14,457,645	583,848	1,496,453	16,537,946	750,564
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				-	
- arising from capital gain and unrealised gain	19,370,522	(5,357)	(1,004)	19,364,161	50,400
- arising from other income	(19,875,007)	57,581	(22,887)	(19,840,313)	(1,177,610)
Amount representing unrealised (appreciation) / diminution in fair value of investments	(10,126,562)	(343,598)	5,213,095	(5,257,065)	17,920,224
	(10,631,047)	(291,374)	5,189,204	(5,733,217)	16,793,014
Net unrealised gain / (loss) during the period in the market value of investments classified as available-for-sale	20,813,311	(141,437)	-	20,671,874	3,316,941
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	10,126,562	343,598	(5,213,095)	5,257,065	(17,920,224)
Net income after taxation for the period	1,702,219	5,507,293	1,583,218	8,792,730	53,133,098
Net assets at the end of period	429,840,396	378,742,343	148,744,783	957,327,522	684,454,886

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

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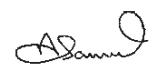
**CONDENSED INTERIM STATEMENT OF INVESTMENTS BY CATEGORY (UN-AUDITED)
AS AT DECEMBER 31, 2015**

	----- (Un-Audited) ----- December 31, 2015				(Audited) June 30, 2015
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
Investments 'at fair value through profit or loss - held-for-trading'					
Listed equity securities	82,405,845	-	-	82,405,845	79,262,747
Pakistan Investment Bonds	-	15,611,037	-	15,611,037	15,772,331
Market Treasury Bills	-	71,533,063	146,811,994	218,345,057	242,380,319
	82,405,845	87,144,100	146,811,994	316,361,939	337,415,397
 'Available-for-sale' investments					
Listed equity securities	326,002,699	-	-	326,002,699	298,275,936
Pakistan Investment Bonds	-	280,558,242	-	280,558,242	205,130,937
Term Finance Certificates and Sukuk bonds	-	2,533,226	-	2,533,226	2,581,808
	326,002,699	283,091,468	-	609,094,167	505,988,681
	<u>408,408,544</u>	<u>370,235,568</u>	<u>146,811,994</u>	<u>925,456,106</u>	<u>843,404,078</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

CONDENSED INTERIM STATEMENT OF INVESTMENTS PORTFOLIO (UN-AUDITED) AS AT DECEMBER 31, 2015

INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT OR LOSS' - HELD-FOR-TRADING
PPF EQUITY SUB FUND
LISTED EQUITY SECURITIES

Name of the Investee Company	Number of shares					As at December 31, 2015			Market value as a % of net assets of the sub-fund	% of the issued capital of the investee company
	As at July 01, 2015	Purchases during the period	Bonus / Right issue (R) during the period	Sales during the period	As at December 31, 2015	Cost	Market value	Appreciation / (Diminution)		
----- (Rupees) -----										
SHARES OF LISTED COMPANIES - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Oil and gas										
Pakistan Oilfields Limited	194	-	-	-	194	78,341	51,996	(26,345)	0.01%	0.000%
Pakistan Petroleum Limited	223	-	-	-	223	36,630	27,164	(9,466)	0.01%	0.000%
					417	114,971	79,160	(35,811)	0.02%	
Chemicals										
Dyneea Pakistan Limited	7,000	-	-	-	7,000	343,000	284,900	(58,100)	0.07%	0.074%
I.C.I Pakistan Limited	-	2,000		2,000	-	-	-	-	0.00%	0.000%
					7,000	343,000	284,900	(58,100)	0.07%	
Construction and materials										
Pioneer Cement Limited	3,000	-	-	-	3,000	255,870	272,580	16,710	0.06%	0.001%
Maple Leaf Cement Factory Limited	224,000	-	-	128,000	96,000	7,541,760	7,159,680	(382,080)	1.67%	0.018%
					99,000	7,797,630	7,432,260	(365,370)	1.73%	
Fertilizer										
Engro Fertilizers Limited	-	150,000	-	-	150,000	14,568,240	12,619,500	(1,948,740)	2.94%	0.01%
Engro Corporation Limited	40,000	-	-	6,000	34,000	10,091,200	9,499,260	(591,940)	2.21%	0.01%
					184,000	24,659,440	22,118,760	(2,540,680)	5.15%	
General industrials										
Ghani Glass Limited	114,500	-	-	14,000	100,500	8,724,405	8,847,015	122,610	2.06%	0.082%
Ghani Glass Limited (R)	-	-	70,350	-	70,350	-	5,979,047	5,979,047		
					170,850	8,724,405	14,826,062	6,101,657	2.06%	
Industrial metals and mining										
Crescent Steel and Allied Products Limited	123,500	8,500	-	42,000	90,000	4,868,505	11,193,300	6,324,795	2.60%	0.116%
Crescent Steel and Allied Products Limited (R)	-	-	30,875	30,875	-	-	-	-	0.00%	0.000%
					90,000	4,868,505	11,193,300	6,324,795	2.60%	
Automobile and parts										
Pak Suzuki Motor Company Limited	9,000	-	-	2,000	7,000	3,051,370	3,467,100	415,730	0.81%	0.009%
					7,000	3,051,370	3,467,100	415,730	0.81%	
Food producers										
Shezan International Limited	3,700	-	-	-	3,700	3,379,950	2,263,327	(1,116,623)	0.53%	0.046%
					3,700	3,379,950	2,263,327	(1,116,623)	0.53%	
Cable and electrical goods										
Pak Elektron Limited	14,499	-	-	14,499	-	-	-	-	0.00%	0.000%
					-	-	-	-	0.00%	
Personal goods										
Bata Pakistan Limited	2,100	-	-	-	2,100	7,840,224	6,866,370	(973,854)	1.60%	0.028%
					2,100	7,840,224	6,866,370	(973,854)	1.60%	
Pharma and bio tech										
IBL HealthCare Limited	46,000	-	9,200	-	55,200	5,244,000	6,077,520	833,520	1.41%	0.154%
IBL HealthCare Limited (R)	-	-	4,600	4,600	-	-	-	-	0.00%	0.000%
					55,200	5,244,000	6,077,520	833,520	1.41%	
Power generation and distribution										
Hub Power Company Limited	118,995	-	-	43,000	75,995	7,110,852	7,797,086	686,234	1.81%	0.01%
					75,995	7,110,852	7,797,086	686,234	1.81%	
Total					695,262	73,134,347	82,405,845	9,271,498		

----- Total -----
(Un-Audited) (Audited)
December 31, 2015 June 30, 2015
----- (Rupees) -----

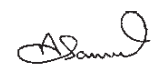
Market value

82,405,845 79,262,747

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

CONDENSED INTERIM STATEMENT OF INVESTMENTS PORTFOLIO (UN-AUDITED)

AS AT DECEMBER 31, 2015

'AVAILABLE-FOR-SALE' INVESTMENTS
PPF EQUITY SUB-FUND
LISTED EQUITY SECURITIES

Name of the Investee Company	Number of shares					As at December 31, 2015			Market value as a % of net assets of the sub-fund	% of the issued capital of the investee company
	As at July 01, 2015	Purchases during the period	Bonus / Right issue(R) during the period	Sales during the period	As at December 31, 2015	Cost	Market value	(Diminution)/ Appreciation		
						(Rupees)			%	%
SHARES OF LISTED COMPANIES - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Oil and gas										
Oil and Gas Development Company Limited	150,000	29,000	-	55,000	124,000	22,270,400	14,550,160	(7,720,240)	3.39%	0.003%
Pakistan Oilfields Limited	42,000	-	-	6,600	35,400	12,163,744	9,487,908	(2,675,836)	2.21%	0.015%
Pakistan State Oil Company Limited	56,000	-	-	-	56,000	22,547,392	18,243,120	(4,304,272)	4.24%	0.021%
Shell Pakistan Limited	41,000	-	-	-	41,000	9,112,775	9,357,840	245,065	5.26%	0.038%
Pakistan Petroleum Limited	130,000	-	-	75,000	55,000	9,476,676	6,699,550	(2,777,126)	1.56%	0.003%
						75,570,987	58,338,578	(17,232,409)	16.66%	
Paper and board										
Century Paper and Board Mills Limited	118,000	100,000	-	218,000	-					
Cherat Packaging Limited	49,500	-	7,426	3,713	53,213	9,019,822	16,129,320	7,109,498	3.75%	0.180%
Packages Limited	31,000	-	-	-	31,000	17,370,649	18,045,410	674,761	4.20%	0.035%
Security Papers Limited	10,433	-	-	-	10,433	275,624	919,252	643,628	0.21%	0.018%
						26,666,095	35,093,982	8,427,887	8.16%	
Chemicals										
Biafo Industries Limited	-	16,100	-	-	16,100	3,224,410	4,588,500	1,364,090	1.07%	0.081%
I.C.I Pakistan Limited	30,000	15,100	-	-	45,100	19,435,069	21,829,302	2,394,233	5.08%	0.049%
Linde Pakistan Limited	38,000	-	-	-	38,000	7,745,700	4,417,500	(3,328,200)	1.03%	0.152%
						30,405,179	30,835,302	430,123	-	
Automobile assembler										
Honda Atlas Car (Pakistan) Limited	-	21,000	-	-	21,000	5,631,240	5,017,740	(613,500)	0.01	0.015%
Indus Motor Company Limited	9,000	-	-	-	9,000	9,453,533	9,105,120	(348,413)	0.02	0.011%
Pak Suzuki Motor Company Limited	2,000	-	-	-	2,000	722,646	990,600	267,954	-	0.002%
						15,807,419	15,113,460	(693,959)	3.00%	
Cement										
Cherat Cement Company Limited	-	95,000	-	-	95,000	8,423,004	8,567,100	144,096	1.99%	0.054%
Fauji Cement Company Limited	300,000	-	-	171,000	129,000	4,444,489	4,749,780	305,291	1.11%	0.010%
Maple Leaf Cement Factory Limited	60,000	25,000	-	50,000	35,000	2,136,369	2,610,300	473,931	0.61%	0.007%
Pioneer Cement Limited	216,000	9,000	-	100,000	125,000	10,807,263	11,357,500	550,237	2.64%	0.055%
						25,811,125	27,284,680	1,473,555	-	
Commercial banks										
Bank Al Habib Limited	1,000	300,000	-	-	301,000	12,820,674	12,521,600	(299,074)	2.91%	0.027%
United Bank Limited	68,000	50,000	-	58,000	60,000	10,091,214	9,297,000	(794,214)	2.16%	0.005%
Habib Metropolitan Bank Limited	154,500	-	-	154,500	-	-	-	-	0.00%	
						22,911,888	21,818,600	(1,093,288)	5.07%	
Engineering										
Amreli Steels Limited	-	2,345	-	-	2,345	119,595	140,864	21,269	0.03%	0.001%
Crescent Steel and Allied Products Limited	-	13,500	-	-	13,500	1,555,311	1,678,995	123,684	0.39%	0.017%
Mughal Iron and Steel Industries Limited	135,000	-	20,250	-	155,250	7,304,885	10,820,925	3,516,040	2.52%	0.123%
						8,979,791	12,640,784	3,660,993	2.94%	
Fertilizer										
Engro Fertilizers Limited	-	40,000	-	-	40,000	3,796,860	3,365,200	(431,660)	0.78%	0.003%
Engro Corporation Limited	5,000	-	-	-	5,000	1,200,012	1,396,950	196,938	0.32%	0.001%
Fauji Fertilizer Bin Qasim Limited	-	120,000	-	120,000	-	-	-	-	0.00%	
Fauji Fertilizer Company Limited	55,000	22,000	-	77,000	-	-	-	-	0.00%	
						4,996,872	4,762,150	(234,722)	1.10%	
Personal foods and care products										
Engro Foods Limited	-	113,000	-	-	113,000	18,450,674	16,564,670	(1,886,004)	3.85%	0.015%
Shezan International Limited	2,500	-	-	-	2,500	3,163,085	1,529,275	(1,633,810)	0.36%	0.031%
						21,613,759	18,093,945	(3,519,814)	4.21%	
Insurance										
Century Insurance Company Limited	208,500	77,000	-	-	285,500	7,799,917	7,208,875	(591,042)	1.68%	0.624%
						7,799,917	7,208,875	(591,042)	1.68%	
Miscellaneous										
Shifa International Hospitals Limited	-	49,000	-	-	49,000	12,331,874	15,043,000	2,711,126	3.50%	0.097%
Shifa International Hospitals Limited (R)	-	-	3,903	-	3,903	-	213,104	213,104	0.05%	0.008%
						12,331,874	15,256,104	2,924,230	3.50%	
Glass and ceramics										
Tariq Glass Industries Limited	167,500	-	-	-	167,500	9,554,100	11,699,875	2,145,775	2.72%	0.228%
						9,554,100	11,699,875	2,145,775	2.72%	
Power generation and distribution										
Altern Energy Limited	-	10,500	-	-	10,500	404,977	341,250	(63,727)	0.08%	0.003%
Hub Power Company Limited***	32,000	83,000	-	-	115,000	11,329,536	11,799,000	469,464	2.74%	0.010%
Kot Addu Power Company Limited	-	199,000	-	-	199,000	18,105,199	16,119,000	(1,986,199)	3.75%	0.023%
						29,839,712	28,259,250	(1,580,462)	6.57%	

CONDENSED INTERIM STATEMENT OF INVESTMENTS PORTFOLIO (UN-AUDITED) AS AT DECEMBER 31, 2015

Name of the Investee Company	Number of shares					As at December 31, 2015			Market value as a % of net assets of the sub-fund	% of the issued capital of the investee company
	As at July 01, 2015	Purchases during the period	Bonus / Right issue(R) during the period	Sales during the period	As at December 31, 2015	Cost	Market value	(Diminution)/ Appreciation		
						(Rupees)			%	%
Refinery										
National Refinery Limited	28,100	-	-	28,100	-	-	-	-	0.00%	0.000%
Sugar and allied industries										
Habib Sugar Mills Limited*	290,000	-	-	290,000	-	-	-	-	0.00%	0.000%
Mirpurkhas Sugar Mills Limited	4,500	-	-	-	4,500	318,596	355,500	36,904	0.08%	0.037%
						318,596	355,500	36,904	0.08%	
Pharmaceuticals										
IBL HealthCare Limited	-	4,600	-	-	4,600	587,564	506,460	(81,104)	0.12%	0.013%
						587,564	506,460	(81,104)	0.12%	
Technology and communications										
Hum Network Limited **	500,000	112,000	-	-	612,000	10,426,399	8,041,680	(2,384,719)	1.87%	0.648%
Systems Limited	261,955	-	-	-	261,955	10,076,780	16,511,024	6,434,244	3.84%	0.237%
						20,503,179	24,552,704	4,049,525	5.71%	
Automobile and accessories										
Thal Limited *	-	35,000	-	-	35,000	11,211,095	8,866,550	(2,344,545)	2.06%	0.043%
						11,211,095	8,866,550	(2,344,545)	2.06%	
Cable and electrical goods										
Pak Elektron Limited	114,000	130,000	-	159,000	85,000	6,386,535	5,315,900	(1,070,635)	1.24%	0.011%
						6,386,535	5,315,900	(1,070,635)	1.24%	
Total						331,295,687	326,002,699	(5,292,988)	64.82%	

* These have a face value of Rs.5 per share

** These have a face value of Re.1 per share

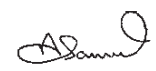
*** These includes shares with an aggregating market value of Rs.10.26 million (June 30, 2015: Rs.9.36) which have been pledged with the National Clearing Company of Pakistan Limited as security against settlement of the Fund's trading in accordance with the terms of Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

		Total
	(Un-Audited)	(Audited)
	December 31,	June 30, 2015
	2015	
	(Rupees)	
Market value	326,002,699	298,275,936

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED)

AS AT DECEMBER 31, 2015

DEBT SUB-FUND

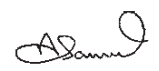
INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT OR LOSS' - 'HELD-FOR-TRADING'

Name of Investment	Face value				As at December 31, 2015			Market value as a % of net asset of the sub fund
	As at July 01, 2015	Purchases during the period	Sales / maturities during the period	As at December 31, 2015	Carrying value	Market value	(Diminution)/ Appreciation	
----- (Rupees) -----								
Pakistan investment bonds	14,855,000	-	-	14,855,000	15,772,339	15,611,037	(161,302)	4.12%
Treasury bills	106,800,000	50,500,000	85,200,000	72,100,000	71,453,999	71,533,063	79,064	18.89%
	121,655,000	50,500,000	85,200,000	86,955,000	87,226,338	87,144,100	(82,238)	

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED) AS AT DECEMBER 31, 2015

DEBT SUB-FUND
'AVAILABLE-FOR-SALE' INVESTMENTS

Name of Investment	Face value				As at December 31, 2015			Market value as a % of net asset of the sub fund
	As at July 01, 2015	Purchases during the period	Sales / maturities during the period	As at December 31, 2015	Cost	Market value	Appreciation	
----- (Rupees) -----								
Pakistan investment bonds	191,850,000	314,500,000	243,500,000	262,850,000	276,965,602	280,558,242	3,592,640	74.08%
	191,850,000	314,500,000	243,500,000	262,850,000	276,965,602	280,558,242	3,592,640	

Name of Investment	Issue Date	Number of Certificates				As at December 31, 2015			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 01, 2015	Purchases during the period	Sales / matured during the period	As at December 31, 2015	Cost	Market value	Appreciation			
----- Number of Certificates -----											
----- (Rupees) -----											
----- % -----											
Term Finance											
Certificates (TFCs)											
Bank Alfalah											
TFCs-IV (Floating)	2-Dec-09	500	-	-	500	2,495,247	2,533,226	37,979	0.67%	0.64%	0.05%
Sukuk bonds											
Pak Elektron Limited	28-Sep-07	750	-	-	750	843,223	-	-	-	-	-
Less: Provision for impairment		-	-	-	-	(843,223)	-	-	0.00%	0.00%	0.00%
-											
Total		1,250	-	-	1,250	2,495,247	2,533,226	37,979	-	-	

----- Total -----
(Un-Audited) (Audited)
December 31, 2015 June 30, 2015
----- (Rupees) -----

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

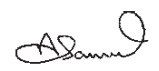
280,558,242 324,305,785
2,533,226 2,581,808
283,091,468 326,887,593

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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



Director



Director

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CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED)

AS AT DECEMBER 31, 2015

DEBT SUB-FUND

INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT OR LOSS' - 'HELD-FOR-TRADING'

Face value				As at December 31, 2015			Market value as a % of net asset of the sub fund
As at July 01, 2015	Purchases during the period	Sales / maturities during the period	As at December 31, 2015	Carrying value	Market value	(Diminution)/A ppreciation	
(Rupees)							
130,000	-	-	130,000	145,336	149,433	4,097	0.04%
360,000	-	-	360,000	393,727	396,796	3,069	0.10%
14,365,000	-	-	14,365,000	15,233,276	15,064,808	(168,468)	3.98%
14,855,000	-	-	14,855,000	15,772,339	15,611,037	(161,302)	

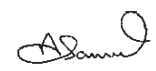
Available-for-sale

Face value				As at December 31, 2015			Market value as a % of net asset of the sub fund
As at July 01, 2015	Purchases during the period	Sales / maturities during the period	As at December 31, 2015	Carrying value	Market value	Appreciation /(Diminution)	
----- (Rupees) -----							
103,550,000	150,700,000	137,500,000	116,750,000	118,873,793	120,217,573	1,343,780	31.74%
30,000,000	161,800,000	53,000,000	138,800,000	150,238,859	152,384,154	2,145,295	40.23%
5,000,000	-	5,000,000	-	-	-	-	0.00%
49,800,000	2,000,000	48,000,000	3,800,000	4,260,629	4,253,872	(6,757)	1.12%
3,500,000	-	-	3,500,000	3,592,321	3,702,643	110,322	0.98%
191,850,000	314,500,000	243,500,000	262,850,000	276,965,602	280,558,242	3,592,640	

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

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CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED)

AS AT DECEMBER 31, 2015

DEBT SUB-FUND

INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT OR LOSS' - 'HELD-FOR-TRADING'

Months	Face value				As at December 31, 2015			Market value as a % of net asset of the sub fund
	As at July 01, 2015	Purchases during the period	Sales / maturities during the period	As at December 31, 2015	Carrying value	Market value	Appreciation/(Diminution)	
	----- (Rupees) -----							
Treasury Bills (12 Months)	76,800,000	49,000,000	55,200,000	70,600,000	69,987,072	70,066,892	79,820	18.50%
Treasury Bills (6 Months)	30,000,000	1,500,000	30,000,000	1,500,000	1,466,927	1,466,171	(756)	0.39%
Total	106,800,000	50,500,000	85,200,000	72,100,000	71,453,999	71,533,063	79,064	

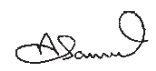
MONEY MARKET SUB-FUND

Months	Face value				As at December 31, 2015			Market value as a % of net asset of the sub fund
	As at July 01, 2015	Purchases during the period	Sales / maturities during the period	As at December 31, 2015	Carrying value	Market value	Appreciation/(Diminution)	
	(Rupees)							
Treasury Bills (6 Months)	84,400,000	99,500,000	85,400,000	98,500,000	97,339,867	97,348,044	8,177	25.70%
Treasury Bills (3 Months)	56,000,000	162,000,000	168,000,000	50,000,000	49,464,881	49,463,950	(931)	13.06%
Total	140,400,000	261,500,000	253,400,000	148,500,000	146,804,748	146,811,994	7,246	

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

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CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED) AS AT DECEMBER 31, 2015

MONEY MARKET SUB-FUND

INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT OR LOSS' - 'HELD-FOR-TRADING'

Name of investment	Face value				As at December 31, 2015			Market value as a % of net asset of the sub fund
	As at July 01, 2015	Purchases during the period	Sales / maturities during the period	As at December 31, 2015	Book value	Market value	Appreciation	
----- (Rupees) -----								
Treasury bills	140,400,000	261,500,000	253,400,000	148,500,000	146,804,748	146,811,994	7,246	98.70%
	140,400,000	261,500,000	253,400,000	148,500,000	146,804,748	146,811,994	7,246	

----- Total -----
(Un-Audited) (Audited)
December 31,
2015 June 30, 2015
----- (Rupees) -----

Market value

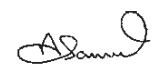
146,811,994 138,977,802

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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



Director



Director

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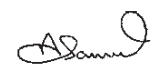
**CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

Contributions net of front end fee	Half year ended December 31, 2015							Half year ended December 31, 2014
	Equity sub fund		Debt sub fund		Money market sub fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
	----- (Rupees) -----							
Opening balance	1,050,272	182,472,521	1,652,600	242,094,977	720,481	91,432,743	516,000,241	381,379,799
Individuals - issuance of units	175,217	66,764,613	294,767	61,679,512	92,255	18,001,654	146,445,779	114,195,488
- redemption of units	(89,303)	(34,036,586)	(171,365)	(36,073,951)	(59,749)	(11,683,875)	(81,794,412)	(96,595,815)
	85,914	32,728,027	123,402	25,605,561	32,506	6,317,779	64,651,367	17,599,673
Closing balance	1,136,186	215,200,548	1,776,002	267,700,538	752,987	97,750,522	580,651,608	398,979,472

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

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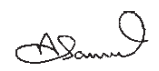
**CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2015**

Contributions net of front end fee	Quarter ended December 31, 2015							Quarter ended December 31, 2014
	Equity sub fund		Debt sub fund		Money market sub fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
	----- (Rupees) -----							
Opening balance	1,097,921	200,742,903	1,773,078	267,116,690	745,357	96,254,069	564,113,662	398,228,904
Individuals - issuance of units	48,304	18,278,556	87,993	18,664,195	30,580	6,015,598	42,958,349	80,111,335
- redemption of units	(10,039)	(3,820,911)	(85,069)	(18,080,347)	(22,950)	(4,519,145)	(26,420,403)	(79,360,767)
	38,265	14,457,645	2,924	583,848	7,630	1,496,453	16,537,946	750,568
Closing balance	1,136,186	215,200,548	1,776,002	267,700,538	752,987	97,750,522	580,651,608	398,979,472

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

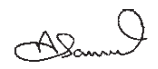
**CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	Half year ended December 31, 2015			Half year ended December 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	
	----- No. of units -----			
Total units outstanding at the beginning of the period	1,050,272	1,652,600	720,481	2,941,657
Add: Units issued during the period	175,217	294,767	92,255	514,075
Less: Units redeemed during the period	(89,303)	(171,365)	(59,749)	(456,504)
Total units in issue at the end of the period	1,136,186	1,776,002	752,987	2,999,228

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

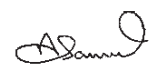
**CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2015**

	Quarter ended December 31, 2015			
	Equity sub fund	Debt sub fund	Money market sub fund	ended December 31, 2014
	----- No. of units -----			
Total units outstanding at the beginning of the period	1,097,921	1,773,078	745,357	3,027,870
Add: Units issued during the period	48,304	87,993	30,580	345,581
Less: Units redeemed during the period	(10,039)	(85,069)	(22,950)	(374,223)
Total units in issue at the end of the period	1,136,186	1,776,002	752,987	2,999,228

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The Pakistan Pension Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as Pension Fund Manager and Muslim Commercial Financial Services (Private) Limited (MCFSL) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 24, 2007 and was executed on June 04, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). Habib Metropolitan Bank Limited (HMBL) was appointed as the new Trustee in place of MCFSL through a revised Trust Deed dated June 16, 2011 which was approved by SECP on July 07, 2011. Central Depository Company of Pakistan Limited was appointed as the new Trustee in place of HMBL through a revised Trust Deed dated July 21, 2014 which was approved by SECP on July 23, 2014. Effective date from 30 September 2014, CDC has been appointed as the trustee of the fund.
- 1.2 MCB-Arif Habib Saving and Investments Limited has been licensed to act as a Pension Fund Manager under VPS Rules through a certificate of registration issued by the SECP.
- 1.3 PPF is an open-ended 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.
- 1.4 The registered office of Pension Fund Manager is currently situated at 8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi, Pakistan. With effect from February 08, 2016 the registered office of the Pension Fund Manager will be changed to 24th Floor, Centre Point, Off. Shaheed-e-Millat Expressway, Near KPT Interchange, Karachi, Pakistan.
- 1.5 Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM+2 dated April 07, 2015 to the Management Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', 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.
- 2.1.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2015.
- 2.1.3 These condensed interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarters ended December 31, 2015 and December 31, 2014 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.
- 2.1.4 These condensed interim financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund and has been rounded off to the nearest rupee.

3. ACCOUNTING POLICIES AND ESTIMATES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2015, except for as described below:

New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current period:

IFRS 10 – Consolidated Financial Statements
IFRS 11 – Joint Arrangements
IFRS 12 – Disclosure of Interests in Other Entities
IFRS 13 – Fair Value Measurement

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

The adoption of the above standards, amendments / improvements and interpretations did not have any effect on the financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Fund believes that such improvements to the standards did not have any impact on the Fund's financial statements for the period.

- 3.2 The element of income arising on issuance and redemption of units is bifurcated into portion attributable to capital gain / losses (realised and unrealised) and other income appearing in book of accounts of the Fund.

4. FINANCIAL RISK MANAGEMENT

The Fund's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2015.

		----- (Un-audited) -----				
		As at December 31, 2015				
		Equity sub fund	Debt sub fund	Money market sub fund	Total	(Audited) As at June 30, 2015
		----- (Rupees) -----				
5. BALANCES WITH BANKS	Note					
Saving accounts	5.1	23,824,629	8,717,486	3,515,872	36,057,987	44,824,742
		23,824,629	8,717,486	3,515,872	36,057,987	44,824,742

- 5.1 Saving accounts with banks carry interest at the rates ranging from 4% to 5.5% per annum (June 30, 2015: 6.00% to 7.25% per annum).

	----- (Un-audited) -----				
	As at December 31, 2015				
	Equity sub fund	Debt sub fund	Money market sub fund	Total	(Audited) As at June 30, 2015
	----- (Rupees) -----				
6. DEPOSITS AND OTHER RECEIVABLES - Considered good					
Security deposit					
- Central Depository Company of Pakistan	200,000	200,000	100,000	500,000	500,000
- National Clearing Company of Pakistan Limited	2,500,000	-	-	2,500,000	2,500,000
Advance tax	102,908	-	-	102,908	40,663
Others	10,000	10,000	10,000	30,000	52,950
	2,812,908	210,000	110,000	3,132,908	3,093,613

----- (Un-audited) -----					
As at December 31, 2015					
Equity sub fund	Debt sub fund	Money market sub fund	Total	(Audited) As at June 30, 2015	
----- (Rupees) -----					
7. PAYABLE TO PENSION FUND MANAGER					
Remuneration payable to Pension Fund Manager	539,185	489,201	188,269	1,216,655	1,057,405
Sindh sales tax payable on remuneration of Pension Fund Manager	75,486	68,488	26,357	170,331	158,610
	614,671	557,689	214,626	1,386,986	1,216,015

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015**

	(Un-audited) ----- As at December 31, 2015				(Audited) As at June 30, 2015
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
8. ACCRUED EXPENSES AND OTHER LIABILITIES					
Provision for Federal Excise Duty on remuneration of Pension Fund Manager (note 8.1)	1,804,994	1,860,882	942,043	4,607,919	3,325,974
Payable to auditors	101,368	89,206	35,090	225,664	262,500
Provision for Workers' Welfare Fund (note 8.2)	3,842,079	1,302,056	415,088	5,559,223	5,559,223
Brokerage payable	192,674	9,787	318	202,779	92,803
Withholding tax payable	243,128	177,503	26,421	447,052	224,758
Others	15,941	15,671	-	31,612	324,557
	<u>6,200,184</u>	<u>3,455,105</u>	<u>1,418,960</u>	<u>11,074,249</u>	<u>9,789,815</u>

8.1 There is no change in the status of petition with SHC as reported in note 6.1 to the annual financial statements of the Fund for the year ended 30 June 2015. Had the said provision of FED and related taxes not been recorded in the books of account of the Fund, the Net Asset Value (NAV) per unit of the Fund would have been higher by Rs.1.59 per unit (June 30, 2015: Rs.1.17 per unit) in respect of equity sub fund, Rs.1.05 per unit (June 30, 2015: Re.0.82 per unit) in respect of debt sub fund and Rs.1.25 per unit (June 30, 2015: Re.0.88 per unit) in respect of money market sub fund as at December 31, 2015.

8.2 There is no change in the status of the petition pending with the Honourable Sindh High Court (SHC) as reported in note 6.2 to the annual financial statements of the Fund for the year ended June 30, 2015.

The Fund maintained a provision for WWF as on December 31, 2015 amounting to Rs.5.559 million (June 30, 2015: Rs.5.559 million). Had the provision not been made, the net assets value per unit of the Fund would have been higher by Rs.3.38 (0.89%) (June 30, 2015: Rs.3.66 (0.97%)) per unit, Re.0.73 (0.34%) (June 30, 2015: Re.0.79 (0.38%)) per unit and Re.0.55 (0.28%) (June 30, 2015: Re.0.58 (0.30%)) per unit for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively.

9. CONTINGENCIES AND COMMITMENTS

9.1 As disclosed in prior year audited financial statements, the Fund commenced making provision in respect of WWF with effect from May 10, 2013. The unrecognised liability for contribution to WWF for the period from July 01, 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 (aggregating to Rs.2.561 million) respectively.

9.2 There were no commitments outstanding as at December 31, 2015 (June 30, 2015: Nil).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015**

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

	----- (Un-audited) -----				
	As at December 31, 2015				As at December 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
Market value	326,002,699	283,091,468	-	609,094,167	217,479,129
Average cost	331,295,687	279,460,849	-	610,756,536	(210,088,670)
	(5,292,988)	3,630,619	-	(1,662,369)	7,390,459
Impairment loss charged during the period	10,252,750	-	-	10,252,750	-
Reversal	6,111,550	2,552,259	-	8,663,809	-
Net unrealised (appreciation) / diminution in fair value of investments at the beginning of the period	(9,045,987)	(5,476,533)	-	(14,522,520)	(3,838,579)
Appreciation / (diminution) during the period	2,025,325	706,345	-	2,731,670	3,551,880

11. 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 period for determining the prices of units of the sub-funds.

12. SINDH SALES TAX ON REMUNERATION OF TRUSTEE

The Sindh Revenue Board through Circular No. SRB 3-4/TP/01/2015/86554 dated June 13th, 2015 has amended the definition of services of shares, securities and derivatives and included the custodianship services as well. Accordingly, Sindh Sales Tax of 14% on such services is also chargeable on Trustee fee which is now covered under the section 2(79A) of the Sindh Finance Bill 2010 amended upto 2015.

13. TAXATION

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

14. EARNINGS PER UNIT

Earnings Per Unit (EPU) for the half year and quarter ended December 31, 2015 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:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015**

	Half year ended December 31, 2015		
	----- (Un-Audited) -----		
	Equity sub fund	Debt sub fund	Money market sub fund
Weighted average number of units	1,100,699	1,761,375	746,473
Net income after taxation (Rupees)	8,084,836	16,671,155	3,467,594
Earnings per unit (Rupees)	<u>7.35</u>	<u>9.46</u>	<u>4.65</u>
Earnings per unit (Half year ended December 31, 2014) (Rupees)	<u>55.4</u>	<u>13.09</u>	<u>6.45</u>

	Quarter ended December 31, 2015		
	----- (Un-Audited) -----		
	Equity sub fund	Debt sub fund	Money market sub fund
Weighted average number of units	815,839	1,451,739	755,355
Net income after taxation (Rupees)	1,702,218	5,481,680	1,583,220
Earnings per unit (Rupees)	<u>2.09</u>	<u>3.78</u>	<u>2.10</u>
Earnings per unit (Quarter ended December 31, 2014) (Rupees)	<u>47.2</u>	<u>8.51</u>	<u>3.04</u>

15. TRANSACTIONS WITH CONNECTED PERSONS

Details of transactions and balances at period end with connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

15.1 Transactions during the period

	----- (Un-Audited) -----				
	Half year ended December 31, 2015				Half year ended December 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
MCB Arif Habib Savings and Investments Limited - Pension Fund Manager					
Remuneration including indirect taxes	4,176,825	3,670,881	1,446,393	9,294,099	6,394,724
Redemption of 46,891 units of PPF Debt sub fund (2014: Nil units)	-	10,000,000	-	10,000,000	-
Legal and professional charges	37,939	-	-	37,939	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015**

	----- (Un-Audited) -----				
	Half year ended December 31, 2015				Half year ended December 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
Habib Metropolitan Bank Limited - Trustee (Formerly)					
Remuneration	-	-	-	-	209,571
Mark-up earned	-	-	-	-	258,288
Bank charges	-	-	-	-	3,867
Central Depository Company of Pakistan Limited - Trustee					
Remuneration	360,072	316,456	124,690	801,218	275,743
Security deposit	-	-	-	-	200,000
Group / Associated Companies					
MCB Bank Limited					
Mark-up earned	15,369	5,808	99	21,276	-
Bank charges	2,756	385	32	3,173	-
Arif Habib Limited *					
Brokerage expense	1,794	-	685	2,479	-
Next Capital Limited *					
Brokerage expense	17,582	7,338	-	24,920	-
Summit Capital (Pvt) Ltd *					
Brokerage expense	4,994	-	-	4,994	-
Directors and officers					
Issue of 2,604 units of PPF Equity sub fund (2014: 15,156 units)	982,592	-	-	982,592	4,025,835
Issue of 3,577 units of PPF Debt sub fund (2014: 6,127 units)	-	749,309	-	749,309	1,100,850
Issue of 117 units of PPF Money Market sub fund (2014: 584 units)	-	-	22,773	22,773	107,082
Redemption of 3,131 units of PPF Equity sub fund (2014: 12,916 units)	1,165,800	-	-	1,165,800	3,394,140
Redemption of 7,933 units of PPF Debt sub fund (2014: 16,558 units)	-	1,658,703	-	1,658,703	2,983,154
Redemption of 2,217 units of PPF Money Market sub fund (2014: 17,047 units)	-	-	414,409	414,409	3,122,797

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015**

	<div>----- (Un-Audited) -----</div> <div>Quarter ended December 31, 2015</div>				Quarter ended December 31, 2014
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	<div>----- (Rupees) -----</div>				
MCB Arif Habib Savings and Investments Limited - Pension Fund Manager					
Remuneration including indirect taxes	2,108,115	1,897,163	734,419	4,739,697	3,299,762
Redemption of 46,891 units of PPF Debt sub fund (2014: Nil Units)	-	10,000,000	-	10,000,000	-
Legal and professional charges	37,939	-	-	37,939	-
Central Depository Company of Pakistan Limited - Trustee					
Remuneration	181,732	163,548	63,311	408,591	247,360
Group / Associated Companies					
MCB Bank Limited					
Mark-up earned	315	3,412	48	3,775	-
Bank charges	2,256	157	32	2,445	-
Arif Habib Limited *					
Brokerage expense	1,794	-	685	2,479	-
Next Capital Limited *					
Brokerage expense	4,970	2,100	-	7,070	-
Directors and officers					
Issue of 1,257 units of PPF Equity sub fund (2014: 1,249 units)	475,802	-	-	475,802	377,999
Issue of 605 units of PPF Debt sub fund (2014: 722 units)	-	128,475	-	128,475	135,085
Issue of 10 units of PPF Money Market sub fund (2014: 214 units)	-	-	1,866	1,866	39,694
Redemption of Nil units of PPF debt sub fund (2014: 4,448 units)	-	-	-	-	833,177
Redemption of Nil units of PPF Money Market sub fund (2014: 6,506 units)	-	-	-	-	1,210,048

* 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 STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015**

15.2 Amounts outstanding as at period / year end

	(Un-Audited)				
	As at December 31, 2015				
	Equity sub fund	Debt sub fund	Money market sub fund	Total	Audited June 30, 2015
	(Rupees)				
MCB Arif Habib Savings and Investments Limited - Pension Fund Manager					
Remuneration payable	539,185	489,201	188,269	1,216,655	1,057,405
Sales tax on remuneration payable	75,486	68,488	26,357	170,331	158,610
Investment of 252,196 units as seed capital in each sub fund (June 2015: 252,196)	95,410,788	-	-	95,410,788	94,802,996
Investment of 253,109 units as seed capital in each sub fund (June 2014: 300,000)	-	53,978,000	-	53,978,000	61,545,000
Investment of 300,000 units as seed capital in each sub fund (June 2015: 300,000)	-	-	59,262,000	59,262,000	57,906,000
Legal and professional charges	-	-	-	-	100,000
Payable on redemption to Management Company	-	10,000,000	-	10,000,000	-
Central Depository Company of Pakistan Limited - Trustee					
Remuneration payable	53,918	48,918	18,825	121,661	105,735
Sales tax on remuneration payable	7,549	6,849	2,636	17,034	-
Security deposit	200,000	200,000	100,000	500,000	500,000
Group / Associated Companies					
MCB Bank Limited					
Bank balance	29,859	323,831	4,560	358,250	10,031,783
Arif Habib Limited *					
Brokerage payable	-	-	-	-	15,043
Next Capital Limited *					
Brokerage payable	-	-	-	-	5,732
Summit Capital (Pvt) Limited *					
Brokerage payable	4,994	-	-	4,994	-
Directors and Officers					
Investment In PPF Equity Sub Fund 38,084 units (June 2015: 38,611 units)	14,407,987	-	-	14,407,987	14,591,195
Investment In PPF Debt Sub Fund 18,149 units (June 2015: 22,505 units)	-	3,870,372	-	3,870,372	4,779,765
Investment In PPF Money Market Sub Fund 201 units (June 2015: 2,211 units)	-	-	39,668	39,668	431,304

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

16. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

16.1 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the assets or liability that are not based on observable market data (i.e., unobservable inputs).

Total	December 31, 2015								
	PIPF Equity Sub-Fund			PIPF Debt Sub-Fund			PIPF Money Market Sub-Fund		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3

(Rupees)

ASSETS

Investment in securities -

'at fair value through
profit or loss' - held-for-trading
'Available-for-sale'

316,361,939	82,405,845	-	-	-	87,144,100	-	-	146,811,994	-
609,094,167	326,002,699	-	-	-	283,091,468	-	-	-	-
925,456,106	408,408,544	-	-	-	370,235,568	-	-	146,811,994	-

Total	June 30, 2015								
	PIPF Equity Sub-Fund			PIPF Debt Sub-Fund			PIPF Money Market Sub-Fund		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3

(Rupees)

ASSETS

Investment in securities -

'at fair value through
profit or loss' - held-for-trading
'Available-for-sale'

337,415,397	79,262,747	-	-	-	119,174,848	-	-	138,977,802	-
505,988,681	298,275,936	-	-	-	207,712,745	-	-	-	-
843,404,078	377,538,683	-	-	-	326,887,593	-	-	138,977,802	-

17. DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements were authorised for issue on February 04, 2016 by the Board of Directors of the Pension Fund Manager.

18. GENERAL

Certain prior year's / period's figures have been reclassified for the purpose of comparison. However, there were no material reclassifications to report.

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


Director


Director

As the approval of the appointment of the Chief Executive Officer from the Securities and Exchange Commission of Pakistan is awaited, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors of the Management Company.

Please find us on



by typing: **Bachat Ka Doosra Naam**

MCB-Arif Habib Savings and Investments Limited

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