



MCB FUNDS
Investments for Life

ANNUAL REPORT 2023

Pakistan Pension Fund Managed by
MCB Investment Management Limited
(Formerly: MCB-Arif Habib Savings and Investments Limited)



JSAVE
Savings Asaan. Life Asaan.

PAKISTAN PENSION FUND

Note - Change in Name

The name of the Company was previously **MCB-Arif Habib Savings and Investments Limited**, which has been changed to **MCB Investment Management Limited**. On May 02, 2023, the Board of Directors of the Company resolved to change the name of the Company to **MCB Investment Management Limited**, pursuant to which an Extra-Ordinary General Meeting (EOGM) of the Shareholders was convened on July 7, 2023 and the Shareholders approved the new name of the Company by a special resolution. Thereafter, the Company applied to the Registrar of Companies, SECP, for approval of Change of Name under the provisions of the Companies Act, 2017, which was granted and a titled "**Certificate of Incorporation on Change of Name**" was issued by the Additional Registrar of Companies, Company Registration Office, SECP on August 15, 2023 and as such, the Change of Name became effective from that date.

نوٹ: نام کی تبدیلی

کمپنی کا سابقہ نام ایم سی بی عارف حبیب سیونگزا اینڈ انویسٹمنٹس لمیٹڈ تھا جو تبدیل کر کے ایم سی بی انویسٹمنٹ مینجمنٹ لمیٹڈ کر دیا گیا ہے۔ 02 مئی 2023ء کو کمپنی کے بورڈ آف ڈائریکٹرز نے کمپنی کا نام ایم سی بی انویسٹمنٹ مینجمنٹ لمیٹڈ کرنے کا فیصلہ کیا جس کے بعد 7 جولائی 2023ء کو ایک غیر معمولی عمومی اجلاس (ای او جی ایم) منعقد ہوا اور حاملین حصص نے خصوصی قرارداد کے ذریعے کمپنی کے نئے نام کی منظوری دی۔ بعد ازاں، کمپنی نے کمپنیز ایکٹ 2017ء کے تحت رجسٹر آف کمپنیز، ایس ای سی پی، کی منظوری کے لیے درخواست دائر کی جو منظور کر لی گئی اور 15 اگست 2023ء کو ایڈیشنل رجسٹر آف کمپنیز، کمپنیز رجسٹریشن آفس، ایس ای سی پی، کی طرف سے سرٹیفکیٹ بعنوان "سرٹیفکیٹ آف انکارپوریشن آن چینج آف نیم" جاری کیا گیا۔ چنانچہ نام کی تبدیلی مذکورہ تاریخ سے مؤثر ہو گئی ہے۔

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Vision

“To be the most coveted Savings and Investment company,
while leading the effort to make the saving
population and industry grow”

Mission

“To be the preferred Savings and Investment Manager in Pakistan
by being best in class in customer services
and maximizing stakeholders’ value”

Core Values

HONESTY

We ensure to build trust through responsible actions and honest
relationships with our colleagues, customers and stakeholders

INTEGRITY

We work with integrity in everything we do, and embody our principles
when working with stakeholders as well as internal and external customers.
We assure to promote the integrity for the ultimate benefit for everyone

ETHICS

As a trusted custodian of customer funds, we are committed to
conforming to the highest level of ethical standards in the workplace
that involves putting customer interest first and maintaining
our stakeholders trust in the Company

PROFESSIONALISM

We value everyone and treat our external and internal
customers and our stakeholders with respect, dignity and professionalism

FUND'S INFORMATION

Management Company	MCB Investment Management Limited* (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Shoaib Mumtaz Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Manzar Mushtaq Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Muhammad Saqib Saleem	Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcPakistan.com	
Bankers	Zarai Taraqati Bank Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Allied Bank Limited National Bank Pakistan Askari Bank Limited JS Bank Limited	Faysal Bank Limited Habib Bank Limited MCB Bank Limited Bank Al Habib Limited Soneri Bank Limited HBL Micro Finance Bank Limited
Auditors	M. Yousuf Adil Saleem & Co. Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Transfer Agent	MCB Investment Management Limited* (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

*Note: On May 02, 2023, the Board of Directors resolved to change the name of the Company, pursuant to which on July 7, 2023 in Extra-Ordinary General Meeting (EOGM) the Shareholders approved the new name of the Company i.e. **MCB Investment Management Limited**. Thereafter, the Company applied to SECP, for approval of Change of Name, which was granted on August 15, 2023 and as such, the Change of Name became effective from that date.

REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2023

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Pension Fund** accounts review for the year ended June 30, 2023.

ECONOMY AND MONEY MARKET REVIEW

The fiscal year 2023 (FY23) remained a difficult year for Pakistan as it faced multiple macroeconomic challenges. The 2022 monsoon floods caused significant damage to infrastructure, crops, and livestock, as well as loss of precious lives. The global commodity prices and currency devaluation ushered a wave of inflation never seen since 1974, leading to all time high interest rates. The IMF program remained elusive throughout the latter half of fiscal year which became extremely challenging for the government facing both political and economic difficulties.

The country's external position remained precarious with SBP's foreign exchange reserves declining to USD 4.5 billion as of 30 Jun 23 (mere import cover of 3 weeks) compared to USD 9.8 billion at the start of the fiscal year. Albeit with some delay and reluctance, the government took several politically unpopular steps such as raising energy tariffs, letting PKR depreciate, slapping additional taxes and raising interest rates as per IMF's demands. However, IMF's Staff Level Agreement (SLA) of IMF 9th review eluded throughout the year as the IMF and government were unable to reach a consensus. The delay in the IMF program led to a slowdown in foreign flows from bilateral and multilateral partners leading to erosion in reserves. As a result, the currency remained under severe pressure, with dollar appreciating by 40% in FY23 to close at 286.0 near to its all-time high level.

The country posted a current account deficit (CAD) of USD 2.9 billion in first eleven months of the fiscal year 2023 (11MFY23) declining by 81% YoY compared to a deficit of USD 15.2 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as a 12.2% decrease in exports coupled with a 23.9% drop in imports led to a 33.8% contraction in the trade deficit. The government kept a lid on imports through administrative measures by imposing import quotas on selective imports. However, these steps led to an increase in smuggling activity which diverted remittances towards grey channels. Furthermore, the tight leash on imports caused shortages across various industries impacted overall economic growth.

Headline inflation represented by CPI averaged 29.0% during FY23 compared to 12.1% in the corresponding period last year. Higher food prices coupled with rising electricity, gas and petroleum prices were the major contributors towards the jump in CPI. The inflationary pressures were broad based, which is depicted by core inflation increasing to 21.2% compared to 12.3% at the end of last fiscal year. SBP has increased interest rates by 1.0% to 22% in an emergent MPS in Jun-23 to push the real interest rate in positive territory on a forward-looking basis and anchor inflation expectations.

The country's provisional GDP growth clocked at 0.29% in FY23 with Agricultural and Services sector increasing by 1.6% and 0.9%, respectively, while industrial sector witnessed a drop of 2.9%. Historic high interest rates coupled with import restrictions were the major culprits behind the fall in industrial output. On the fiscal side, FBR tax collection increased by 16.4% in FY23 to PKR 7,154 billion compared to PKR 6,149 billion in the same period last year but missed the target by PKR 486 billion.

Secondary markets yields increased in FY23 on account of monetary tightening and bout of inflationary pressures post a massive currency devaluation. The 3,6 and 12 Month T-Bills yield increased by 767, 772 and 763 basis points (bps) respectively while 3,5 and 10 Years Bond yields rose by 602, 315 and 240bps respectively during FY23.

EQUITY MARKET REVIEW

The KSE-100 index closed on flattish note, declining by 88 points (-0.2%) in FY23 to close at 41,543 points. The initial exuberance on the account of the resumption of the IMF program and support from friendly countries soon washed away with catastrophic floods, which further deteriorated the already ailing economic conditions of the country. The period under review was marked with elevated inflation, depleting SBP Reserves, and the highest ever interest rates of 22.0%, which kept investors in a grim situation. Moreover, continuous delay in the completion of the 9th review of the IMF Program amid political turbulence in the country further dented investors' sentiments. Nonetheless, by the end of the year, the GoP reassessed its position and made necessary macro adjustments to realign itself with the IMF requirements which restored some confidence back into investors and helped recover mid-year losses.

Major selling during the year was witnessed from Mutual Funds and Insurance companies, which off-loaded equities worth USD 144.5 million and USD 124.3 million, respectively. This was largely absorbed by Companies, Individuals, and Banks with net buying of USD 99.7 million, USD 83.9 million and USD 73.7 million, respectively. Foreign investors also turned net buyers with an inflow of USD 23.9 million. During the FY23, average daily trading volumes saw a decline of 34% to 192 million shares compared to about 291 million shares in FY22.

REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2023

Similarly, the average trading value during FY23 saw a drop of 54% over the same period last year to near USD 25 million.

Pharma, Miscellaneous, Auto Assemblers, and Refinery sectors were the major contributors to the index decline, taking away -561/-435/-310/-159 points, respectively. Pharma sector struggled with the risk of exchange losses amid depreciating PKR against USD posing risk to near-term earnings. Automobile Assemblers struggled due to poor volumetric sales thanks to restrictions imposed by the SBP. On the flip side, Power sector added 554 points to the index as a result of better than expected dividends.

FUND PERFORMANCE

Debt Fund

The debt sub-fund generated a year to date return of 17.2% during the period under review. The fund's exposure towards PIBs stood at 19.8%, T-Bills stood at 58.4%, TFC/Sukuk stood at 13.7% and exposure in cash was 6.5% at period end. The Net Assets of the Fund as at June 30, 2023 stood at Rs. 492.58 million as compared to Rs. 558.59 million as at June 30, 2022 registering a decrease of 11.82%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 406.76 as compared to opening NAV of Rs. 347.06 per unit as at June 30, 2022 registering an increase of Rs. 59.7 per unit.

Money Market Fund

The money market sub-fund generated a year-to-date return of 17.59% during the period. The fund's exposure towards cash stood at 5.8%, and 93.4% T-Bills. The Net Assets of the Fund as at June 30, 2023 stood at Rs. 1597.83 million as compared to Rs. 716.24 million as at June 30, 2022 registering an increase of 123.09%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 361.47 as compared to opening NAV of Rs. 307.40 per unit as at June 30, 2022 registering an increase of Rs. 54.07 per unit.

Equity Fund

The Equity sub-fund generated a return of 1.21% against the KSE-100 return of -0.2%. Overall equity exposure stood at 90.3%. Sector-wise, the sub-fund mainly held exposure in Commercial Banks and Cement. The Net Assets of the Fund as at June 30, 2023 stood at Rs. 769.78 million as compared to Rs. 831.98 million as at June 30, 2022 registering a decrease of 7%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 492 as compared to opening NAV of Rs. 486.14 per unit as at June 30, 2022 registering an increase of Rs 5.86 per unit.

ECONOMY & MARKET – FUTURE OUTLOOK

International Monetary Fund (IMF) and Pakistan have struck a staff-level agreement for the provision of USD 3 billion in bailout funds under a stand-by arrangement (SBA). The program is set to span nine months, and the IMF board approval of the SBA will unlock an immediate disbursement of USD 1.2bn, with the remaining USD 1.8bn scheduled after reviews in Nov-23 and Feb-24.

The new program comes at a critical time when Pakistan is grappling with a severe balance of payments crisis. The successful resumption of the IMF program will help Pakistan to unlock funding from bilateral and multilateral sources helping in rebuilding foreign exchange reserves. Saudi Arabia and UAE have already pledged USD 2bn and USD 1bn respectively which were contingent on the resumption of IMF program, out of which USD 2 billion from KSA has already been received in July 2023. China is also expected to provide USD 2.0 billion with the Chinese commercial banks providing additional USD 1.5 billion. In addition, the IMF program will also help Pakistan to access concessionary financing from World Bank and other multilateral agencies. This has averted the risk of near term default and we expect currency to remain stable in the near term.

We expect Average FY24 inflation to ease to 19.3% compared to 29.0% in FY23 as the base effect will come into play. Inflation is expected to follow a downward trajectory and the buildup of forex reserves during the period may allow a monetary easing cycle in the quarter ending Dec-23. We expect a cumulative easing of around 6% in the next 12 months, however, its pace and timing would be determined by trend in FX reserves.

From the capital market perspective particularly equities, the market is trading at cheap valuations. Market cap to GDP ratio has declined to 7.5%, a discount of 62% from its historical average of 19.7%. Similarly, Earning Yield minus Risk Free Rate is close to 6.0%, compared to the historical average of 2.7% signifying a deep discount at which the market is trading. The resolution of challenges on external account will help to unlock market potential. We believe a micro view of sectors and stocks will remain important and investment selection should focus on companies which trade at a deep discount to their intrinsic value. The market is currently trading at PER of 4.7x, while offering a dividend yield of 11.8%.

REPORT OF THE DIRECTOR OF THE PENSION FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2023

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. We would continue to monitor the data points and capitalize on opportunities to add government bonds in Income Funds at attractive rates to benefit from the expected monetary easing in the medium term.

MUTUAL FUND INDUSTRY REVIEW

The Net Assets of the open end mutual funds industry increased by about 28.9% during FY23 to PKR 1,564 billion. Total money market funds grew by about 34.4% since June 2022. Within the money market sphere, conventional funds showed a growth of 6.1% to PKR 473 billion while Islamic funds increased by 90.4% to PKR 429 billion. In addition, the total fixed Income funds increased by about 23.7% since June 2022 to PKR 369 billion. Equity and related funds declined by 27% to PKR 168 billion as concern over macroeconomic factors kept investors at bay. In terms of the segment share, Money Market funds were the leader with a share of around 57.7%, followed by Income funds with 23.6% and Equity and Equity related funds having a share of 10.7% as at the end of FY23.

MUTUAL FUND INDUSTRY OUTLOOK

The current interest rates would encourage higher flows in the money market funds as they are ideal for investors with a short term horizon and low risk profile. However, external concerns have eased post agreement with IMF and the long term investors may look to add equity exposure at these highly attractive levels. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

MANAGEMENT COMPANY

The fund is managed by MCB-Arif Habib Savings & Investments Limited which is the subsidiary of MCB Bank Limited. On April 18, 2023, MCB Bank Limited (MCB) has acquired 21,664,167 (30.09%) shares from Arif Habib Corporation Limited (AHCL) resulting an increase in shareholding from 36,956,768 (51.33%) shares to 58,620,935 (81.42%) and AHCL no longer holds any shares in MCB-AH.

Consequently, the members of the Company in an Extra Ordinary General Meeting (EOGM) held on July 07, 2023 have resolved via special resolution that the name of the Company be changed from MCB-Arif Habib Savings and Investments Limited to MCB Investment Management Limited and a formal request for change of name has been forwarded to the Securities and Exchange Commission of Pakistan (SECP) for its approval.

EXTERNAL AUDITORS

The fund's external auditors, **M/s. M. Yousuf Adil Saleem & Co. Chartered Accountants** have expressed their willingness to continue as the fund auditors for the ensuing year ending June 30, 2024. The audit committee of the Board has recommended reappointment of **M/s. M. Yousuf Adil Saleem & Co. Chartered Accountants** as auditors of the fund for the year ending June 30, 2024 and the Board of Directors also endorsed the recommendation of the Audit Committee.

ACKNOWLEDGEMENT

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,



Muhammad Saqib Saleem
Chief Executive Officer
July 26, 2023

اظہارِ تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کا اُن کے مسلسل تعاون اور حمایت کے لیے مشکور ہے۔ ڈائریکٹرز انتظامی ٹیم کی کوششوں کو بھی خراج تحسین پیش کرتے ہیں۔

من جانب ڈائریکٹرز،



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

26 جولائی 2023ء

شعبہ جاتی اعتبار سے مالی سال 2023ء کے اختتام پر Money مارکیٹ فنڈ تقریباً 57.7 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم فنڈ تھے جن کا 23.6 فیصد حصہ تھا، اور تیسرے نمبر پر ایکویٹی اور متعلقہ فنڈ تھے جن کا 10.7 فیصد حصہ تھا۔

میوچل فنڈ صنعت کی مستقبل کا منظر

سود کی موجودہ شرحوں سے Money مارکیٹ فنڈز میں زیادہ آمد و رفت کی حوصلہ افزائی ہوگی کیونکہ یہ مختصر المیعاد سرمایہ کاروں کے لیے موزوں ترین ہیں جو خطرے کی کم سطح پر رہنا چاہتے ہیں۔ تاہم آئی ایم ایف معاہدے کے بعد خارجی خدشات کم ہو گئے ہیں اور طویل المیعاد سرمایہ کاران بے حد پُرکشش سطحوں پر ایکویٹی میں مزید پیسہ لگانا چاہیں گے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کرنے کے لیے تیار ہیں۔

مینجمنٹ کمپنی

فنڈ کا انتظام ایم سی بی عارف حبیب سیونگز اینڈ انویسٹمنٹس لمیٹڈ (ایم سی بی-اے ایچ) نے سنبھالا ہوا ہے جو ایم سی بی بینک لمیٹڈ (ایم سی بی) کی سبڈری ہے۔ 18 اپریل 2023ء کو ایم سی بی نے عارف حبیب کارپوریشن لمیٹڈ (اے ایچ سی ایل) سے 21,664,167 (30.09 فیصد) حصص خرید لیے جس کے نتیجے میں حصص یافتگی 36,957,768 (51.33 فیصد) سے بڑھ کر 58,620,935 (81.42 فیصد) ہو گئی اور اے ایچ سی ایل اب ایم سی بی-اے ایچ میں حصص کا حامل نہیں۔

چنانچہ کمپنی کے ارکان نے غیر معمولی عمومی اجلاس (ای او جی ایم) مورخہ 07 جولائی 2023ء میں خصوصی قرارداد کے ذریعے فیصلہ کیا ہے کہ کمپنی کا نام ایم سی بی عارف حبیب سیونگز اینڈ انویسٹمنٹس لمیٹڈ سے تبدیل کر کے ایم سی بی انویسٹمنٹ مینجمنٹ لمیٹڈ کر دیا جائے، اور تبدیلیء نام کی رسمی درخواست سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کو منظوری کے لیے بھیج دی گئی ہے۔

خارجی آڈیٹرز

فنڈ کے خارجی آڈیٹرز M/s ایم یوسف عادل سلیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اگلے سال مُختتمہ 30 جون 2024ء کے لیے فنڈ کے آڈیٹرز کے طور پر جاری رہنے کی آمادگی کا اظہار کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے سال مُختتمہ 30 جون 2024ء کیلئے M/s ایم یوسف عادل سلیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی آڈیٹرز کے طور پر دوبارہ تقرری کی سفارش کی ہے اور بورڈ آف ڈائریکٹرز نے بھی آڈٹ کمیٹی کی سفارش کی توثیق کی ہے۔

جس کی بدولت زیر مبادلہ کے ذخائر بھی بحال ہوں گے۔ سعودی عرب نے 2 بلین ڈالر اور متحدہ عرب امارات نے 1 بلین ڈالر فراہم کرنے کا وعدہ کیا تھا جو آئی ایم ایف پروگرام کی بحالی پر مشروط تھا۔ اس میں سے سعودی عرب کی طرف سے 2 بلین ڈالر جولائی 2023ء میں موصول ہو چکے ہیں۔ چین کی طرف سے بھی 2.0 بلین ڈالر، اور چینی کمرشل بینکوں کی طرف سے اضافی 1.5 بلین ڈالر کی فراہمی متوقع ہے۔ مزید برآں، آئی ایم ایف پروگرام کی بحالی سے پاکستان کو ورلڈ بینک اور دیگر کثیرالجنبہتی ایجنسیوں سے رعایتی شرائط پر رقم کے حصول میں بھی مدد ملے گی۔ اس سے مستقبل قریب میں ڈیفالٹ کا خطرہ ٹل گیا ہے، اور ہمیں اُمید ہے کہ قریب المیعاد میں روپے کی قدر مستحکم رہے گی۔

مالی سال 2024ء کی اوسط مہنگائی میں مالی سال 2023ء میں 29.0 فیصد کے مقابلے میں 19.3 فیصد کمی متوقع ہے کیونکہ base effect اپنا کردار ادا کرے گا۔ مہنگائی میں بتدریج کمی متوقع ہے، اور دورانِ مدت زیر مبادلہ کے ذخائر میں اضافے کی بدولت دسمبر 2023ء کو ختم ہونے والی سہ ماہی میں مالیاتی تسہیل کی گردش ممکن ہو سکتی ہے۔ مجموعی طور پر اگلے بارہ ماہ میں تقریباً 6 فیصد تسہیل متوقع ہے، تاہم اس کی رفتار اور اس کے وقت کا انحصار زیر مبادلہ کے ذخائر کے رجحان پر ہوگا۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے مارکیٹ میں سستی valuations پر کاروبار ہو رہا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 7.5 فیصد ہو گیا ہے جو اس کے قدیم اوسط 19.7 فیصد سے 62 فیصد کمی ہے۔ اسی طرح Earning Yield (آمدنی کی پیداوار) میں سے Risk Free Rate (خطرے سے محفوظ شرح) منہا کرنے پر تقریباً 6.0 فیصد بنتا ہے، اور قدیم اوسط 2.7 فیصد سے موازنہ کرنے پر اُس بھرپور کمی کا پتہ چلتا ہے جس پر مارکیٹ میں تجارت ہو رہی ہے۔ خارجی اکاؤنٹ کے مسائل حل کرنے سے مارکیٹ کی استعداد سے فائدہ اٹھانے میں مدد ملے گی۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے اُن کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 4.7x کے PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی سطح 11.8 فیصد پر ہے۔

حاملین قرض کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ ہم ڈیٹا پوائنٹس کی نگرانی اور پُرکشش شرحوں پر انکم فنڈز میں حکومتی بانڈز شامل کرنے کے مواقع سے استفادہ جاری رکھیں گے تاکہ درمیانی مدت میں متوقع مالیاتی تسہیل سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے net اثاثہ جات دورانِ مالی سال 2023ء تقریباً 28.9 فیصد بڑھ کر 1,564 بلین روپے ہو گئے۔ Money مارکیٹ کے مجموعی فنڈز میں جون 2022ء سے اب تک تقریباً 34.4 فیصد اضافہ ہوا۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 6.1 فیصد بڑھ کر 473 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 90.4 فیصد بڑھ کر 429 بلین روپے ہو گئے۔ مزید برآں، فیکسڈ انکم کے مجموعی فنڈز جون 2022ء سے اب تک تقریباً 23.7 فیصد بڑھ کر 369 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 27 فیصد کم ہو کر 168 بلین روپے ہو گئے کیونکہ مجموعی معاشی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔

فنڈ کی کارکردگی

Debt فنڈ

ذیل جائزہ مدت کے دوران Debt ذیلی فنڈ کا سال کا اب تک کا منافع 17.2 فیصد تھا۔ اختتام مدت پر فنڈ کی سرمایہ کاری پاکستان انویسٹمنٹ بانڈز (پی آئی بی) میں 19.8 فیصد، ٹریژری بلنز (ٹی بلنز) میں 58.4 فیصد، ٹرم فنانس سرٹیفکیٹس (ٹی ایف سی) / سٹاک میں 13.7 فیصد، اور نقد میں 6.5 فیصد تھی۔ 30 جون 2023ء کو فنڈ کے net اثاثہ جات 492.58 ملین روپے تھے، جو 30 جون 2022ء کو 558.59 ملین روپے کے مقابلے میں 11.82 فیصد کی کمی ہے۔ 30 جون 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 406.76 روپے تھی، جو 30 جون 2022ء کو ابتدائی این اے وی فی یونٹ 347.06 روپے کے مقابلے میں 59.7 روپے فی یونٹ کا اضافہ ہے۔

منی مارکیٹ فنڈ

دوران مدت منی مارکیٹ ذیلی فنڈ کا سال کا اب تک کا منافع 17.59 فیصد تھا۔ فنڈ کی سرمایہ کاری نقد میں 5.8 فیصد، اور ٹریژری بلنز (ٹی بلنز) میں 93.4 فیصد تھی۔ 30 جون 2023ء کو فنڈ کے net اثاثہ جات 1597.83 ملین روپے تھے، جو 30 جون 2022ء کو 716.24 ملین روپے کے مقابلے میں 123.09 فیصد کا اضافہ ہے۔ 30 جون 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 361.47 روپے تھی، جو 30 جون 2022ء کو ابتدائی این اے وی فی یونٹ 307.40 روپے کے مقابلے میں 54.07 روپے فی یونٹ کا اضافہ ہے۔

ایکوئیٹی فنڈ

ایکوئیٹی ذیلی فنڈ کا منافع KSE-100 کے -0.2 فیصد منافع کے مقابلے میں 1.21 فیصد تھا۔ ایکویٹیز میں مجموعی سرمایہ کاری 90.3 فیصد تھی۔ شعبہ جاتی اعتبار سے ایکویٹی ذیلی فنڈ کی زیادہ تر سرمایہ کاری کمرشل بینکوں اور سیمنٹ سیکٹر میں تھی۔ 30 جون 2023ء کو فنڈ کے net اثاثہ جات 769.78 ملین روپے تھے، جو 30 جون 2022ء کو 831.98 ملین روپے کے مقابلے میں 7 فیصد کی کمی ہے۔ 30 جون 2023ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 492 روپے تھی، جو 30 جون 2022ء کو ابتدائی این اے وی فی یونٹ 486.14 روپے کے مقابلے میں 5.86 روپے فی یونٹ کا اضافہ ہے۔

معیشت اور بازار - مستقبل کا منظر نامہ

انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف) اور پاکستان کے درمیان ایک اسٹاف لیول معاہدہ طے پایا ہے جس کے مطابق ایک اسٹینڈ بائی اگریمینٹ (SBA) کے تحت 3 بلین ڈالر فراہم کیے جائیں گے۔ یہ پروگرام نو ماہ پر محیط ہے، اور آئی ایم ایف کی طرف سے SBA کی منظوری سے 1.2 بلین ڈالر فوری طور پر فراہم کر دیئے جائیں گے، جبکہ بقیہ 1.8 بلین ڈالر کی فراہمی نومبر 2023ء اور فروری 2024ء میں جائزوں کے بعد طے کی گئی ہے۔ یہ پروگرام ایک اہم موڑ پر طے پایا ہے جب پاکستان ادائیگیوں کے توازن کے سنگین بحران سے نبرد آزما ہے۔ آئی ایم ایف پروگرام کی کامیاب بحالی سے پاکستان کو باہمی اور کثیر الجہتی ذرائع سے رقم کے حصول میں مدد ملے گی

عارضی مجموعی ملکی پیداوار (GDP) میں مالی سال 2023ء میں 0.29 فیصد ترقی ہوئی۔ اس ضمن میں زراعت اور خدمات کے شعبوں میں بالترتیب 1.6 فیصد اور 0.9 فیصد اضافہ ہوا جبکہ صنعتی شعبے میں 2.9 فیصد کمی ہوئی۔ سود کی اب تک کی بلند ترین شرحوں کے ساتھ ساتھ درآمدی پابندیاں صنعتی ماحصل میں کمی کے سب سے بڑے عوامل تھے۔ مالیاتی جہت میں ایف بی آر ٹیکس وصولی مالی سال 2023ء میں 16.4 فیصد بڑھ کر 7,154 بلین روپے ہو گئی، بالمقابل گزشتہ سال مماثل مدت میں 6,149 بلین روپے، لیکن 486 بلین روپے کے ہدف تک نہ پہنچ سکی۔

ٹانوی مارکیٹوں کی پیداوار میں مالی سال 2023ء میں اضافہ ہوا جس کے اسباب مالیاتی سختی اور روپے کی قدر میں خطیر کمی کے بعد مہنگائی کے دباؤ کی نئی لہر ہیں۔ 3، 6 اور 12 ماہانہ ٹی۔ بلنز کے منافع جات میں بالترتیب 767، 772 اور 763 بیسیس پوائنٹس (بی پی ایس)، جبکہ 3، 5 اور 10 سالہ بانڈز کے منافع جات میں بالترتیب 602، 315 اور 240 بی پی ایس کا اضافہ ہوا۔

ایکویٹی مارکیٹ کا جائزہ

کراچی اسٹاک ایکسچینج (KSE)-100 انڈیکس مالی سال 2023ء کے دوران 88 پوائنٹس (-0.2 فیصد) کم ہو کر 41,543 پوائنٹس پر بند ہوا۔ آئی ایم ایف پروگرام کی بحالی اور دوست ممالک سے معاونت کی بدولت پیدا ہونے والا ابتدائی جوش و خروش جلد ہی تباہ کن سیلابوں میں بہہ گیا جس کے باعث پہلے سے کمزور معیشت مزید ابتری کا شکار ہو گئی۔ زیر جائزہ مدت کے دوران مہنگائی بلند بلند پر رہی، اسٹیٹ بینک آف پاکستان (SBP) کے ذخائر میں کمی آئی، اور سود کی شرح عروج پر 22 فیصد رہی، جس کے باعث سرمایہ کار مایوسی کا شکار رہے۔ علاوہ ازیں، ملک میں سیاسی افراتفری کے تناظر میں آئی ایم ایف پروگرام کے نویں جائزے کی تکمیل میں مسلسل تاخیر سے سرمایہ کاروں کی مزید حوصلہ شکنی ہوئی۔ بہر حال سال کے اختتام تک حکومت پاکستان نے اپنی صورتحال کا دوبارہ جائزہ لیا اور آئی ایم ایف پروگرام کے ساتھ ہم آہنگ ہونے کے لیے مجموعی سطح کی ترامیم کیں جس کی بدولت سرمایہ کاروں کا اعتماد کچھ حد تک بحال ہوا اور وسط سال کے خساروں کی تلافی کرنے میں مدد ملی۔

دوران سال زیادہ تر فروخت میوچل فنڈز اور بیمہ کمپنیوں کی طرف سے ہوئیں جو بالترتیب 144.5 ملین ڈالر اور 124.3 ملین ڈالر مالیت کی تھیں۔ سب سے بڑے خریدار کمپنیز، افراد اور بینک تھے جنہوں نے بالترتیب 99.7 ملین ڈالر، 83.9 ملین ڈالر اور 73.7 ملین ڈالر مالیت کی ایکویٹی خریدیں۔ غیر ملکی سرمایہ کار بھی net خریدار بن گئے اور 23.9 ملین ڈالر لانے کا سبب بنے۔ دوران مالی سال 2023ء اوسط یومیہ تجارتی حجم 34 فیصد کم ہو کر 192 ملین حصص ہو گئے، بالمقابل مالی سال 2022ء کے جب یہ اوسط تقریباً 291 ملین حصص تھا۔ اسی طرح دوران مالی سال 2023ء اوسط یومیہ تجارتی قدر سال گزشتہ کے مقابلے میں 54 فیصد کم ہو کر 25 ملین ڈالر رہ گئی۔

انڈیکس کی گراوٹ میں سب سے بڑا ہاتھ دواساز، دیگر، آٹو اسمبلرز، اور ریفرنری کے شعبوں کا تھا جو بالترتیب -561، -435، -310 اور -159 پوائنٹس کمی کا سبب بنے۔ دواسازی کے شعبے کو درپیش سب سے بڑا مسئلہ روپے کی قدر میں ڈالر کے مقابلے میں کمی کے تناظر میں زرمبادلہ کے خساروں کا تھا جس سے قریب المیہ سرمایہ کاریوں کو خطرہ لاحق ہو گیا تھا۔ آٹو موٹیل اسمبلرز SBP کی عائد کردہ پابندیوں کے نتیجے میں پست حُجماتی فروخت کی وجہ سے پریشانی کا شکار رہے۔ دوسری جانب توانائی کے شعبے نے متوقع سے بہتر ڈیویڈنڈز کی بدولت انڈیکس میں 554 پوائنٹس کا اضافہ کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان پینشن فنڈ کے اکاؤنٹس کا جائزہ برائے سال مُختتمہ 30 جون 2023ء پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

مالی سال 2023ء پاکستان کے لیے مشکل سال تھا کیونکہ متعدد مجموعی معاشی مسائل درپیش رہے۔ 2022ء کے مون سون سیلابوں نے بنیادی ساخت، فصلوں اور موشیوں کو بہت نقصان پہنچایا اور قیمتی جانیں بھی ضائع ہوئیں۔ عالمی سطح پر اشیاء کی قیمتوں میں اضافے اور کرنسی کی قدر میں کمی کے باعث مہنگائی کی ایسی لہر آئی جو 1974ء کے بعد سب سے بڑی تھی اور اس کے نتیجے میں سود کی شرحیں بلند ترین سطح پر پہنچ گئیں۔ آئی ایم ایف پروگرام کا آغاز مالی سال کے نصف آخر کے دوران غیر یقینی رہا جس کے باعث سیاسی اور معاشی مسائل سے دوچار حکومت کے لیے سنگین مشکلات پیدا ہو گئیں۔

ملک کی خارجی صورتحال غیر یقینی رہی کیونکہ ایس بی پی کے زرمبادلہ کے ذخائر کم ہو کر 30 جون 2023ء کو 4.5 بلین ڈالر رہ گئے (جو صرف 3 ہفتوں کا درآمداتی cover ہے) جبکہ مالی سال کے آغاز میں 9.8 بلین ڈالر تھے۔

حکومت نے متعدد سیاسی ناپسندیدہ اقدامات اٹھائے، اگرچہ کچھ تاخیر اور ہچکچاہٹ کے ساتھ، مثلاً بجلی اور گیس کی قیمتوں میں اضافہ کیا، روپے کی قدر میں کمی ہونے دی، اضافی ٹیکس عائد کیے اور سود کی شرحوں کو آئی ایم ایف کے مطالبات کے مطابق بڑھا دیا۔ تاہم آئی ایم ایف کے نويس (9th) جائزے کا اسٹاف لیول اگریمینٹ (SLA) سال بھر غیر یقینی رہا کیونکہ آئی ایم ایف اور حکومت کے درمیان اتفاق نہیں ہو سکا۔ آئی ایم ایف پروگرام میں تاخیر کے باعث باہمی اور کثیرالجہتی شراکت داروں سے غیر ملکی آمدورفت میں سُستی آئی جس کے باعث ذخائر کم ہوئے۔ اس کے نتیجے میں روپیہ سنگین دباؤ کا شکار رہا اور مالی سال 2023ء میں ڈالر کی قدر 40 فیصد بڑھ کر 286.0 روپے ہو گئی جو اس کی بلند ترین سطح کے قریب ہے۔

ملک کا کرنٹ اکاؤنٹ خسارہ (CAD) مالی سال 2023ء کے پہلے گیارہ ماہ میں 2.9 بلین ڈالر تھا، جبکہ گزشتہ سال مماثل مدت میں 15.2 بلین ڈالر تھا، یعنی 81 فیصد سال در سال (YoY) کمی ہوئی۔ CAD میں کمی کی سب سے بڑی وجہ کاروباری خسارے میں کمی ہے۔ برآمدات میں 12.2 فیصد کمی اور درآمدات میں 23.9 فیصد کمی کی بدولت کاروباری خسارے میں 33.8 فیصد کمی ہوئی۔ حکومت نے منتخب درآمدات پر درآمداتی کوٹے عائد کر کے انتظامی اقدامات کے ذریعے درآمدات کو قابو میں رکھا۔ تاہم ان اقدامات سے غیر قانونی درآمدات (اسمگلنگ) میں اضافہ ہوا جس کے باعث ترسیلاتِ زرمشتہ ذرائع کی طرف مائل ہو گئیں۔ علاوہ ازیں، درآمدات پر مضبوط لگام کے نتیجے میں متعدد صنعتوں میں کمی واقع ہوئی اور مجموعی معاشی ترقی متاثر ہوئی۔

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط مالی سال 2023ء کے دوران 29.0 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 12.1 فیصد تھا۔ اشیائے خورد و نوش کی قیمتوں میں اضافے کے ساتھ ساتھ بجلی، گیس اور پٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے عوامل رہے۔ مہنگائی کے دباؤ وسیع پیمانے پر محیط تھے جس کا اظہار بنیادی مہنگائی میں 21.2 فیصد کی سطح تک اضافے سے ہوا جو گزشتہ مالی سال کے اختتام پر 12.3 فیصد تھا۔ ایس بی پی نے جون 2023ء کی تازہ ترین MPS میں سود کی شرحوں کو 1.0 فیصد بڑھا کر 22 فیصد کر دیا تاکہ سود کی حقیقی شرح کو ترقی پسند بنیاد پر مثبت علاقے میں لے جایا جائے اور مہنگائی کی توقعات پر قابو پایا جائے۔

REPORT OF THE PENSION FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2023

Fund Type and Category

Pakistan Pension Fund (PPF) is an open-end Voluntary Pension Scheme

Investment Strategy

PPF is a flexible savings cum investment plan under the voluntary pension system which facilitates all individuals who are Pakistani nationals, to save for their retirement in a systematic way, and allows special tax rebate on the contributions under this system. The investors have a choice between the various allocation schemes that PPF offers, each of which is invested in different Proportions in the three sub-Funds: Equity, Debt and Money Market. Equity Sub-Fund invests up to 96% of its assets in equity securities. Sector/stock selection is done on the basis of fundamental outlook and DCF valuation. Debt sub-fund Invests in Govt. Bonds of duration of less than 5 years. Money Market sub- Fund invests in short dated money market instruments including treasury bills.

Manager's Review

Equity Sub-Fund

The Equity sub-fund generated a return of 1.21%. The sub-fund stood at 90.3% in equity exposure. Sector-wise, the sub-fund mainly held exposure in Commercial Banks and Cement.

The Net Assets of the Fund as at June 30, 2023 stood at Rs. 769.78 million as compared to Rs. 831.98 million as at June 30, 2022 registering a decrease of 7.5%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 492.00 as compared to opening NAV of Rs. 486.07 per unit as at June 30, 2022 registering an increase of Rs. 5.93 per unit.

Money Market Sub- Fund

The money market sub-fund generated a return of 17.59% during the period. The fund's exposure in Cash was 5.8%.

The Net Assets of the Fund as at June 30, 2023 stood at Rs. 1,597.83 million as compared to Rs. 716.24 million as at June 30, 2022 registering an increase of 123.1%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 361.47 as compared to opening NAV of Rs. 307.40 per unit as at June 30, 2022 registering an increase of Rs. 54.07 per unit.

Debt Sub-Fund

The debt sub-fund generated an annualized return of 17.20% during the period under review. The fund's exposure in Cash stood at 6.5% while exposure in T-Bills was 58.4% towards the period end.

The Net Assets of the Fund as at June 30, 2023 stood at Rs. 492.58 million as compared to Rs. 558.59 million as at June 30, 2022 registering a decrease of 11.8%. The Net Asset Value (NAV) per unit as at June 30, 2023 was Rs. 406.76 as compared to opening NAV of Rs. 347.06 per unit as at June 30, 2022 registering an increase of Rs. 59.70 per unit.

REPORT OF THE PENSION FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2023

Asset Allocation (Equity Sub-fund) as of June 30, 2023 (% of Total Assets)

PPF-Equity (%age of Total Assets)	Jun-23
Cash	5.2%
Cement	25.0%
Commercial Banks	13.8%
Oil and Gas Exploration Companies	8.2%
Fertilizer	8.1%
Textile Composite	6.1%
Other equity sectors	29.2%
Others including receivables	4.4%

Asset Allocation (MM Sub-fund) as of June 30, 2023 (% of Total Assets)

PPF-Money Market (%age of Total Assets)	Jun-23
Cash	5.8%
T-Bills	93.4%
Others including receivables	0.8%
PIBs	0.0%

Asset Allocation (Debt Sub-fund) as of June 30, 2023 (% of Total Assets)

PPF-Debt (%age of Total Assets)	Jun-23
Cash	6.5%
PIBs	19.8%
Commercial Paper	0.0%
TFCs/Sukuks	13.7%
T-Bills	58.4%
Others including receivables	1.6%

Syed Abid Ali

Fund Manager

TRUSTEE REPORT TO THE PARTICIPANTS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdc-pakistan.com

Email: info@cdc-pak.com



TRUSTEE REPORT TO THE PARTICIPANTS

PAKISTAN PENSION FUND

Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Pakistan Pension Fund (the Fund) are of the opinion that MCB Investment Management Limited (Formerly MCB-Arif Habib Savings and Investments Limited) being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.


Badrudin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2023



INDEPENDENT AUDITOR'S REPORT TO THE PARTICIPANTS



Yousuf Adil
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the participants of Pakistan Pension Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Pakistan Pension Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, the income statement, statement of comprehensive income, the statement of movement in participants' sub funds, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and MCB Arif Habib Savings and Investments Limited (the Fund Manager) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Fund Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Fund Manager and Board of Directors of the Fund Manager for the financial statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Chartered Firm is
Belattis Taucha Technics Limited

INDEPENDENT AUDITOR'S REPORT TO THE PARTICIPANTS



Yousuf Adil
Chartered Accountants

In preparing the financial statements, Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Fund Manager are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Fund Manager.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors of Fund Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion:

- a) the financial statements prepared for the year ended June 30, 2023 have been properly drawn in accordance with the relevant provisions of the Trust Deed and the Voluntary Pension System Rules, 2005 including the guidelines thereunder;
- b) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary Pension System Rules, 2005;



Independent Chartered Accountant
Yousuf Adil Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE PARTICIPANTS



Yousuf Adil
Chartered Accountants

- c) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;
- d) a true and fair view is given of the disposition of the fund as at June 30, 2023 and of the transactions of the fund for the period then ended;
- e) proper books and records have been kept by the Fund and the financial statements prepared are in agreement with the Fund's books and records;
- f) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for all purpose of the audit; and
- g) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The engagement partner on the audit resulting in this independent auditor's report is Hena Sadiq.


Chartered Accountants

Place: Karachi
Date: September 20, 2023
UDIN: AR202310057n8Ya5Spm7

Independent Correspondent Firm to
Safette Trade Takasaku Limited

STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2023

Note	June 30, 2023				June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees '000)				(Rupees '000)			
Assets								
5 Bank balances	41,428	32,044	92,950	166,422	29,651	452,486	707,121	1,189,258
6 Investments	719,185	455,893	1,496,180	2,671,258	798,740	334,195	-	1,132,935
7 Mark-up receivable	543	7,342	6,821	7,885	299	11,387	11,110	22,796
8 Advance against IPO	-	-	-	-	-	10,000	-	10,000
Advances, deposits and other receivables	5,491	1,019	6,402	12,912	3,723	398	282	4,403
Receivable against sale of investment	28,754	-	-	28,754	4,088	-	-	4,088
Total assets	795,401	496,298	1,602,353	2,894,052	836,501	808,466	718,513	2,363,480
Liabilities								
9 Payable to pension fund manager	1,055	516	1,050	2,621	1,170	511	311	1,992
10 Payable to trustee	84	53	173	310	99	65	78	242
Annual fee payable to SECP	310	221	434	965	359	198	223	780
Payable against purchase of investment	19,362	-	-	19,362	-	246,473	-	246,473
Accrued expenses and other liabilities	4,805	2,929	2,864	10,598	2,896	2,626	1,657	7,179
Total liabilities	25,616	3,719	4,521	33,856	4,524	249,873	2,269	256,666
Net assets	769,785	492,579	1,597,832	2,860,196	831,977	558,593	716,244	2,106,814
Participants' sub funds (as per Statement of Movement in Participants' sub funds)								
	769,785	492,579	1,597,832		831,977	558,593	716,244	
	(Number of units)				(Number of units)			
	1,564,588	1,210,971	4,420,430		1,711,394	1,609,508	2,330,009	
Number of units in issue								
	(Rupees)				(Rupees)			
	492.00	406.76	361.47		486.14	347.06	307.40	
Net assets value per unit								
Contingencies and commitments								
15								

The annexed notes from 1 to 26 form an integral part of these financial statements.

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

Chief Executive Officer

Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

	Year ended June 30, 2023				Year ended June 30, 2022			
	Equity		Debt		Money		Money	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Market	Sub-Fund	Market	Sub-Fund	Market
	(Rupees '000)				(Rupees '000)			
	Total		Equity		Debt		Total	
</								

The annexed notes from 1 to 26 form an integral part of these financial statements.

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



Chief Executive Officer



Director

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

	Year ended June 30, 2023				Year ended June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees '000)	(Rupees '000)	(Rupees '000)		(Rupees '000)	(Rupees '000)	(Rupees '000)	
Net income / (loss) for the year after taxation	5,292	87,273	182,739	275,304	(171,202)	47,050	55,991	(68,161)
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the year	5,292	87,273	182,739	275,304	(171,202)	47,050	55,991	(68,161)

The annexed notes from 1 to 26 form an integral part of these financial statements.



Chief Executive Officer

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



Director

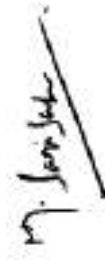
CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2023

Note	June 30, 2023				June 30, 2022			
	Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
(Rupees '000)								
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income / (loss) for the year before taxation	5,292	87,273	182,739	275,304	(171,202)	47,050	55,991	(68,161)
Adjustments for non cash and other items:								
Mark-up income	(6,091)	(95,213)	(194,191)	(295,495)	(2,244)	(54,509)	(62,692)	(119,445)
Dividend income	(72,969)	-	-	(72,969)	(54,406)	-	-	(54,406)
Net loss / (gain) on sale of investments	-	-	-	-	59,110	-	(785)	58,325
Net unrealised loss / (gain) on revaluation of investments	42,833	5,087	2,010	49,930	156,534	(154)	-	156,380
Reversal provision for Sindh Workers' Welfare Fund (SWWF)	-	-	-	-	(8,551)	(4,532)	(2,234)	(15,317)
	(36,227)	(90,126)	(192,181)	(318,534)	150,443	(59,195)	(65,711)	25,537
	(30,935)	(2,853)	(9,442)	(43,230)	(20,759)	(12,145)	(9,720)	(42,624)
(Increase) / decrease in assets								
Investments	36,722	39,755	(118,149)	(41,672)	(131,180)	(201,428)	785	(331,823)
Advance against IPO	-	10,000	-	10,000	-	(10,000)	-	(10,000)
Receivable against sale of investment	(24,666)	-	-	(24,666)	13,406	189,859	-	203,265
Advance, deposits and other receivables	(1,768)	(621)	(6,120)	(8,509)	(15)	(9)	(8)	(32)
	10,288	49,134	(124,269)	(64,847)	(117,789)	(21,578)	777	(138,590)
Increase / (decrease) in liabilities								
Payable to pension fund manager	(115)	5	739	629	(111)	(177)	(429)	(717)
Payable to the trustee	(15)	(12)	95	68	(10)	7	16	13
Annual fee payable to the SECP	(49)	23	211	185	147	71	98	316
Payable against purchase of investments	19,362	(246,473)	-	(227,111)	(7,434)	(18,355)	-	(25,789)
Accrued and other liabilities	1,909	303	1,207	3,419	(151)	(195)	274	(72)
	21,092	(246,154)	2,252	(222,810)	(7,559)	(18,649)	(41)	(26,249)
Dividend received	72,969	-	-	72,969	55,784	-	-	55,784
Mark-up received	5,847	99,258	198,480	303,585	2,000	47,142	54,301	103,443
Net cash (used in) / generated from operating activities	79,261	(100,615)	67,021	45,667	(88,323)	(5,230)	45,317	(48,236)
CASH FLOWS FROM FINANCING ACTIVITIES								
Net receipts from issuance of units	525,090	342,323	1,214,135	2,081,548	371,605	244,745	375,554	991,904
Net payments on redemption of units	(592,574)	(495,610)	(515,286)	(1,603,470)	(273,206)	(228,208)	(248,660)	(750,074)
Net cash generated from / (used in) financing activities	(67,484)	(153,287)	698,849	478,078	98,399	16,537	126,894	241,830
Net increase in cash and cash equivalents	11,777	(253,902)	765,870	523,745	10,076	11,307	172,211	193,594
Cash and cash equivalents at beginning of the year	29,651	452,486	707,121	1,189,258	19,575	441,179	534,910	995,664
Cash and cash equivalents at end of the year	41,428	198,584	1,472,991	1,713,003	29,651	452,486	707,121	1,189,258

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The annexed notes from 1 to 26 form an integral part of these financial statements.

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



Chief Executive Officer



Director

STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS FOR THE YEAR ENDED JUNE 30, 2023

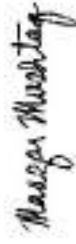
	June 30, 2023			June 30, 2022		
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	(Rupees '000)			(Rupees '000)		
	Total			Total		
Net assets at the beginning of the year	831,977	558,593	716,244	2,106,814	904,780	533,359
Amount received on issuance of units	525,090	342,323	1,214,135	2,081,548	371,605	375,554
Amount paid on redemption of units	(592,574)	(495,610)	(515,286)	(1,603,470)	(273,206)	(248,660)
	(67,484)	(153,287)	698,849	478,078	98,399	126,894
	764,493	405,306	1,415,093	2,584,892	1,003,179	660,253
Net income for the year	5,292	87,273	182,739	275,304	(171,202)	55,991
Net assets at the end of the year	769,785	492,579	1,597,832	2,860,196	831,977	716,244

The annexed notes from 1 to 26 form an integral part of these financial statements.



Chief Executive Officer

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



Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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. Due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" the Fund is required to be registered under the said Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 MCB-Arif Habib Savings and Investments Limited has been licensed to act as a Pension Fund Manager under the VPS Rules through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is located at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.

On April 18, 2023, MCB Bank Limited (MCB) has acquired 21,664,167 (30.09%) shares of MCB Arif Habib Savings & Investment Limited (MCB-AH) from Arif Habib Corporation Limited (AHCL). By virtue of this transaction MCB Bank Limited's shareholding in MCB-AH has increased from 36,956,768 (51.33%) shares to 58,620,935 (81.42%) and AHCL no longer holds any shares in MCB-AH. The Board of Directors of the Management Company has passed a resolution in 188th BOD meeting held on May 2, 2023 for the change of name of the Management Company from "MCB-Arif Habib Savings and Investment Limited" to "MCB Investment Management Limited". The Securities and Exchange Commission of Pakistan has also given approval on the Memorandum of Association regarding the Change of Name. The Change of Name of the Management Company has also been approved in the Extra Ordinary General Meeting (EOGM) held on July, 07, 2023 by the Share Holders representing 89.01% Shareholding. After the conclusion of EOGM, the Management Company has applied to the registrar for the alteration in Memorandum and Article of Association and performing all the legal formalities incidental thereto.

1.3 The Fund is an open-end pension fund consisting of three sub-funds namely; Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund. Units are offered for public subscription on a continuous basis. The number of units of any sub-fund purchased out of contributions depends on the Allocation Scheme selected by the respective Participant out of the allocation schemes offered by the Pension Fund Manager.

1.4 The Pakistan Credit Rating Agency (PACRA) has maintained quality rating of 'AM1' dated October 06, 2022 to the Pension Fund Manager.

1.5 Title to the assets of the Fund is held in the name of Central Depository Company Limited as Trustee of the Fund.

2. BASIS OF PREPARATION

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The requirements of the Trust Deed, Voluntary Pension System Rules, 2005 (VPS Rules) and the directives issued by the SECP.

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

2.2 New amendments that are effective for the year ended June 30, 2023

The amendments are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Funds's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	Effective from accounting period beginning on or after
- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022

2.3 New amendments that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
- Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
- Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

2.4 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgements and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and measurement of financial assets (notes 3.1.1.1 and 5)
- Impairment of financial assets (note 3.1.1.3)
- Taxation (notes 3.4 and 17)
- Classification and measurements of financial liabilities (note 3.1.2)
- Contingencies and Commitments (note 15)

The revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

2.5 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain investments which are measured at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupees which is the Fund's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

3.1.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3.1.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income (OCI), interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to the income statement.

Financial assets at fair value through profit or loss (debt instruments)

Debt instruments that do not meet the amortised cost criteria or the fair value through other comprehensive income criteria are classified as at fair value through profit or loss. In addition, debt instruments that meet either the amortised cost criteria or the fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses from changes in fair value are recognised in other comprehensive income and are accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to undistributed income. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Dividends are recognised as income in the income statement when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

The Fund elected not to classify irrevocably any of the equity investments under this category on initial recognition.

Financial assets designated at fair value through profit or loss (equity instruments)

Equity investments which the Fund had not irrevocably elected to classify at fair value through OCI are classified as at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of assets and liabilities at fair value with net changes in fair value recognised in the the income statement.

Dividends on equity investments are recognised as income in the income statement when the right of payment has been established.

The Fund elected to classify all of the equity investments at fair value through profit or loss on initial recognition.

3.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Basis of valuation of government debt securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKFRV / PKISRV rates) which are based on the remaining tenor of the securities.

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

The Fund applies discretion on the effective yield as per the allowable limits in the above mentioned Circulars after taking into account aspects such as Liquidity Risk, Sector Specific Risk and Issuer Class Risk.

The allowable limits for rated securities for duration upto 2 years is +200/-100 bps and over 2 years is +150/-50 bps. For unrated securities the allowable limits +50 bps.

Basis of valuation of equity instruments:

The fair value of equity instruments is determined by using closing rate of securities at day end available on the Pakistan Stock Exchange's website.

3.1.1.3 Impairment of financial assets

The Pension Fund Manager assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

The SECP / Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9 until further instruction.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

3.1.1.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of assets and liabilities) when:

- the rights to receive cash flows from the asset have expired; or
- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset;

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

3.1.2 Financial liabilities

3.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or the Fund has opted to measure them at fair value through profit or loss.

3.1.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

3.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

3.3 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.4 Taxation

The income of the Fund is exempt from income tax under Clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Fund is also exempt from the provisions of section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Pension Fund Manager for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Pension Fund Manager.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

3.7 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Income / profit from investments in term finance certificates / sukuks, MTS transactions and government securities is recognised on a time proportionate basis using effective interest rate method.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

3.8 Expenses

All expenses chargeable to the Fund including remuneration of the Pension Fund Manager, Trustee fee and annual fee of the SECP are recognised in the income statement on an accrual basis.

3.9 Basis of allocation of expenses to each sub-fund

- Remuneration to the Pension Fund Manager, Trustee and annual fee to the SECP is allocated to each sub-fund on the basis of the net assets of the sub-fund
- Expenses specifically incurred by a sub-fund, such as custody and settlement charges, fees and subscription and bank charges are charged to that sub-fund
- Auditors' remuneration and legal and professional charges are allocated on the basis of the proportionate net assets of each sub-fund.

3.10 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

		June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		(Rupees in '000)			
5. BALANCES WITH BANKS					
Savings accounts	5.1	41,428	32,044	92,950	166,422
		June 30, 2022			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees in '000)			
Savings accounts	5.1	29,651	452,486	707,121	1,189,258

5.1 These carry profit at the rates of ranging from 12.75% to 19.5% (2022: 5.50% to 21.0%) per annum. These include a balance of Rs. 2.643 million (2022: Rs.1.63 million) in Equity Sub-Fund, Rs. 2.25 million (2022: Rs. 1.56 million) in Debt Sub-Fund and Rs. 2.464 million (2022: Rs. 2.112 million) in Money Market Sub-Fund held with MCB Bank Limited, (a related party).

	June 30, 2023			
	Equity	Debt	Money Market	
	Sub-Fund	Sub-Fund	Sub-Fund	Total
Note	-----	(Rupees in '000)	-----	-----

Listed equity securities
Government securities
Term Finance Certificate / Sukuks

6.1	719,185	-	-	719,185
6.2	-	387,976	1,496,180	1,884,156
6.3	-	67,917	-	67,917
	719,185	455,893	1,496,180	2,671,258

Listed equity securities
Government securities
Term Finance Certificate / Sukuks

	June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----			
6.1	798,740	-	-	798,740
6.2	-	243,640	-	243,640
6.3	-	90,555	-	90,555
	798,740	334,195	-	1,132,935

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

Equity Sub-Fund

Name of the Investee Company	Number of shares			Balance as at June 30, 2023				Market value as a % of net assets of the sub-fund	% of the paid up capital of the investee company
	As at July 01, 2022	Purchased during the year	Bonus issue during the year	Sold during the year	As at June 30, 2023	Carrying Value	Market value	Unrealised (loss) / gain	
									(Rupees in '000') ----- (%) -----
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise									
Automobile Parts & Accessories									
Agriauto Industries Limited **	43,500	-	10,875	-	54,375	5,829	3,374	(2,455)	0.44
Atlas Battery Limited	50	-	12	62	-	-	-	-	0.00
Ghandhara Tyre & Rubber Company Limited	108,000	-	-	108,000	-	-	-	-	0.00
Thal Limited **	30,000	5,000	-	6,000	29,000	7,494	4,698	(2,796)	0.61
						13,323	8,072	(5,251)	1.05
Cable & Electrical Goods									
Pak Elektron Limited	774,000	-	-	-	774,000	12,299	7,005	(5,294)	0.91
						12,299	7,005	(5,294)	0.91
Cement									
Attock Cement Pakistan Limited	22,000	95,000	-	-	117,000	7,912	9,696	1,784	1.26
Bestway Cement Limited	65,000	-	-	65,000	-	-	-	-	0.00
Cherat Cement Company Limited	120,000	184,000	-	174,000	130,000	12,579	15,636	3,057	2.03
D.G Khan Cement Limited*	139,000	930,000	-	559,000	510,000	26,032	26,163	131	0.12
Fauji Cement Company Limited	2,651,000	819,000	433,750	618,750	3,285,000	41,837	38,632	(3,205)	0.13
Kohat Cement Limited	134,210	-	-	61,710	72,500	9,434	12,576	3,142	1.63
Lucky Cement Limited	57,000	103,300	-	62,800	97,500	43,421	50,904	7,483	0.03
Maple Leaf Cement Factory Limited	1,367,000	1,031,430	-	968,430	1,430,000	35,376	40,512	5,136	0.13
Pioneer Cement Limited	-	86,000	-	35,000	51,000	3,671	4,418	747	0.57
						180,262	198,537	18,275	25.78
Chemicals									
Archroma Pakistan Limited	10,000	7,100	-	-	17,100	8,650	8,037	(613)	1.04
						8,650	8,037	(613)	1.04
Commercial Banks									
Bank Al Falah Limited	580,000	725,000	-	719,793	585,207	18,905	17,814	(1,091)	2.31
Faysal Bank Limited	1,231,000	100,000	-	931,000	400,000	9,173	8,072	(1,101)	1.05
Habib Bank Limited	480,500	381,000	-	621,500	240,000	18,276	17,575	(701)	0.16
Habib Metropolitan Bank Limited	670,500	-	-	450,000	220,500	8,611	6,664	(1,947)	0.87
Meezan Bank Limited	348,035	257,661	34,804	190,500	450,000	46,158	38,866	(7,292)	5.05
United Bank Limited	230,000	373,000	-	429,000	174,000	19,677	20,452	775	2.66
Bankislami Pakistan Limited	1,383,000	225,000	-	1,608,000	-	-	-	-	0.00
						120,800	109,443	(11,357)	14.22
Engineering									
Aisha Steel Mill Limited	700,000	-	-	700,000	-	-	-	-	0.00
Amreli Steels Limited	220,000	-	-	220,000	-	-	-	-	0.00
International Industries Limited	2,136	-	-	2,136	-	-	-	-	0.00
Mughal Iron and Steel Industries Limited	200,000	174,785	-	-	374,785	20,425	18,155	(2,270)	2.36
									0.11

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Name of the Investee Company	Number of shares					Balance as at June 30, 2023			Market value as a % of net assets of the sub-fund	% of the paid up capital of the investee company
	As at July 01, 2022	Purchased during the year	Bonus issue during the year	Sold during the year	As at June 30, 2023	Carrying Value	Market value	Unrealised (loss) / gain		
(Number of shares)										
(Rupees in '000')										

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Name of the Investee Company	Number of shares				Balance as at June 30, 2023				% of the paid up capital of the investee company
	As at July 01, 2022	Purchased during the year	Bonus issue during the year	Sold during the year	As at June 30, 2023	Carrying Value	Market value	Unrealised (loss) / gain	
									(Rupees in '000')
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	41,860	-	-	10,860	31,000	53,932	46,953	(6,979)	6.10
Oil & Gas Development Company Limited	184,530	629,000	-	668,530	145,000	12,302	11,310	(992)	1.47
Pakistan Oilfields Limited	-	18,000	-	-	18,000	7,126	7,232	106	0.94
Pakistan Petroleum Limited	301,500	580,000	-	881,500	-	-	-	-	0.00
						73,360	65,495	(7,865)	8.51
Oil And Gas Marketing Companies									
Attock Petroleum Limited	25,500	15,000	-	25,500	15,000	4,547	4,504	(43)	0.59
Sui Northern Gas Pipelines Limited	-	225,000	-	-	225,000	9,415	8,858	(557)	1.15
						13,962	13,362	(600)	0.59
Paper And Board									
Century Paper & Board Limited	-	70,000	56,000	-	126,000	2,940	3,558	618	0.46
Packages Limited	45,950	-	-	4,950	41,000	16,353	15,946	(407)	2.07
Security Papers Limited	4,600	900	-	-	5,500	639	511	(128)	0.07
						19,932	20,015	83	2.60
Pharmaceuticals									
AGP Limited	-	68,000	-	-	68,000	3,803	3,841	38	0.50
Citi Pharma Limited	508,000	-	-	-	508,000	16,582	10,841	(5,741)	1.41
Ferozsons Laboratories Limited	-	75,500	5,100	30,600	50,000	7,378	6,843	(535)	0.89
Haleon Pakistan Limited (Formerly GlaxoSmithKline Consumer Healthcare)	43,000	85,000	-	53,000	75,000	10,763	10,511	(252)	1.37
Highnoon Laboratories Limited	11,000	23,500	6,227	11,000	29,727	11,025	9,993	(1,032)	1.30
IBL Healthcare Limited	1	-	-	1	-	-	-	-	0.00
						49,551	42,029	(7,522)	5.47
Power Generation & Distribution									
Hub Power Company Limited	167,986	336,000	-	52,986	451,000	31,548	31,381	(167)	4.08
Nishat Chunian Power Limited	-	429,671	-	429,671	-	-	-	-	0.00
						31,548	31,381	(167)	4.08
Refinery									
Attock Refinery Limited	34,000	-	-	34,000	-	-	-	-	0.00
						-	-	-	0.00
Technology & Communications									
Avanceon Limited	55,000	-	8,250	-	63,250	4,285	2,785	(1,500)	0.36
Air Link Communication Limited	193,000	-	-	193,000	-	-	-	-	0.00
Hum Network Limited	-	325,000	-	-	325,000	1,869	1,898	29	0.25
Systems Limited	57,000	35,000	-	24,500	67,500	26,096	27,225	1,129	3.54
						32,250	31,908	(342)	4.15
Textile Composite									
Gul Ahmed Textile Mills Limited	278,501	187,000	93,100	-	558,601	14,155	9,949	(4,206)	1.29
Interloop Limited	130,675	327,570	245,186	-	703,431	26,394	24,803	(1,591)	3.22
Kohinoor Textile Mills Limited	151,300	50,000	-	-	201,300	10,015	10,248	233	1.33
Nishat Chunian Limited	720,549	255,000	-	806,549	169,000	3,456	3,430	(26)	0.45
Nishat Mills Limited*	99,259	80,000	-	179,259	-	-	-	-	0.00
						54,020	48,430	(5,590)	6.29

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Name of the Investee Company	Number of shares					Balance as at June 30, 2023			Market value as a % of net assets of the sub-fund	% of the paid up capital of the investee company
	As at July 01, 2022	Purchased during the year	Bonus issue during the year	Sold during the year	As at June 30, 2023	Carrying Value	Market value	Unrealised (loss) / gain		
										(%)

*These transactions relating to shares of related parties

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

6.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as security against settlement of the Sub-Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP:

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Number of shares)	(Number of shares)	(Amount)	(Amount)
Bank Alfalah limited	50,000	50,000	1,522	1,600
Oil & Gas Development Company Limited	100,000	100,000	7,800	7,867
The Hub Power Company Limited	110,995	110,995	7,723	7,567
	260,995	210,995	17,045	17,034

6.1.2 As at June 30, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.0.662 million (2022: Rs. 0.825 million).

6.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Voluntary Pension Schemes (VPSs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by VPSs. The petition was based on the fact that because VPSs are exempt from deduction of income tax under Clause 57(3) (viii) of Part I to the Second Schedule of the Income Tax Ordinance, 2001, the withholding tax provision should also not be applicable on bonus shares received by VPSs. A stay order had been granted by the High Court of Sindh in favor of VPSs.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the VPSs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The VPSs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year. Subsequent to the year ended June 30, 2019, the VPSs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the VPSs.

Further, the Finance Act, 2018 effective from July 01, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

6.2

Government securities - at fair value through profit or loss

Debt Sub-Fund

Name of security	Issue date	Face value				Balance as at June 30, 2023			Market value as % of net assets of sub-fund
		As at July 01, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying Value	Market value	Unrealised (loss) / gain	
(Rupees in '000')									
Pakistan Investment Bonds									
Pakistan Investment Bonds - 3 years	05-Aug-21	-	250,000		-	-	-	-	-
Pakistan Investment Bonds - 3 years	04-Aug-22	-	1,100,000		-	-	-	-	-
Pakistan Investment Bonds - 5 years	29-Apr-22	100,000	550,000		-	-	-	-	-
Pakistan Investment Bonds - 5 years	13-Oct-22	-	300,000		-	-	-	-	-
Pakistan Investment Bonds - 10 years	10-Dec-20	50,000	-	50,000	-	-	-	-	-
Pakistan investment bonds - 20 years	10-Jun-04	1,900	-	-	1,900	1,841	1,701	(140)	0.35
Total as at June 30, 2023						1,841	1,701	(140)	
Total as at June 30, 2022						120,737	120,245	(492)	

Name of security	Issue date	Face value			Balance as at June 30, 2023			Market value as % of net assets of sub-funds
		As at July 01, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying Value	Market value	
(Rupees in '000')								
Pakistan Investment Bonds - FRB								
Pakistan Investment Bonds - FRB - 2 years	26-Aug-21	50,000	200,000	250,000	-	-	-	-
Pakistan Investment Bonds - FRB - 2 years	30-Dec-21	-	200,000	200,000	-	-	-	-
Pakistan Investment Bonds - FRB - 2 years	08-Sep-22	-	550,000	550,000	-	-	-	-
Pakistan Investment Bonds - FBR - 5 years	06-May-21	75,000	25,000	-	100,000	98,295	96,640	(1,655)
Pakistan Investment Bonds - FBR - 5 years	17-Nov-22	-	25,000	25,000	-	-	-	-
Total as at June 30, 2023						98,295	96,640	(1,655)
Total as at June 30, 2022						123,515	123,395	(120)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Debt Fund Sub-Fund

Name of security	Issue date	Face value				Balance as at June 30, 2023			Market value as % of net assets of sub-funds
		As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying Value	Market value	Unrealised (loss) / gain	
(Rupees in '000')									
Treasury Bills									
Treasury bills - 3 months	30-Jun-22	-	500,000	500,000	-	-	-	-	-
Treasury bills - 3 months	28-Jul-22	-	500,000	500,000	-	-	-	-	-
Treasury bills - 3 months	22-Sep-22	-	59,000	59,000	-	-	-	-	-
Treasury bills - 3 months	06-Oct-22	-	1,245,000	1,245,000	-	-	-	-	-
Treasury bills - 3 months	20-Oct-22	-	350,000	350,000	-	-	-	-	-
Treasury bills - 3 months	03-Nov-22	-	1,350,000	1,350,000	-	-	-	-	-
Treasury bills - 3 months	17-Nov-22	-	1,685,000	1,685,000	-	-	-	-	-
Treasury bills - 3 months	01-Dec-22	-	360,700	360,700	-	-	-	-	-
Treasury bills - 3 months	15-Dec-22	-	100,000	100,000	-	-	-	-	-
Treasury bills - 3 months	29-Dec-22	-	80,000	80,000	-	-	-	-	-
Treasury bills - 3 months	04-Jan-23	-	65,000	65,000	-	-	-	-	-
Treasury bills - 3 months	12-Jan-23	-	50,000	50,000	-	-	-	-	-
Treasury bills - 3 months	26-Jan-23	-	560,000	560,000	-	-	-	-	-
Treasury bills - 3 months	09-Feb-23	-	600,000	600,000	-	-	-	-	-
Treasury bills - 3 months	23-Feb-23	-	35,000	35,000	-	-	-	-	-
Treasury bills - 3 months	09-Mar-23	-	110,000	110,000	-	-	-	-	-
Treasury bills - 3 months	27-Mar-23	-	53,400	53,400	-	-	-	-	-
Treasury bills - 3 months	06-Apr-23	-	1,954,000	1,954,000	-	-	-	-	-
Treasury bills - 3 months	18-May-23	-	80,000	80,000	-	-	-	-	-
Treasury bills - 3 months	15-Jun-23	-	500,000	500,000	-	-	-	-	-
Treasury bills - 3 months	22-Jun-23	-	175,000	-	175,000	166,787	166,540	(247)	33.81
Treasury bills - 6 months	30-Jun-22	-	10,000	10,000	-	-	-	-	-
Treasury bills - 6 months	28-Jul-22	-	175,000	175,000	-	-	-	-	-
Treasury bills - 6 months	06-Oct-22	-	558,300	558,300	-	-	-	-	-
Treasury bills - 6 months	20-Oct-22	-	500,000	500,000	-	-	-	-	-
Treasury bills - 6 months	03-Nov-22	-	35,000	35,000	-	-	-	-	-
Treasury bills - 6 months	15-Dec-22	-	2,500	2,500	-	-	-	-	-
Treasury bills - 6 months	15-Jun-23	-	500,000	500,000	-	-	-	-	-
Treasury bills - 12 months	10-Mar-22	-	32,000	32,000	-	-	-	-	-
Treasury bills - 12 months	07-Apr-22	-	3,600	3,600	-	-	-	-	-
Treasury bills - 12 months	06-Oct-22	-	200,000	200,000	-	-	-	-	-
Treasury bills - 12 months	15-Jun-23	-	500,000	350,000	150,000	124,208	123,095	(1,113)	29.99
						290,995	289,635	(1,360)	58.8
Total as at June 30, 2023						391,131	387,976	(3,155)	
Total as at June 30, 2022						244,252	243,640	(612)	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Money Market Sub-Fund

Name of security	Issue Date	Face value				Balance as at June 30, 2023			Market value as % of net assets of sub-funds
		As at July 01, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying Value	Market value	Unrealised (loss) / gain	
(Rupees in '000')									
Treasury Bills									
Treasury bills - 3 months	30-Jun-22	-	500,000	500,000	-	-	-	-	-
Treasury bills - 3 months	28-Jul-22	-	500,000	500,000	-	-	-	-	-
Treasury bills - 3 months	22-Sep-22	-	57,000	57,000	-	-	-	-	-
Treasury bills - 3 months	06-Oct-22	-	1,573,000	1,573,000	-	-	-	-	-
Treasury bills - 3 months	20-Oct-22	-	500,000	500,000	-	-	-	-	-
Treasury bills - 3 months	03-Nov-22	-	1,640,000	1,640,000	-	-	-	-	-
Treasury bills - 3 months	17-Nov-22	-	2,605,000	2,605,000	-	-	-	-	-
Treasury bills - 3 months	15-Dec-22	-	526,000	526,000	-	-	-	-	-
Treasury bills - 3 months	29-Dec-22	-	444,000	444,000	-	-	-	-	-
Treasury bills - 3 months	04-Jan-23	-	330,000	330,000	-	-	-	-	-
Treasury bills - 3 months	26-Jan-23	-	5,785,000	5,785,000	-	-	-	-	-
Treasury bills - 3 months	09-Feb-23	-	900,000	900,000	-	-	-	-	-
Treasury bills - 3 months	23-Feb-23	-	860,000	860,000	-	-	-	-	-
Treasury bills - 3 months	27-Mar-23	-	358,000	358,000	-	-	-	-	-
Treasury bills - 3 months	06-Apr-23	-	1,815,000	1,815,000	-	-	-	-	-
Treasury bills - 3 months	18-May-23	-	46,460	-	46,460	45,380	45,346	(34)	9.21
Treasury bills - 3 months	01-Jun-23	-	90,055	-	90,055	87,252	87,156	(96)	17.69
Treasury bills - 3 months	15-Jun-23	-	900,000	-	900,000	864,862	863,718	(1,144)	175.35
Treasury bills - 3 months	22-Jun-23	-	480,000	76,680	403,320	384,392	383,821	(571)	77.92
Treasury bills - 6 months	06-Oct-22	-	983,000	983,000	-	-	-	-	-
Treasury bills - 6 months	20-Oct-22	-	500,000	500,000	-	-	-	-	-
Treasury bills - 6 months	23-Feb-23	-	120,000	-	120,000	116,304	116,139	(165)	23.58
Treasury bills - 6 months	15-Jun-23	-	500,000	500,000	-	-	-	-	-
Total as at June 30, 2023						1,498,190	1,496,180	(2,010)	
Total as at June 30, 2022						-	-	-	

Name of security	Issue date	Face value			Balance as at June 30, 2023			Market value as % of net assets of sub-funds
		As at July 01, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying Value	Market value	
(Rupees in '000')								
Pakistan Investment Bonds - FRB								
Pakistan Investment Bonds - FRB - 2 years	26-Aug-21	-	900,000	900,000	-	-	-	-
Pakistan Investment Bonds - FRB - 2 years	18-Jun-20	-	300,000	300,000	-	-	-	-
Total as at June 30, 2023						-	-	
Total as at June 30, 2022						-	-	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

6.2.1 Significant terms and conditions of Government securities outstanding at the year end are as follows:

Name of security	Issue Date	Face / redemption value	Interest rate per annum	Maturity date
Pakistan Investment Bonds Pakistan investment bonds - 20 years	June 10, 2004	1,900,000	10.00%	June 10, 2024
Pakistan Investment Bonds - FRB Pakistan Investment Bonds - 5 years	May 06, 2021	100,000,000	14.71%	May 06, 2026

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

Debt Sub-Fund

Name of security	Issue date	Number of certificates				Balance as at June 30, 2023			Market value as % of net assets of sub-funds
		As at July 01, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying Value	Market value	Unrealised (loss) / gain	
----- (Number of certificates) ----- (Rupees in '000') ----- % -----									
Term finance certificates									
The Bank of Punjab Limited	23-Dec-16	50	-	50	-	-	-	-	0.00%
Jahangir Siddiqui & Co.Ltd. - 5th Issue	18-Jul-17	5,000	-	-	5,000	3,223	3,130	(93)	0.64%
Bank Al Habib Ltd.	30-Sep-21	5,000	-	-	5,000	25,710	24,685	(1,025)	5.01%
Sukuks									
Meezan Bank Limited - 2nd Issue	9-Jan-20	30	-	-	30	30,917	30,202	(715)	6.13%
Pak Elektron ltd	15-Nov-21	20	-	20	-	-	-	-	0.00%
Meezan Bank Limited	16-Dec-21	10	-	-	10	10,000	9,900	(100)	2.01%
Nishat Mills	1-Nov-22	-	55	55	-	-	-	-	0.00%
Total as at June 30, 2023						69,850	67,917	(1,933)	
Total as at June 30, 2022						89,789	90,555	766	

6.3.1 Significant terms and conditions of term finance certificates / sukuks outstanding at the year end are as follows:

Name of security	Number of certificates	Principal Outstanding / redemption value		Interest rate per annum	Maturity	Secured / unsecured	Rating
		Per certificate	Total (Rs '000)				
Un-listed							
Jahangir Siddiqui & Co.Ltd. - 5th Issue	5,000	625	3,125	6 Month KIBOR + 1.40%	18-Jul-23	Secured	AA+
Bank Al Habib Limited	5,000	4,997	24,985	6 Month KIBOR + 0.75%	30-Sep-31	Unsecured	AAA
Meezan Bank Limited - 2nd Issue	30	1,000,000	30,000	6 Month KIBOR + 0.90%	9-Jan-30	Unsecured	AAA
Meezan Bank Limited	10	1,000,000	10,000	6 Month KIBOR + 0.35%	16-Dec-31	Unsecured	AAA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

7. INTEREST RECEIVABLE

Mark-up on:

- Pakistan investment bonds
- Term finance certificates
- Savings accounts

June 30, 2023			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000')			
-	3,353	-	3,353
-	1,908	-	1,908
543	2,081	6,821	9,445
543	7,342	6,821	14,706

Mark-up on:

- Pakistan investment bonds
- Term finance certificates
- Savings accounts

June 30, 2022			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000')			
-	4,166	-	4,166
-	1,921	-	1,921
299	5,300	11,110	16,709
299	11,387	11,110	22,796

8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Deposits against:

- National Clearing Company
of Pakistan Limited (NCCPL)
- Central Depository Company
of Pakistan Limited (CDC)
- Bonus Shares Withheld

Advance tax

Receivable Against Bonus Shares Withheld

Others

June 30, 2023			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000')			
2,500	-	-	2,500
200	200	200	600
1,761	-	-	1,761
332	196	83	611
662	-	-	662
36	623	6,119	6,778
5,491	1,019	6,402	12,912

Receivable against:

- National Clearing Company
of Pakistan Limited (NCCPL)
- Central Depository Company
of Pakistan Limited (CDC)
- Bonus Shares Withheld

Advance tax

Others

June 30, 2022			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000')			
2,500	-	-	2,500
200	200	200	600
662	-	-	662
325	181	65	571
36	17	17	70
3,723	398	282	4,403

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

		June 30, 2023			
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000') -----					
9. PAYABLE TO THE PENSION FUND MANAGER					
Remuneration payable to the pension fund manager	9.1	934	457	929	2,320
Sindh sales tax payable on remuneration of pension fund manager	9.2	121	59	121	301
		1,055	516	1,050	2,621

		June 30, 2022			
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000') -----					
Remuneration payable to the pension fund manager	9.1	1,035	452	275	1,762
Sindh sales tax payable on remuneration of pension fund manager	9.2	135	59	36	230
		1,170	511	311	1,992

9.1 This represents remuneration of the Pension Fund Manager at the rate of 1.5% for Equity (2022: 1.5%), 1% for Debt (2022: 1.5%) and 0.5% for money market (2022: 1.5%). The remuneration is paid to the Pension Fund Manager on a monthly basis in arrears.

9.2 Sales tax on management remuneration has been charged at the rate of 13% (2022: 13%).

		June 30, 2023			
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000') -----					
10. PAYABLE TO TRUSTEE					
Remuneration payable	10.1	74	47	153	274
Sales tax on remuneration payable	10.2	10	6	20	36
		84	53	173	310

		June 30, 2022			
	Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000') -----					
Remuneration payable	10.1	87	57	69	213
Sales tax on remuneration payable	10.2	12	8	9	29
		99	65	78	242

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

- 10.1** The Trustee, CDC is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Documents as per the tariff specified therein, based on the daily net asset value of the Fund. As per the Trust Deed and Offering Document the tariff structure applicable to the Fund in respect of trustee fee is as follows:

Average net assets value	Tariff per annum
Up to Rs.1 billion	Rs.0.3 million or 0.15% p.a. of net assets, whichever is higher
Rs.1 billion to Rs.3 billion	Rs.1.5 million plus 0.10% p.a. of net assets exceeding Rs.1 billion
Rs.3 billion to Rs.6 billion	Rs.3.5 million plus 0.08% p.a. of net assets exceeding Rs.3 billion
Over Rs.6 billion	Rs.5.9 million plus 0.06% p.a. of net assets exceeding Rs.6 billion

- 10.2** Sales tax on trustee remuneration has been charged at the rate of 13% (2022: 13%).

11. ANNUAL FEE PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

This represents annual fee to the SECP at the rate of one twenty-fifth of one percent (2022: one twenty-fifth of one percent) of average annual net assets of each sub-fund, revised as per SRO 260(I)/2019 dated December 24, 2019.

		June 30, 2023				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
		(Rupees in '000')				
12.	ACCRUED EXPENSES AND OTHER LIABILITIES	Note				
	Provision for Federal Excise Duty on remuneration of Pension Fund Manager	12.1	2,420	2,405	1,151	5,976
	Brokerage payable		223	11	15	249
	Auditors' remuneration		149	100	203	452
	Payable against redemption of units		-	-	22	22
	Withholding tax payable		1,971	115	788	
	Others		42	298	685	1,025
			4,805	2,929	2,864	7,724

		June 30, 2022			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees in '000')			
Provision for Federal					
Excise Duty on remuneration					
of Pension Fund Manager	12.1	2,420	2,405	1,151	5,976
Brokerage payable		301	6	-	307
Auditors' remuneration		175	98	109	382
Payable against					
redemption of units		-	-	22	22
Others		-	117	375	492
		2,896	2,626	1,657	7,179

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

12.1 Provision for Federal Excise Duty on remuneration of Pension Fund Manager

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Pension Fund Manager with effect from June 13, 2013. As the asset management services rendered by the Pension Fund Manager of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Pension Fund Manager was of the view that further levy of FED was not justified.

On September 04, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various Asset Management Companies, together with their representatives of Collective Investment Schemes through their trustees, challenging the levy of FED.

During the previous year, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by Non-Banking Financial Institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Pension Fund Manager with effect from July 01, 2016. However, being prudent, the provision for FED made prior to this period has been maintained by the Fund which at June 30, 2023 aggregates to Rs.2.42 (2022: Rs.2.42 million), Rs.2.40 (2022: Rs.2.40) million and Rs.1.15 (2022: Rs.1.15) million in Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund is being retained in the financial statements of the Sub-Funds, respectively as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED not been recorded in the financial statements of the Sub-Funds, the net assets value of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at June 30, 2023 would have been higher by Rs.1.55 (2022: Rs.1.41) per unit, Rs.1.99 (2022: Rs.1.49) per unit and Rs.0.26 (2022: Rs.0.49) per unit respectively.

13. NUMBER OF UNITS IN ISSUE

	June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Units)			
Total units outstanding at beginning of the year	1,711,394	1,609,508	2,330,009	5,650,911
Add: Units issued during the year	1,082,489	929,699	3,639,306	5,651,494
Less: Units redeemed during the year	(1,229,295)	(1,328,236)	(1,548,885)	(4,106,416)
Total units in issue at the end of the year	1,564,588	1,210,971	4,420,430	7,195,989

14. CONTRIBUTION TABLE

	June 30, 2023						
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
	Units	(Rupees'000)	Units	(Rupees'000)	Units	(Rupees'000)	(Rupees)
Opening balance	1,711,394	831,977	1,609,508	397,072	2,330,009	585,126	1,747,625
Issue of units	1,082,489	525,090	929,699	342,324	3,639,306	1,214,135	2,081,549
Redemption of units	(1,229,295)	(592,569)	(1,328,236)	(495,610)	(1,548,885)	(515,286)	(1,603,465)
Closing balance	1,564,588	764,498	1,210,971	243,786	4,420,430	1,283,975	2,292,259

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

15. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

16. AUDITORS' REMUNERATION

June 30, 2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)			
Annual audit fee	94	60	196	350
Half yearly review fee	47	30	98	175
Sales tax	12	20	10	42
Out of pocket expenses	37	48	10	95
	190	158	314	662

June 30, 2022				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)			
Annual audit fee	142	66	85	293
Half yearly review fee	63	38	37	138
Sales tax	21	12	12	45
Out of pocket expenses	25	11	22	58
	251	127	156	534

17. TAXATION

No provision for taxation for the year ended June 30, 2023 has been made in view of the exemption available under Clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund is also exempt from the provisions of Section 113(minimum tax) under Clause 11A of Part IV to Second Schedule of the Income Tax Ordinance, 2001.

18. CASH AND CASH EQUIVALENTS

June 30, 2023				
Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)			
Bank balances	41,428	32,044	92,950	166,422
Market Treasury Bills	-	166,540	1,380,041	1,546,581
	41,428	198,584	1,472,991	1,713,003

June 30, 2022				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)			
Bank balances	29,651	452,486	707,121	1,189,258
Market Treasury Bills	-	-	-	-
	29,651	452,486	707,121	1,189,258

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

19. TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

June 30, 2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
19.1 Transactions during the year				
MCB Arif Habib Savings and Investments Limited - Pension Fund Manager				
Remuneration of Pension Fund Manager	11,701	6,027	7,082	24,810
Sales tax on remuneration of Pension Fund Manager	1,521	783	921	3,225
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of Central Depository Company Limited - Trustee	941	670	1,317	2,928
Sales tax on remuneration of Trustee	122	87	171	380
Settlement charges	39	5	6	50
Group / Associated companies				
MCB Bank Limited				
Mark-up earned	208	210	267	685
Bank charges	5	5	8	18
Purchase of NIL (2022: 75,000) shares	-	-	-	-
Sale of NIL (2022: 75,000) shares	-	-	-	-
Lucky Cement Limited*				
Purchase of 103,300 (2022: 47,000) shares	45,756	-	-	45,756
Sale of 62,800 (2022: Nil) shares	29,551	-	-	29,551
International Industries Limited				
Sale of 2,136 (2022: Nil) shares	143	-	-	143
Nishat Mills Limited				
Purchase of 80,000 (2022: 149,259) shares	5,797	-	-	5,797
Sale of 179,259 (2022: 50,000) shares	9,396	-	-	9,396
D.G. Khan Cement Company Limited				
Purchase of 930,000 (2022: 180,300) shares	45,260	-	-	45,260
Sale of 559,000 (2022: Nil) shares	27,772	-	-	27,772

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)			
MCB Arif Habib Savings and Investments Limited - Pension Fund Manager				
Remuneration of Pension Fund Manager	14,229	7,225	7,352	28,806
Sales tax on remuneration of Pension Fund Manager	1,850	939	956	3,745
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of Central Depository Company Limited - Trustee	1,179	650	729	2,558
Sales tax on remuneration of Trustee	153	85	95	333
Settlement charges	69	8	7	84
Group / Associated companies				
MCB Bank Limited				
Mark-up earned	63	70	61	194
Bank charges	4	5	6	15
Purchase of 75,000 (2021: Nil) shares	11,582	-	-	11,582
Sale of 75,000 (2021: Nil) shares	11,925	-	-	11,925
Aisha Steel Mills Limited *				
Purchase of 1,294,500 (2021: Nil) shares	21,158	-	-	21,158
Sale of 594,500 (2021: Nil) shares	10,040	-	-	10,040
Fatima Fertilizer Company Limited				
Purchase of 275,000 (2021: Nil) shares	9,760	-	-	9,760
Nishat Chunian Limited				
Purchase of 720,549 (2021: Nil) shares	35,016	-	-	35,016
Pak Elektron Limited				
Purchase of 774,000 (2021: Nil) shares	11,516	-	-	11,516
Nishat Mills Limited				
Purchase of 149,259 (2021: Nil) shares	11,793	-	-	11,793
Sale of 50,000 (2021: Nil) shares	4,578	-	-	4,578
D.G. Khan Cement Company Limited				
Purchase of 180,300 (2021: Nil) shares	11,951	-	-	11,951
Sale of 41,300 (2021: Nil) shares	2,848	-	-	2,848
Arif Habib Limited - Brokerage House				
Brokerage expense*	138	-	-	138
Next Capital Limited - Brokerage House				
Brokerage expense*	-	3	-	3

* This is no longer related party after April 18, 2023 due to disposal of Shares by Arif Habib Corporation in MCB-Arif Habib Savings and Investments Limited.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

		June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees in '000')			
19.2	Balances outstanding at year end:				
	MCB Arif Habib Savings and Investments Limited - Pension Fund Manager				
	Remuneration payable	934	457	929	2,320
	Sindh sales tax payable on remuneration	121	59	121	301
	Central Depository Company of Pakistan Limited - Trustee				
	Remuneration payable	74	47	153	274
	Sindh sales tax payable on remuneration	10	6	20	36
	Security deposit	200	200	200	600
	Group / Associated companies				
	MCB Bank Limited				
	Bank balance	2,643	2,250	2,464	7,357
	Nishat Mills Limited				
	Nil Shares (June 2022: 99,259)	-	-	-	-
	D.G. Khan Cement Company Limited				
	510,000 Shares (June 2022: 139,000)	26,163	-	-	26,163
		June 30, 2022			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees in '000')			
	MCB Arif Habib Savings and Investments Limited - Pension Fund Manager				
	Remuneration payable	1,035	452	275	1,762
	Sindh sales tax payable on remuneration	135	59	36	230
	Central Depository Company of Pakistan Limited - Trustee				
	Remuneration payable	87	57	69	213
	Sindh sales tax payable on remuneration	12	8	9	29
	Security deposit	200	200	200	600
	Group / Associated companies				
	MCB Bank Limited				
	Bank balance	1,630	1,560	2,112	5,302
	Aisha Steel Mills Limited				
	700,000 Shares (June 2021: Nil)	7,735	-	-	7,735
	Fatima Fertilizer Company Limited				
	275,000 Shares (June 2021: Nil)	10,395	-	-	10,395
	Nishat (Chunian) Limited				
	720,549 Shares (June 2021: Nil)	32,273	-	-	32,273
	Pak Elektron Limited				
	774,000 Shares (June 2021: Nil)	12,299	-	-	12,299
	Nishat Mills Limited				
	99,259 Shares (June 2021: Nil)	7,336	-	-	7,336
	D.G. Khan Cement Company Limited				
	139,000 Shares (June 2021: Nil)	8,688	-	-	8,688
	Arif Habib Limited - Brokerage House				
	Brokerage payable*	90	-	-	90

The amount disclosed represents the amount of brokerage paid / payable 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

19.3 Participant Fund

For the year ended June 30, 2023

	As at July 01, 2022	Issued for cash	Redeemed	As at June 30, 2023	As at July 01, 2022	Issued for cash	Redeemed	As at June 30, 2023
	----- (Units) -----				----- (Rupees'000) -----			

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

- Pakistan Pension Fund - Equity	252,196	-	-	252,196	122,603	-	-	124,080
- Pakistan Pension Fund - Debt	253,109	-	-	253,109	87,844	-	-	102,955
- Pakistan Pension Fund - Money Market	300,000	-	-	300,000	92,220	-	-	108,441

Key management personnel

- Pakistan Pension Fund - Equity	3,345	28,519	30,651	1,213	1,626	12,770	14,958	597
- Pakistan Pension Fund - Debt	1,730	1,175	1,226	1,679	600	351	455	683
- Pakistan Pension Fund - Money Market	390	58,340	57,977	753	120	16,614	18,901	272

For the year ended June 30, 2022

	As at July 01, 2021	Issued for cash	Redeemed	As at June 30, 2022	As at July 01, 2021	Issued for cash	Redeemed	As at June 30, 2022
	----- (Units) -----				----- (Rupees'000) -----			

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

- Pakistan Pension Fund - Equity	252,196	-	-	252,196	147,552	-	-	122,603
- Pakistan Pension Fund - Debt	253,109	-	-	253,109	80,314	-	-	87,844
- Pakistan Pension Fund - Money Market	300,000	-	-	300,000	84,006	-	-	92,220

Key management personnel

- Pakistan Pension Fund - Equity	9,428	1,403	7,486	3,345	5,516	794	4,086	1,626
- Pakistan Pension Fund - Debt	1,049	785	104	1,730	333	260	34	600
- Pakistan Pension Fund - Money Market	224	190	24	390	63	55	7	120

* The unit holder also holds 10% or more of the units in the Plan.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

20. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, profit rate and other price risk), credit risk and liquidity risk. Risk of the Fund are being managed by the Pension Fund Manager in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mention risks. The Board of Directors of Pension Fund Manager has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Fund's primary financial assets comprise of balances with banks, at fair value through profit and loss investments, comprising of equity securities of listed companies, sukuk certificates of other listed companies, commercial paper and term deposit receipts. The Fund also has dividend receivable, profit receivable, deposits and other receivables. The Fund's principal financial liabilities include remuneration payable to Pension Fund Manager, Trustee and SECP and accrued and other liabilities.

20.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Pension Fund Manager manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP and the VPS Rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions were carried out in Pakistan Rupee.

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, Debt Sub-Fund holds KIBOR based Pakistan Investment Bonds FRB, profit bearing term finance certificates and Sukuk Bonds exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR, with all other variables held constant, the net assets of the Fund as on June 30, 2023 and net income for the year then ended would have been higher / lower by Rs.1.65 million (2022: Rs.2.14 million).

The Fund holds balances in deposit accounts with banks, exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR, with all other variables held constant, the net assets of the Fund as on June 30, 2023 and net income for the year then ended would have been higher / lower by Rs.1.66 million (2022: 11.89 million).

b) Sensitivity analysis for fixed rate instruments

Debt Sub-Fund holds Pakistan Investment Bonds and Treasury Bills which are classified as 'at fair value through profit or loss', exposing the Sub-Fund to interest rate risk. In case of 100 basis points increase / decrease in rates announced by FMAP (Financial Markets Association of Pakistan) or Reuters on June 30, 2023, with all other variables held constant, the net assets of the Fund and net income for the year would have been lower / higher by Rs.3.89 million (2022: 1.2 million).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Money market Sub-Fund holds Treasury Bills which are classified as 'at fair value through profit or loss', exposing the Sub-Fund to interest rate risk. In case of 100 basis points increase / decrease in rates announced by FMAP (Financial Markets Association of Pakistan) or Reuters on June 30, 2023, with all other variables held constant, the net assets of the Fund and net income for the year would have been lower / higher by Rs.14.95 million (2022: Nil million).

The composition of the Fund's investment portfolio, KIBOR rates and rates announced by State Bank of Pakistan is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

20.1.3 Price risk

Price risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market.

The Equity Sub-Fund is exposed to equity price risk because of equity securities held by the Equity Sub-Fund and classified on the Statement of assets and liabilities as FVTPL. To manage its price risk arising from investment in equity securities, the Equity Sub-Fund's investment policy, as restricted by the VPS Rules, limits investments in listed shares of one company to not more than 10% of Sub-Fund net assets and investment in listed securities of a particular company have also been restricted to 10% of paid-up capital of investee company. Moreover, the sector limits have been restricted to 35% of the net assets of the Sub-Fund.

In case of 5% increase / decrease in KSE 100 index on June 30, 2023, the net assets relating to the Equity Sub-Fund and total net assets of the Fund would increase / decrease by Rs.35.96 million (2022: Rs.39.94 million) as a result of gains / losses on equity securities classified as at fair value through profit or loss.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Sub-Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Sub-Fund's investment portfolio and the correlation thereof to the KSE index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the effect on the Sub-Fund's net assets of future movements in the level of KSE 100 index.

20.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment in debt securities. The Fund is also exposed to counter party credit risks on balances with banks and profit receivable. The credit risk on these funds is limited because the counterparties are financial institutions with reasonably high credit ratings. In addition, the internal risk management policies and investment guidelines (approved by the Board) require the Fund to invest in debt securities that have been rated as investment grade by a well known rating agency.

The Fund has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. This credit rating information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major investors. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk from balances with banks and financial institutions is managed by financial department in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board of Directors. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure. Risk attributable to investment in government securities is limited as these are guaranties by the Federal Government.

The Fund's maximum exposure to credit risk related to receivables at June 30, 2023 and June 30, 2022 is the carrying amounts of following financial assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

June 30, 2023				
	Equity Sub-Fund	Debt Sub-Fund	Market Sub-Fund	Total
	----- (Rupees in '000') -----			
Bank balances	41,428	32,044	92,950	166,422
Investments	719,185	67,917	-	787,102
Mark-up receivable	543	3,989	6,821	11,353
Receivable against sale of investments	28,754	-	-	28,754
Advance, deposits and other receivables	3,398	823	6,319	10,540
	793,308	104,773	106,090	1,004,171

June 30, 2022				
	Equity Sub-Fund	Debt Sub-Fund	Market Sub-Fund	Total
	----- (Rupees in '000') -----			
Balances with banks	29,651	452,486	707,121	1,189,258
Investments	798,740	90,555	-	889,295
Advance against IPO	-	10,000	-	10,000
Mark-up receivable	299	7,221	11,110	18,630
Receivable against sale of investments	4,088	-	-	4,088
Advance, deposits and other receivables	2,736	217	217	3,170
	835,514	560,479	718,448	2,114,441

All deposits with NCCPL and CDC are highly rated and risk of default is considered minimal.

The analysis below summaries the credit rating quality of the Fund's financial assets as at June 30, 2023 and June 30, 2022.

	June 30, 2023	June 30, 2022
	----- (%) -----	
Bank balances by rating category		
AA-/A1+	0.03%	0.00%
AA+/A1+	94.89%	4.00%
AAA/A1+	5.07%	82.00%
AAA/A+	0.01%	14.00%
Term Finance Certificates by rating category		
	----- (%) -----	
A+	0.00%	21.96%
AA	0.00%	5.53%
AA-	4.61%	0.00%
AA+	95.39%	9.96%
AAA	0.00%	62.55%

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk.

54 PAKISTAN PENSION FUND

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2023.

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2022.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligations and commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset at close to its fair value. The Pension Fund Manager manages liquidity risk by continuously analyzing the maturities of financial assets and financial liabilities. Since the Unit Holders invest in the Funds with a long-term objective, possibility of a significant redemption pressure is limited.

The table below analyses the Sub-funds' financial liabilities into relevant maturity groupings based on the remaining period at the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

As at June 30, 2023									
Total	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	Upto one month	More than one month upto three months	More than three months and upto one year	Upto one month	More than one month upto three months	More than three months and upto one year	Upto one month	More than one month upto three months	More than three months and upto one year
(Rupees)									

	As at June 30, 2022								
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	Upto one month	More than one month upto three months	More than three months and upto one year	Upto one month	More than one month upto three months	More than three months and upto one year	Upto one month	More than one month upto three months	More than three months and upto one year
Total									
===== (Rupees) =====									
Financial Liabilities									
Payable to the Pension Fund Manager	1,762	1,035	-	452	-	-	275	-	-
Payable to the Trustee	213	87	-	57	-	-	69	-	-
Payable against purchase of investments	246,473	-	-	246,473	-	-	-	-	-
Accrued and other liabilities	1,175	301	162	123	91	-	397	101	-
	249,623	1,423	162	247,105	91	-	741	101	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

20.4 Financial instruments by category

	June 30, 2023									
	Equity Sub-Fund					Debt Sub-Fund				
	At fair value through OCI		At fair value through profit and loss		Sub total	At fair value through OCI		At fair value through profit and loss		Sub total
	Amortised cost	At fair value through profit and loss	Amortised cost	At fair value through profit and loss		Amortised cost	At fair value through profit and loss	Amortised cost	At fair value through profit and loss	
Financial Assets										
Bank balances	166,422	-	41,428	-	41,428	-	-	32,044	-	32,044
Investments	2,671,258	-	719,185	-	719,185	-	455,893	-	1,496,180	92,950
Mark-up receivable	14,706	-	543	-	543	-	-	7,342	-	6,821
Receivable against sale of investments	28,754	-	28,754	-	28,754	-	-	-	-	-
Deposits and other receivables	10,540	-	3,398	-	3,398	-	-	823	-	6,319
	2,891,680	-	719,185	-	793,308	-	455,893	40,209	1,496,180	1,602,270

	June 30, 2023									
	Equity Sub-Fund					Debt Sub-Fund				
	At fair value through OCI		At fair value through profit and loss		Sub total	At fair value through OCI		At fair value through profit and loss		Sub total
	Amortised cost	At fair value through profit and loss	Amortised cost	At fair value through profit and loss		Amortised cost	At fair value through profit and loss	Amortised cost	At fair value through profit and loss	
Financial Liabilities										
Payable to the Pension Fund Manager	2,320	-	934	-	934	-	-	457	-	457
Payable to the Trustee	274	-	74	-	74	-	-	47	-	153
Payable against purchase of investments	19,362	-	19,362	-	19,362	-	-	-	-	-
Accrued expense and other liabilities	2,145	-	552	-	552	-	-	502	-	1,091
	24,101	-	20,922	-	20,922	-	-	1,006	-	2,173

	June 30, 2022									
	Equity Sub-Fund					Debt Sub-Fund				
	At fair value through OCI		At fair value through profit and loss		Sub total	At fair value through OCI		At fair value through profit and loss		Sub total
	Amortised cost	At fair value through profit and loss	Amortised cost	At fair value through profit and loss		Amortised cost	At fair value through profit and loss	Amortised cost	At fair value through profit and loss	
Financial Assets										
Balances with banks	1,189,258	-	29,651	-	29,651	-	-	452,486	-	452,486
Investments	1,132,935	-	798,740	-	798,740	-	334,195	-	-	707,121
advance against IPO	10,000	-	-	-	-	-	10,000	-	-	-
Mark-up receivable	22,796	-	299	-	299	-	-	11,387	-	11,110
Receivable against sale of investments	4,088	-	4,088	-	4,088	-	-	-	-	-
Deposits and other receivables	3,170	-	2,736	-	2,736	-	-	217	-	217
	2,362,247	-	798,740	-	835,514	-	344,195	464,090	-	718,448

	June 30, 2022									
	Equity Sub-Fund					Debt Sub-Fund				
	At fair value through OCI		At fair value through profit and loss		Sub total	At fair value through OCI		At fair value through profit and loss		Sub total
	Amortised cost	At fair value through profit and loss	Amortised cost	At fair value through profit and loss		Amortised cost	At fair value through profit and loss	Amortised cost	At fair value through profit and loss	
Financial Liabilities										
Payable to the Pension Fund Manager	1,762	-	1,035	-	1,035	-	-	452	-	275
Payable to the Trustee	213	-	87	-	87	-	-	57	-	69
Payable against purchase of investments	246,473	-	-	-	-	-	-	246,473	-	-
Accrued expense and other liabilities	1,175	-	463	-	463	-	-	214	-	498
	249,623	-	1,585	-	1,585	-	-	247,196	-	842

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

As at June 30, 2023 and June 30, 2022, the Fund held the following instruments measured at fair values:

<u>June 30, 2023</u>	Note	Level 1 -----	Level 2 ----- (Rupees) -----	Level 3 -----	Total
Equity Sub-Fund					
Listed equity securities		719,185	-	-	719,185
Debt Sub-Fund					
Government Securities -					
Pakistan Investment Bonds	21.1.1	-	1,701	-	1,701
Pakistan Investment Bonds - FRB		96,640	-	-	96,640
Government Securities -					
Treasury bills	21.1.1	-	289,635	-	289,635
Term Finance Certificates / Sukuks	21.1.2	37,715	30,202	-	67,917
Money Market Sub-Fund					
Government Securities -					
Treasury bills	21.1.1	-	1,496,180	-	1,496,180
		853,540	1,817,718	-	2,671,258
<u>June 30, 2022</u>					
Equity Sub-Fund					
Listed equity securities		798,740	-	-	798,740
Debt Sub-Fund					
Government Securities -					
Pakistan Investment Bonds	21.1.1	-	243,640	-	243,640
Term Finance Certificates / Sukuks	21.1.2	-	90,555	-	90,555
		798,740	334,195	-	1,132,935

During the year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

21.1 Valuation techniques used in determination of fair values within level 2

21.1.1 Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (MUFAP).

21.1.2 Investments in term finance and sukuks certificates issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital, are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

21.2 Valuation techniques used in determination of fair values within level 3

21.2.1 Valuation for instruments under level 3 is carried out using discretionary rate as per circular 33 dated October 24, 2012 in the manner as prescribed in the circular.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

22. PERFORMANCE TABLE

Performance Information	Equity Sub-Fund				
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
	(Rupees in '000)				
Net (loss) / income after taxation	5,292	(171,202)	223,324	11,105	(42,542)
Realised capital gains / (losses)	(13,513)	(59,110)	101,773	38,542	(18,954)
Unrealised (losses) / gains	(42,833)	(156,534)	103,122	(47,263)	(135,278)
Impairment loss on available-for-sale investment	-	-	-	-	-
Dividend income and profit income	79,060	56,650	42,165	39,121	42,259
Net assets value per unit	492.00	486.14	585.07	440.67	432.30
Transactions in securities					
- Purchases	598,523	697,837	807,551	526,257	490,089
- Sales	621,733	571,194	835,365	554,981	355,293
Total contribution received	525,090	371,605	236,260	201,054	267,653

Performance Information	Debt Sub-Fund				
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
	(Rupees in '000)				
Net income / (loss) after taxation	87,273	47,050	29,582	78,069	(25,702)
Realised capital gains / (losses)	6,112	(2,324)	(2,328)	22,355	(888)
Unrealised gains / (losses)	(5,087)	154	1,009	2,927	(1,701)
Mark-up income	95,213	54,509	7,968	13,434	19,190
Net assets value per unit	406.76	347.06	317.31	298.36	257.43
Transactions in securities					
- Purchases	15,606,454	12,586,185	5,863,961	14,550,423	2,498,103
- Sales	35,897,132	12,447,476	6,313,844	14,378,002	2,850,047
Total contribution received	342,323	244,745	145,600	256,738	163,502

Performance Information	Money Market Sub-Fund				
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
	(Rupees in '000)				
Net income after taxation	182,739	55,991	28,067	56,849	52,645
Realised capital gains / (losses)	1,247	(785)	(871)	3,274	(170)
Unrealised gains / (losses)	(2,010)	-	-	1,184	(2)
Mark-up income	190,530	62,692	12,984	15,827	14,488
Net assets value per unit	361.47	307.40	280.02	265.29	236.74
Transactions in securities					
- Purchases	22,759,601	10,180,807	4,547,004	12,154,631	1,037,416
- Sales	18,091,481	9,997,902	3,798,557	11,517,601	1,506,798
Total contribution received	1,214,135	375,554	243,126	274,106	205,975

Lowest and highest issue price of units during the year

PPF Equity Sub-Fund		PPF Debt Sub-Fund		PPF Money Market Sub-Fund	
Lowest Issue price	Highest Issue price	Lowest Issue price	Highest Issue price	Lowest Issue price	Highest Issue price
(Rupees)					
431.58	519.03	346.42	406.19	306.12	360.96

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

23. PARTICIPANTS' FUND RISK MANAGEMENT

The Fund's capital is represented by redeemable units of the sub-funds. They are entitled to payment of a proportionate share based on the sub-fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in Participants' sub-funds. In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the Participants invest in the Funds with a long-term objective, possibility of a significant redemption pressure is limited, such liquidity being augmented (by short-term borrowings or disposal of investments where necessary). During the year no such borrowing was exercised.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent sub-funds of the fund and rank pari passu as to their rights in the net assets and earnings of such sub-fund and are not tradable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in such sub-fund.

25. GENERAL

25.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

25.2 Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

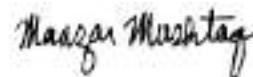
26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 26, 2023 by the Board of Directors of the Pension Fund Manager.

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



Chief Executive Officer



Director

MCB INVESTMENT MANAGEMENT LIMITED

(Formerly: MCB Arif Habib Savings and Investments Limited)

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