



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

SEPTEMBER
2017
(UNAUDITED)

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



Alhamra Islamic Pension Fund

(Formerly: Pakistan Islamic Pension Fund)

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi	
Board of Directors	Mian Muhammad Mansha Mr. Nasim Beg Mr. Muhammad Saqib Saleem Dr. Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Qamar Beg	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mirza Qamar Beg Mr. Nasim Beg	Chairman Member Member Member
Human Resource & Remuneration Committee	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Financial Officer & Company Secretary	Mr. Abdul Basit	
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	Habib Metropolitan Bank Limited United Bank Limited Habib Bank Limited Askari Bank Limited Bank Islami Pakistan Limited Meezan Bank Limited Dubai Islamic Bank Limited Allied Bank Limited	
Auditors	Deloitte Yousuf Adil Chartered Accountants Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi-75350.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
Rating	AM2++ Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2017

Dear Investor,

On behalf of the Board of Directors, I am pleased to present Alhamra Islamic Pension Fund's (Formerly: Pakistan Islamic Pension Fund) accounts review for the quarter ended September 30th, 2017.

ECONOMY AND MONEY MARKET OVERVIEW

The economic scorecard in first quarter of FY18 posted a mixed picture relative to several economic indicators. The LSM grew at an astounding pace of 13% YoY, boosted by growth in Steel, Auto and Food & Beverages sector. Add to this the agricultural sector growth (being reflected in cotton crop, sugar crop and wheat crop bumper numbers coming in), we are well on our way to meet the 6% target GDP growth for FY18.

CPI for the first quarter averaged at a moderate level of 3.4% YoY, supported by lower oil prices, stable food prices and a higher base effect. Going forward we expect inflation to remain under control, averaging below 4.5% for FY18, as stable commodity prices along with a contained currency to rein in inflation. As a result of the stable indicators, the monetary policy committee maintained a status quo in its first meeting held for the current fiscal year.

Indicators that have started to sound a warning alarm include the widening fiscal deficit and current account deficit (CA). On the back of rising overall imports bill, the CA deficit for 2MFY18 has doubled from USD 1.3bn in SPLY to USD 2.6bn. As a result of the financing gap, the foreign exchange reserves of the country fell by USD 1.3 billion during the 1QFY18.

Fiscal account which was one source of comfort turned out to be a red herring. Fiscal deficit for FY17 was recorded at ~ PKR 1.8 tn and provinces recorded an unexpected deficit on account of election preparation spending. Keeping this in view we remain skeptical on the government's ability to meet the target of 4.1% of GDP.

PIB yields during the quarter inched up by ~45 bps for 3 year, and 56 bps for 5 year bonds. Political uncertainty along with deterioration in the external account kept the market participants at bay from long tenor bonds. Furthermore, the bearish sentiment was also backed by SBP in its MPS, which highlighted its concerns on external account as trade deficit widened.

EQUITIES MARKET OVERVIEW

Equity market remained in the red zone throughout the quarter with political uncertainty taking the centre stage. After Prime Minister's disqualification and continuous worsening of external account caused the benchmark index to lose ~11.5% in 2MFY18, foreign buying drove gains in Sep'17 where KSE-100 gained 2.9% in Sep'17 to close at 42,409 pts. However, the first quarter of the new fiscal year closed itself down 8.9%, the worst quarterly return since FY09.

During the quarter, foreigners remained net sellers of USD 90 million; the buying was majorly absorbed by Banks (USD \$33.5 mn) & Insurance Companies (USD \$49.3 mn). Sep'17 saw the first net foreign inflow (US\$28 mn) since the start of fiscal year, primarily on account of inclusion of five Pakistani stocks (MCB, BAFL, SNGP, THAL and MTL) in the FTSE Global Indices. Average volumes during the quarter dwindled to 178 Mn shares compared to 280 Mn shares in the preceding quarter while average value traded declined to PKR 9.3 Bn from PKR 15.0 Bn from last quarter.

Amongst major sectors that pulled the index down were cements (down 28% QoQ) continuing the lackluster performance on concerns over future pricing discipline on upcoming capacity expansions of ~5 Mn tons in the next 6-7 months in the Southern region. In the banking space, sentiments turned out to be sour when HBL received a notice from New York (NY) State Department of Financial Services (DFS) seeking to impose a hefty penalty of USD 629.6 mn on the bank which was later reduced to US\$225 Mn. Fertilizer sector (down 3% QoQ) recouped some of the losses in third month of the quarter on the back of surge in international urea prices by ~22% in September 2017. Autos also continued to witness correction (-19% QTD) along with dampened sentiments due to anticipated pressure on USD-PKR parity as external account continued to deteriorate. E&Ps was the only major sector that witnessed gains (up by 8% QoQ) due to increase in oil prices by ~22% QoQ peaking at US\$ 56.6/bbl.

FUND PERFORMANCE

Debt Fund

The debt sub-fund generated an annualized return of 1.35% during the period under review. The sub-fund's exposure from GoP Ijarah Sukuk decreased to 29.2% from 68.3%.

The Net Assets of the Fund as at September 30, 2017 stood at Rs. 206.86 million as compared to Rs. 202.96 million as at June 30, 2017 registering an increase of 1.93%.

The Net Asset Value (NAV) per unit as at September 30, 2017 was Rs. 194.29 as compared to opening NAV of Rs. 196.63 per unit as at June 30, 2017 registering a decrease of Rs. 2.34 per unit.

Money Market Fund

The money market sub-fund generated an annualized return of 2.83% during the period under review. The sub-fund decreased its exposure in GoP Ijarah Sukuks from 30.3% to 9.5%. Simultaneously the fund increased exposure in cash to 71.1% from 51.3% at the beginning of the period.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2017

The Net Assets of the Fund as at September 30, 2017 stood at Rs. 73.64 million as compared to Rs. 72.67 million as at June 30, 2017 registering an increase of 1.33%.

The Net Asset Value (NAV) per unit as at September 30, 2017 was Rs. 175.27 as compared to opening NAV of Rs. 174.03 per unit as at June 30, 2017 registering an increase of Rs. 1.24 per unit.

Equity Fund

The Equity sub-fund generated a negative return of 13.6% while the KMI-30 posted a negative return of 9.1% during the quarter. The sub-fund increased exposure to equities from 91% to 93.1% during the period.

The Net Assets of the Fund as at September 30, 2017 stood at Rs. 401.21 million as compared to Rs. 453.27 million as at June 30, 2017 registering a decrease of 11.49%.

The Net Asset Value (NAV) per unit as at September 30, 2017 was Rs. 505.17 as compared to opening NAV of Rs. 584.69 per unit as at June 30, 2017 registering a decrease of Rs. 79.52 per unit.

FUTURE OUTLOOK

While the government has been able to stabilize the economy, its ambitious plan to revive the growth can come in doldrums if it is not able to contain the twin deficits. We project a current account deficit of USD 17 billion for the FY18, and as such the ability of government to manage inflows will be highly tested. Nevertheless, our in-house projections estimate a financing gap of USD 6 billion which will gobble up the existing foreign exchange reserves. On the whole, cracks have started appearing in the economic façade which warrant immediate policy measure by the government of Pakistan if the economic progress is expected to be kept on track.

Going forward, we expect market to remain volatile in the short run, as political uncertainty along with twin deficits continue to haunt the basic macroeconomic fundamentals. We believe certain policy adjustments are necessary to maintain the direction of economic growth. Nevertheless, market valuations remain at a very attractive level, and they will sooner or later come into play. The risk premiums (difference between earnings yield and 10-year interest rates) are at historically high level, suggesting market to remain very cheap. Furthermore, KSE-100 trades at a forward P/E of 7.9x, at a steep discount of 35% from its emerging market peer group. Enduring themes that should play out over the medium-term regardless of the political situation include (i) PKR depreciation and higher interest rates (ii) CPEC and continued GoP support for the textiles sector that would encourage exports. We advise local investors to carefully watch the economic trends and build exposure on any weakness.

On the fixed income front, market is expected to remain cautious on back of a precarious external account position along with an uptick in inflation trajectory. Visibility on economic front, in particular to balance of payments, would guide further participation towards fixed income markets.

ACKNOWLEDGMENT

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

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
October 20, 2017



Samad A. Habib
Director

ڈائریکٹر رپورٹ برائے سہ ماہی اختتام پذیر 30 ستمبر 2017ء

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی طرف سے الحمراء اسلامک پینشن فنڈ (سابقہ: پاکستان اسلامک پینشن فنڈ) 30 ستمبر 2017ء کو ختم ہونے والی سہ ماہی کے اکاؤنٹس کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر کا مجموعی جائزہ

مالی سال 2018ء کی پہلی سہ ماہی میں معاشی اشاریوں میں ملا جلا رجحان پایا گیا اور اکاؤنٹس سکور کارڈ میں صورتحال مختلف معاشی علامات کی بنیاد پر ملتی چلی رہی۔ LSM نے توقعات سے زیادہ یعنی 13% YoY کے ساتھ فروغ پایا جس میں بنیادی کردار اسٹیل، آٹو اور غذائی اشیاء و مشروبات کی کارکردگی نے ادا کیا۔ علاوہ ازیں زرعی سیکٹر کی ترقی کے مطابق (جو کہ کپاس، چینی اور گیہوں کی فصلوں کے آنے والے اعداد و شمار سے ظاہر ہے) ہم پورے 2018ء کیلئے اپنا ہدف GDP 6% گروتھ حاصل کرنے کی راہ پر گامزن ہیں۔ پہلی سہ ماہی میں CPI اوسطاً 3.4% YoY پر رہا جسے تیل کی قیمت میں کمی اور غذائی اشیاء کی مستحکم قیمتوں سے سہارا ملا۔ ہمیں امید ہے کہ آگے افراط زر مقررہ حد میں رہے گا جس کا اوسط مالی سال 2018ء میں 4.5% سے کم رہنے کا امکان ہے کیونکہ کموڈٹی کی مستحکم قیمتوں کیساتھ روپے کی مضبوط قدر افراط زر کو قابو میں رکھے گی۔ لہذا ان سب انڈیکٹرز کے نتیجے میں مالیاتی پالیسی کمیٹی نے رواں مالی سال کیلئے ہونے والی اپنی پہلی میٹنگ میں شرح سود کو برقرار رکھا۔

انڈیکٹرز جنہوں نے انتہائی گھٹی بجائی شروع کر دی ان میں شامل ہیں وسیع ہوتے ہوئے فیکل اور کرنٹ خسارہ جات شامل ہیں (CA)، بنیادی طور پر بڑھتے ہوئے امپورٹ بل کی وجہ سے اس سال کے پہلے دو ماہ میں ہی ڈیفیٹ 1.3 بلین ڈالر سے دو گنا ہو کر 2.6 بلین ڈالر ہو گیا۔ اس مالیاتی خلا کے نتیجے میں 1QFY18 کے دوران ملک کے غیر ملکی زرمبادلہ کے ذخائر میں 1.3 بلین ڈالر کمی ہوئی۔

فیکل اکاؤنٹ جو کہ پرسکون طور پر چل رہا تھا خطرے میں نظر آیا۔ FY17 میں فیکل ڈیفیٹ 1.8 ٹریلین روپے پر ریکارڈ کیا گیا اور صوبائی سطح پر آنے والے الیکشن کی وجہ سے غیر متوقع خسارہ ریکارڈ کیا گیا۔ اس صورتحال کو سامنے رکھتے ہوئے ہم حکومت کا 4.1% معاشی ترقی کا ہدف پورا کرنے کی صلاحیت پر غیر یقینی کا شکار ہیں۔

PIB کا منافع اس سہ ماہی کی دوران نہایت ہی سست رفتاری سے تین سالہ بانڈز کیلئے 45 bps اور پانچ سالہ بانڈز کیلئے 56bps بڑھا۔ سیاسی عدم استحکام اور بیرونی اکاؤنٹ کی نازک صورتحال نے مارکیٹ کے شراکت داروں کو طویل المیعاد بانڈز سے دور رکھا۔ مزید برآں SBP کے MPS میں روپے نے Bearish Sentiment کو سہارا دیا جس نے اپنے تحفظات کا اظہار بیرونی اکاؤنٹ پر کیا کیونکہ مالیاتی خسارہ وسعت اختیار کر گیا تھا۔

ڈائریکٹر رپورٹ برائے سہ ماہی اختتام پذیر 30 ستمبر 2017ء

ایکویٹی مارکیٹ کا مجموعی جائزہ:

سیاسی عدم استحکام اور بیرونی اکاؤنٹ کے بڑھتے ہوئے خسارہ نے ایکویٹی مارکیٹ میں منفی رجحان پیدا کیا۔ سہ ماہی کے پہلے دہ ماہ میں بیج مارک اینڈیکس 11.5% کم ہوا۔ Sep 17، میں بیرونی سرمایہ کاری سے KSE-100 2.9% اضافے کے ساتھ ستمبر 2017 میں 42,909 پوائنٹس پر بند ہوا۔ اس سب کے ساتھ نئے مالیاتی سال کی پہلی سہ ماہی 8.9% پر بند ہوئی، جو کہ FY09 کے بعد اب تک کی کسی سہ ماہی میں پست ترین کارکردگی تھی۔ سہ ماہی کے دوران غیر ملکی 90 ملین ڈالر کے کلی خریدار رہے۔ زیادہ تر خریداری بینکوں (33.5 ملین ڈالر) اور انشورنس کمپنیوں نے جذب کی (49.3 ملین ڈالر)۔

مالی سال کی ابتداء سے 17 ستمبر میں پہلی مرتبہ 28 ملین کا حجم دیکھا گیا، بنیادی طور پر FTSE Global Indices میں پاکستانی اسٹاک (MTL, THAL, SNGP, BAFL, MCB) کی شمولیت کی وجہ سے ممکن ہوا۔ سہ ماہی کے دوران اوسط حجم 178 ملین شیئرز تک گرا بمقابلہ گزشتہ سہ ماہی جس میں حجم 280 ملین شیئرز تھا۔ اوسطاً تجارتی حجم گزشتہ سہ ماہی کے مقابلے میں 15.0 ملین سے 9.3 ملین تک زوال پذیر ہوا۔

بنیادی طور پر جو سیکٹرز انڈیکس کو زوال پزیر کرنے کا سبب بنے ان میں سیمینٹ (QoQ down 28%) کی کارکردگی مسلسل پست رہی بوجہ سیمینٹ کی قیمتوں میں مستقل کمی اور آنے والے توسیعی پروگرام جن میں اگلی اگلے 6-7 ماہ میں جنوبی خطے کی پیداوار کو پانچ ملین ٹن تک وسیع کرنے کا انتظام کرنا شامل رہا۔ بینکنگ کے شعبے میں رجحانات اس وقت ناخوش گوار ہو گئے جب HBL کو N.Y (New York) کے شعبے مالیاتی خدمات (DFS) کی طرف سے نوٹس موصول ہوا جس میں 629.6 ملین ڈالر کا جرمانہ بینک پر عائد کیا گیا تھا جو بعد میں کم کر کے 225 ملین ڈالر کر دیا گیا۔

فریڈلائزر سیکٹر (QoQ down 3%) نے سہ ماہی کے تیسرے مہینے میں اپنے کچھ نقصانات کا ازالہ کیا جب عالمی منڈی میں 17 Sept، میں یورپ کی قیمتوں میں تقریباً 22% کا اضافہ ہوا۔ آٹوز کی کارکردگی بھی کمزور رہی (Qtb -19%) کے ساتھ رجحانات مزید پست ہو گئے کیوں کہ بیرونی اکاؤنٹس کے حجم کرنے کے خدشات کی وجہ سے روپے اور ڈالر کی قدر کو برابر رکھنے کیلئے دباؤ کی امید کی جارہی تھی۔ E&P واحد ایسا سیکٹر تھا جس میں منافع (QoQ up by 8%) دیکھنے کو ملا بوجہ تیل کی قیمتوں میں QoQ 22% اضافہ جس سے تیل \$56.6/bb پر پہنچ گیا۔

فنڈ کی کارکردگی

DEBT فنڈ

زیر جائزہ مدت کے دوران debt-sub - فنڈ کا ایک سال پر محیط منافع 1.35% تھا۔ سب - فنڈ کی حکومت پاکستان کے اجارہ سگلس سے شمولیت 68.3% سے کم ہو کر 29.2% ہو گئی۔

ڈائریکٹر رپورٹ برائے سہ ماہی اختتام پذیر 30 ستمبر 2017ء

30 ستمبر 2017ء کو فنڈ کے net اثاثہ جات کی مالیت 206.86 ملین روپے تھی، جو 30 جون 2017ء پر 202.96 ملین روپے مالیت کے مقابلے میں 1.93% زیادہ ہے۔

30 ستمبر 2017ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 194.29 روپے تھی، جو 30 جون 2017ء پر 196.63 روپے فی یونٹ قدر کے مقابلے میں 2.34 روپے فی یونٹ زیادہ ہے۔

منی مارکیٹ فنڈ

زیر جائزہ مدت کے دوران sub-fund کا ایک سال پر محیط منافع 2.83% تھا۔ سب-fund کی حکومت پاکستان کے اجارہ سلگ سے شمولیت 30.3% سے کم ہو کر 9.5% ہو گئی۔ ساتھ کی فنڈ نے مدت کی شروعات میں اپنی شمولیت نقد میں 51.3% سے بڑھا کر 71.1% کر دی۔

30 ستمبر 2017ء کو فنڈ کے net اثاثہ جات کی مالیت 73.64 ملین روپے تھی، جو 30 جون 2017ء پر 72.67 ملین روپے مالیت کے مقابلے میں 1.33% زیادہ ہے۔

30 ستمبر 2017ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 175.27 روپے تھی، جو 30 جون 2017ء پر 174.03 روپے فی یونٹ قدر کے مقابلے میں 1.24 روپے فی یونٹ زیادہ ہے۔

ایکویٹی فنڈ

زیر جائزہ سہ ماہی کے دوران ایکویٹی sub-fund نے 13.6% کا منفی ریٹرن دیا جبکہ KMI-30 نے 9.1% کا منفی ریٹرن دیا۔ sub-fund نے مدت کے دوران ایکویٹیز میں شمولیت 91% سے بڑھا کر 93.1% کر دی۔

30 ستمبر 2017ء کو فنڈ کے net اثاثہ جات کی مالیت 401.21 ملین روپے تھی، جو 30 جون 2017ء پر 453.27 ملین روپے مالیت کے مقابلے میں 11.49% زیادہ ہے۔

30 ستمبر 2017ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 505.17 روپے تھی، جو 30 جون 2017ء پر 584.69 روپے فی یونٹ قدر کے مقابلے میں 79.52 روپے فی یونٹ زیادہ ہے۔

مستقبل کا منظر

گوکہ حکومت اب تک معیشت کو مستحکم رکھنے میں خاصی کامیاب رہی ہے۔ تاہم خدشات ہیں کہ جڑواں خساروں کو سنبھالنا ایک چیلنج ثابت ہو سکتا ہے۔ ہمارے اندازوں کے مطابق کرنٹ اکاؤنٹ خسارہ FY18 میں 17 بلین ڈالر کے قریب ہوگا، جو جمع شدہ زرمبادلہ کو تیزی کے ساتھ کم کرنے کی صلاحیت رکھتا ہے۔ اگر سارے حالات کو دیکھا جائے تو معاشی افق پر واضح اور تسلسل کے ساتھ پالیسیوں پر کام کرنے کی فوری ضرورت ہے تاکہ ہم اپنی معاشی ترقی کی راہ پر گامزن رہ سکیں۔

ڈائریکٹر رپورٹ برائے سہ ماہی اختتام پذیر 30 ستمبر 2017ء

مزید براں، رجحان کے مطابق ابھی کچھ عرصے تک مارکیٹ غیر مستحکم رہ سکتی ہے کیونکہ سیاسی عدم استحکام بشمول جڑواں خساروں کے بنیادی مالیاتی بنیادوں پر اثر انداز ہوتا رہے گا۔ ہمارا یقین ہے کہ معاشی ترقی کی سمت کو برقرار رکھنے کیلئے کچھ پالیسی ترامیم ضروری ہیں۔ اس کے باوجود اسٹاک مارکیٹ کے اعداد و شمار پُرکشش سطح پر ہیں اور جلد یا بدیر شیراز کی قیمتوں میں بہتری آ سکتی ہے۔ خدشات کے پرمیئم (دس سالہ شرح منافع اور آرنگ-ییلڈ کی تفریق) Equity Risk Premium تاریخ کی اونچی سطح کے قریب ہونے کے باعث مارکیٹ کو بہت سستارہنے کا اشارہ دے رہے ہیں۔ اس کے ساتھ ساتھ کے ایس ای 100، 7.9x PE Ratio پر اپنے ایمرجنگ مارکیٹ پیئر گروپ سے پینتیس فیصد سے زائد ڈسکاؤنٹ پر تجارت کر رہا ہے۔ سیاسی صورتحال سے قطع نظر ان پائیدار عوامل کو میڈٹرم ٹرم سے وسیع ہو کر دیکھنا چاہیے (i) پاکستانی روپے کی قیمت میں کمی اور سود کی اعلیٰ شرح (ii) سی پیک، اور ٹیکسٹائل کے شعبے کے لیے حکومت پاکستان کا تعاون جو کہ برآمدات کی حوصلہ افزائی کرے گا۔ ہم مقامی سرمایہ کاروں کو معاشی رجحانات پر خصوصی توجہ دیتے ہوئے کسی بھی گراؤٹ کو شیراز جمع کرنے کا موقع سمجھ کر سرمایہ کاری کرنے کا مشورہ دے رہے ہیں۔

فلسفہ انکم مارکیٹ میں غیر معمولی بیرونی اکاؤنٹس کی محتاط پوزیشن پر رہنے کی امید ہے۔ معاشی محاذ پر صورتحال، خاص طور پر ادائیگیوں کا توازن، فلسفہ انکم مارکیٹوں کی سمت تعین کرنے میں اہم کردار ادا کرے گا۔

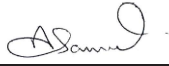
ڈائریکٹر ز رپورٹ
برائے سہ ماہی اختتام پذیر 30 ستمبر 2017ء

اظہارِ تشکر

بورڈ فنڈ کے گراں قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کی مسلسل معاونت اور پشت پناہی کے لئے
شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹر میٹجمنٹ ٹیم کی کوششوں کو بھی خراج تحسین پیش کرتے ہیں۔

برائے اور من جانب پورٹ





صدر اے۔ حبیب
ڈائریکٹر

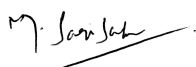
محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
20 اکتوبر 2017ء

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2017

		-----Unaudited-----				Audited June 30, 2017
Note		SEPTEMBER 30, 2017				
		ALHIPF Equity Sub-Fund	ALHIPF Debt Sub-Fund	ALHIPF Money Market Sub-Fund	Total	
----- Rupees -----						
ASSETS						
Balances with banks	6	22,092,914	94,860,131	52,951,195	169,904,240	92,229,497
Investments	7	378,110,280	111,034,457	21,051,800	510,196,536	637,899,280
Dividend receivable		3,041,580	-	-	3,041,580	2,048,694
Profit Receivable		131,773	2,547,678	326,583	3,006,034	1,730,598
Advances, deposits and other receivables	8	2,810,294	226,660	121,753	3,158,707	3,157,078
TOTAL ASSETS		406,186,841	208,668,926	74,451,330	689,307,097	737,065,147
LIABILITIES						
Payable to Pension Fund Manager		563,289	288,500	102,519	954,308	1,017,983
Payable to the Trustee		56,375	28,849	10,224	95,449	101,808
Annual fee payable to the Securities and Exchange Commission of Pakistan		35,841	17,328	6,158	59,327	209,171
Accrued and other liabilities	9	4,316,924	1,472,942	691,648	6,481,514	6,842,282
TOTAL LIABILITIES		4,972,430	1,807,620	810,549	7,590,599	8,171,244
NET ASSETS		401,214,412	206,861,306	73,640,781	681,716,498	728,893,903
Participants Sub-Funds (as per condensed interim Statement of movement in Participants' sub-funds)						
		<u>401,214,412</u>	<u>206,861,306</u>	<u>73,640,781</u>		
----- Number of units -----						
Number of units in issue (As per attach Contribution table)		<u>794,220</u>	<u>1,064,715</u>	<u>420,157</u>		
----- Rupees -----						
Net asset value per unit (Rupees)		505.17	194.29	175.27		

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

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

Note	Quarter ended September 30, 2017				Quarter ended September 30, 2016
	ALHIPF Equity Sub-Fund	ALHIPF Debt Sub-Fund	ALHIPF Money Market Sub-Fund	Total	
----- Rupees -----					
INCOME					
Capital gain on sale of investments	(7,744,416)	(379,291)	(19,560)	(8,143,267)	15,141,370
Dividend income	3,297,455	-	-	3,297,455	4,397,370
Profit on bank deposits	494,404	869,038	629,040	1,992,482	936,670
Income from Government Ijarah Sukuk	-	1,013,417	144,120	1,157,537	2,188,753
Income from Term Deposit Receipts	-	499,100	215,589	714,689	-
Income from Term Finance Certificates - Sukuk	-	274,642	-	274,642	-
Unrealised (Diminution) / Appreciation in fair value classified as 'at fair value through profit or loss'	(36,315,852)	(506,544)	(63,546)	(36,885,943)	455,731
Total Income	(40,268,410)	1,770,362	905,643	(37,592,405)	23,119,895
EXPENSES					
Remuneration of Pension Fund Manager	1,614,158	780,570	277,265	2,671,993	2,022,947
Sales tax to Pension Fund Manager	209,841	101,474	36,044	347,359	262,974
Remuneration of Trustee	161,425	78,061	27,728	267,214	202,298
Sales tax on trustee fee	20,989	10,150	3,588	34,727	26,288
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	35,881	17,353	6,183	59,417	44,897
Auditors' remuneration	77,672	37,596	13,356	128,624	134,560
Custody and settlement charges	97,066	1,695	-	98,761	78,018
Securities transaction cost	228,718	6,498	1,130	236,346	168,589
Bank charges	10,837	9,107	6,543	26,487	7,261
Donation and charity expense	26,293	-	-	26,293	93,037
Provision WWF	-	17,052	10,902	27,953	107,387
Total Expenses	2,482,879	1,059,555	382,739	3,925,174	3,148,255
Element of income and capital gains included in prices of units issued less those in units redeemed					
- from realised / unrealised capital gain	23,723	(21,443)	(3,839)	(1,559)	451,458
- from other income	671,723	147,079	15,073	833,875	(106,297)
Net income before taxation	(42,055,844)	836,442	534,139	(40,685,263)	20,316,800
Provision for taxation	9.4 -	-	-	-	-
Net income after taxation	(42,055,844)	836,442	534,139	(40,685,263)	20,316,800
Other comprehensive (loss) / income for the period					
Unrealised (loss) / gain on re-valuation of investments classified as 'available for sale' - net	(20,308,950)	-	-	(20,308,950)	9,780,188
Total comprehensive (loss) / income for the period	(62,364,794)	836,442	534,139	(60,994,213)	30,096,989

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

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



Chief Executive Officer



Chief Financial Officer



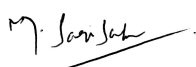
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	Quarter ended September 30, 2017				Quarter ended September 30, 2016
	ALHIPF Equity Sub-Fund	ALHIPF Debt Sub-Fund	ALHIPF Money Market Sub-Fund	Total	
	Rupees				
CASH FLOW FROM OPERATING ACTIVITIES					
Net income before taxation	(42,055,844)	836,442	534,139	(40,685,263)	20,316,800
Adjustments for non cash items:					
Capital (loss) / gain on sale of investments	7,744,416	379,291	19,560	8,143,267	(15,141,370)
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss'	36,315,852	506,544	63,546	36,885,943	(455,731)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed					
- from realised / unrealised capital gain	(23,723)	21,443	3,839	1,559	451,458
- from other income	(671,723)	(147,079)	(15,073)	(833,875)	(106,297)
	43,364,823	760,199	71,871	44,196,894	(15,942,262)
(Increase) / decrease in assets					
Investments	(24,854,638)	73,114,325	14,104,894	62,364,581	4,479,500
Receivable against sale of Investments	-	-	-	-	(6,259,439)
Dividend receivable	(992,886)	-	-	(992,886)	(2,956,176)
Profit receivable	24,684	(1,385,985)	85,865	(1,275,436)	(2,222,641)
Deposits and other receivables	(612)	(638)	(379)	(1,629)	(8,791)
	(25,823,452)	71,727,702	14,190,380	60,094,630	(6,967,548)
(Decrease) / Increase in liabilities					
Payable to Pension Fund Manager	(76,664)	11,010	1,979	(63,675)	54,802
Payable to Trustee	(7,651)	1,108	182	(6,360)	5,475
Annual fee payable to the Securities and Exchange Commission of Pakistan	-	-	-	-	-
Other liabilities	(91,500)	(40,953)	(17,391)	(149,844)	(109,555)
	(334,725)	(28,748)	2,705	(360,768)	266,136
	(510,539)	(57,582)	(12,525)	(580,646)	385,618
Cash generated / (used in) from operating activities	(25,025,013)	73,266,762	14,783,866	63,025,615	(2,207,392)
CASH FLOW FROM FINANCING ACTIVITIES					
Receipt of contribution	23,529,729	9,288,683	1,319,970	34,138,381	32,650,799
Payment against redemptions	(12,523,059)	(6,094,989)	(871,206)	(19,489,254)	(22,291,661)
Cash generated / (used in) from financing activities	11,006,670	3,193,694	448,765	14,649,127	10,359,138
Net (decrease) / increase in cash and cash equivalent	(14,018,343)	76,460,455	15,232,631	77,674,742	8,151,747
Cash and cash equivalent at beginning of the period	36,111,257	18,399,676	37,718,564	92,229,497	80,398,107
Cash and cash equivalent at end of the period	22,092,914	94,860,131	52,951,195	169,904,239	88,549,853

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

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



Chief Executive Officer



Chief Financial Officer



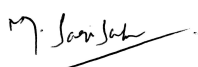
Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
(UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Quarter ended September 30, 2017				Quarter ended September 30, 2016
	ALHIPF Equity Sub-Fund	ALHIPF Debt Sub-Fund	ALHIPF Money Market Sub-Fund	Total	
	----- Rupees -----				
Net assets at the beginning of the period	453,267,985	202,956,806	72,669,112	728,893,903	512,644,195
Amount received on issue of units	23,529,729	9,288,683	1,319,971	34,138,382	32,650,801
Amount paid on redemption of units	(12,523,059)	(6,094,989)	(871,206)	(19,489,254)	(22,291,661)
	11,006,670	3,193,694	448,765	14,649,128	10,359,140
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net					
- from realised / unrealised capital gain	(23,726)	21,443	3,839	1,556	(451,458)
- from other income	(671,723)	(147,079)	(15,073)	(833,875)	106,297
- amount representing unrealised diminution / (appreciation) in fair value of investments	8,412,150	1,415,482	179,236	10,006,868	(8,376,842)
	7,716,701	1,289,846	168,001	9,174,549	(8,722,003)
Net unrealized (loss) / gain during the period in the market value of investments classified as available-for-sale	(20,308,950)	-	-	(20,308,950)	9,780,188
Element of income / (loss) and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing unrealised (diminution) / appreciation - net	(8,412,150)	(1,415,482)	(179,236)	(10,006,868)	8,376,842
Net income after taxation for the period	(42,055,844)	836,442	534,139	(40,685,263)	20,316,801
Net assets at the end of the period	401,214,412	206,861,306	73,640,781	681,716,498	552,755,163

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

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



Chief Executive Officer



Chief Financial Officer



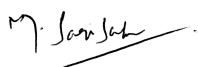
Director

**CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

Contributions net of front end fee	Quarter ended September 30, 2017							Quarter ended September 30, 2016
	ALHIPF Equity Sub-Fund		ALHIPF Debt Sub-Fund		ALHIPF Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
----- Rupees -----								
Opening balance	775,229	195,417,493	1,048,189	156,147,798	417,574	46,490,028	398,055,319	284,601,719
Individuals - issue of units	42,506	23,529,729	49,037	9,288,683	7,656	1,319,971	34,138,382	32,650,801
- redemption of units	(23,516)	(12,523,059)	(32,511)	(6,094,990)	(5,073)	(871,206)	(19,489,254)	(22,291,661)
	18,991	11,006,670	16,526	3,193,693	2,583	448,765	14,649,128	10,359,140
Closing balance	794,220	206,424,163	1,064,715	159,341,491	420,157	46,938,793	412,704,447	294,960,859

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

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



Chief Executive Officer



Chief Financial Officer



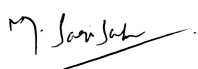
Director

**CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED)
(UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Quarter ended SEPTEMBER 30, 2017		
	ALHIPF Equity Sub-Fund	ALHIPF Debt Sub-Fund	ALHIPF Money Market Sub-Fund
	----- No of units -----		
Total units outstanding at the beginning of the period	775,229	1,048,189	417,574
Add: Units issued during the period	42,506	49,037	7,656
Less: Units redeemed during the period	(23,516)	(32,511)	(5,073)
Total units in issue at the end of the period	<u>794,220</u>	<u>1,064,715</u>	<u>420,157</u>

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

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



Chief Executive Officer



Chief Financial Officer



Director

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** The Pakistan Islamic 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 (the 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.
- 1.2** PIPF is an open-ended pension fund consisting of three sub-funds namely ALHIPF Equity Sub-Fund, ALHIPF Debt Sub-Fund and ALHIPF 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.
- 1.3** 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 situated at 24th Floor, Centre Point, Off. Shaheed-e-Millat Expressway, Near KPT Interchange, Karachi, Pakistan.
- 1.4** Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM2++' dated June 23, 2017.

2 BASIS OF PREPARATION

- 2.1** This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, Companies Act 2017 or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, Companies Act 2017 or the directives issued by the SECP prevail.
- 2.2** The Companies Act, 2017 was enacted on 30th May 2017 and is applicable with immediate effect. However, owing to the practical difficulty being faced by the companies in the preparation of the Financial Statements Circular No. 17/ 2017 dated October 06, 2017 issued by Institute of Chartered Accountants of Pakistan to be read with circular no. 23 of 2017 dated October 04, 2017 issued by Securities and Exchange Commission of Pakistan (SECP) have notified that the companies whose interim period ends on or before 31 December 2017, shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.
- 2.3** These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017.
- 2.4** The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2017 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2017, where as the comparative in condensed interim income statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement are extracted from unaudited condensed interim financial information for the period ended 30 September 2016.
- 2.5** These condensed interim financial statements are unaudited and are presented in Pak rupees, which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies and the methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements of the Fund for the year ended June 30, 2017.
- 3.2** Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not result in change to the Fund's operation or a change in accounting policies of the Fund.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

4 ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2017.

5 FINANCIAL RISK MANAGEMENT

"The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2017.

Note	-----Unaudited-----				Audited
	As at September 30, 2017				As at June 30, 2017
	ALHIPF Equity Sub-Fund	ALHIPF Debt Sub-Fund	ALHIPF Money Market Sub- Fund	Total	
----- Rupees -----					

6 BALANCES WITH BANKS

Current accounts	811,447	-	-	811,447	1,177,652
Saving accounts	21,281,468	94,860,131	52,951,195	169,092,793	91,051,845
	22,092,914	94,860,131	52,951,195	169,904,240	92,229,497

7 INVESTMENTS

At fair value through profit or loss - held-for-trading

Unaudited				Audited
As At September 30, 2017				As at June 30, 2017
ALHIPF Equity Sub-Fund	ALHIPF Debt Sub-Fund	ALHIPF Money Market Sub-Fund	Total	
Rupees				

Listed equity securities	7.1	250,010,016	-	-	250,010,016	257,421,483
Government ijarah sukuks	7.2	-	60,947,700	7,051,800	67,999,500	162,062,000
Sukuk certificates	7.3	-	17,086,757	-	17,086,757	12,212,417
		250,010,016	78,034,457	7,051,800	335,096,273	431,695,900
Available-for-sale						
Listed equity securities	7.4	128,100,264	-	-	128,100,264	160,203,380
		128,100,264	-	-	128,100,264	160,203,380
Loans and receivables						
Musharika certificates	7.5	-	33,000,000	14,000,000	47,000,000	46,000,000
Total of Investments		378,110,280	111,034,457	21,051,800	510,196,536	637,899,280

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

7.1 Listed equities securities at fair value through profit or loss

Name of the Investee Company	Number of shares					As at September 30, 2017			% of the issued capital of the investee company
	As at July 01, 2017	Purchases during the period	Bonus issue during the period	Right issue during the period	Sales during the period	As at September 31, 2017	Cost	Market value / (Diminution)	
							(Rupees)		
Automobile Assembler									
Ghandhara Industries Ltd	5,000	5,450	-	-	-	10,450	6,857,290	5,210,997 (1,646,293)	1.16%
Honda Atlas Cars(Pakistan) Limited	8,050	-	-	-	8,050	-	-	-	0.00%
Pak Suzuki Motor Co	6,000	-	-	-	6,000	-	-	-	0.00%
							6,857,290	5,210,997 (1,646,293)	1.16%
Cable & Electrical Goods									
Pak Elektron	79,000	5,000	-	-	-	84,000	9,200,276	6,379,800 (2,820,476)	1.41%
							9,200,276	6,379,800 (2,820,476)	1.41%
Cement									
Cherat Cement	57,400	-	-	-	57,400	-	-	-	0.00%
Fauji Cement Co Ltd	204,000	-	-	-	200,000	4,000	164,120	130,080 (34,040)	0.03%
Kohat Cement Ltd	40,000	-	-	-	-	40,000	9,170,400	5,998,400 (3,172,000)	1.33%
Lucky Cement	32,700	11,000	-	-	-	43,700	35,324,344	24,698,366 (10,625,978)	5.48%
Maple Leaf Cement Factory Ltd	91,000	-	-	-	91,000	-	-	-	0.00%
Pioneer Cement Ltd	72,500	-	-	-	72,500	-	-	-	0.00%
							44,658,864	30,826,846 -13,832,018	6.84%
Automobile Parts & Accessories									
General Tyre & Rubber Co	17,500	9,500	-	-	-	27,000	8,013,900	5,435,100 (2,578,800)	1.21%
							8,013,900	5,435,100 -2,578,800	1.21%
Commercial Banks									
Meezan Bank Limited	63,000	24,500	-	-	-	87,500	6,888,000	6,512,625 (375,375)	1.44%
Meezan Bank Limited(R)	-	-	-	5,250	-	5,250	-	105,000 105,000	0.02%
							6,888,000	6,617,625 -270,375	1.47%
Engineering									
Crescent Steel & Allied Prod	-	52,000	-	-	20,000	32,000	6,715,002	5,062,080 (1,652,922)	1.12%
International Industries	37,000	14,400	-	-	8,000	43,400	15,486,730	12,594,680 (2,892,050)	2.79%
International Steels Ltd	31,000	35,000	-	-	66,000	-	-	-	0.00%
							22,201,732	17,656,760 -4,544,972	3.92%
Fertilizer									
Engro Corporation Limited	87,800	7,000	-	-	-	94,800	30,924,898	28,732,932 (2,191,966)	6.37%
							30,924,898	28,732,932 -2,191,966	6.37%
Glass & Ceramics									
Shabbir Tiles & Ceramics Ltd	280,000	-	-	-	-	280,000	5,367,600	3,665,200 (1,702,400)	0.81%
Tariq Glass Industries	80,000	-	-	-	-	80,000	8,860,800	8,411,200 (449,600)	1.87%
							14,228,400	12,076,400 -2,152,000	2.68%
Leather & Tanneries									
Service Industries	2,500	-	-	-	-	2,500	3,447,500	2,280,000 (1,167,500)	0.51%
							3,447,500	2,280,000 -1,167,500	0.51%

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

Name of the Investee Company	Number of shares					As at September 30, 2017			Market value as a % of net assets of the sub-fund	% of the issued capital of the investee company
	As at July 01, 2017	Purchases during the period	Bonus issue during the period	Right issue during the period	Sales during the period	As at September 31, 2017	Cost	Market value		
(Rupees)										
(Number of shares)										
Oil & Gas Exploration Companies										
Mari Petroleum Company	400	-	-	-	-	400	630,256	602,004	(28,252)	0.13%
Oil & Gas Development Co Ltd	27,000	94,200	-	-	-	121,200	18,005,945	18,015,168	9,223	3.99%
Pakistan Oilfields Limited	17,000	15,950	-	-	-	32,950	15,200,583	17,530,718	2,330,135	3.89%
Pakistan Petroleum Ltd	79,203	39,000	-	-	-	118,203	18,664,289	20,648,882	1,984,593	4.58%
Sui Northern Gas	-	148,500	-	-	-	148,500	21,679,842	19,878,210	(1,801,632)	4.41%
							74,180,915	76,674,982	2,494,067	17.00%
Paper And Board										
Century Paper & Board Mills	111,500	-	-	-	-	111,500	10,932,575	7,453,775	(3,478,800)	1.65%
Cherat Packaging	19,500	-	-	-	-	19,500	4,636,710	3,900,000	(736,710)	0.86%
Cherat Packaging(R)	-	-	-	2,632	-	2,632	-	184,214	184,214	0.04%
Packages Limited	50	13,800	-	-	-	13,850	9,140,778	7,991,589	(1,149,189)	1.77%
							24,710,063	19,529,578	(5,180,485)	4.33%
Pharmaceuticals										
Glaxosmithkline	22,000	-	-	-	22,000	-	-	-	-	0.00%
Ibl Healthcare Limited	4,324	-	-	-	-	4,324	527,528	533,495	5,967	0.12%
Searle Company	6,600	-	-	-	-	6,600	3,379,068	2,665,930	(713,138)	0.59%
							3,906,596	3,199,425	(707,171)	0.71%
Power Generation & Distribution										
Hub Power Company Ltd	268,984	-	-	-	-	268,984	31,586,791	30,075,101	(1,511,690)	6.67%
							31,586,791	30,075,101	(1,511,690)	6.67%
Sugar & Allied Industries										
Faran Sugar Mills Limited	33,500	-	-	-	-	33,500	2,688,710	2,648,845	(39,865)	0.59%
							2,688,710	2,648,845	(39,865)	0.59%
Technology & Communications										
Avanceon Limited	62,500	-	-	-	-	62,500	2,831,874	2,665,625	(166,249)	0.59%
							2,831,874	2,665,625	(166,249)	0.59%
As at September 30, 2017							286,325,809	250,010,016	-36,315,793	
As at June 30, 2017							261,796,333	257,421,483	(4,374,850)	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

7.2 Government ijarah sukuk at fair value through profit or loss

Name of Investments	Issue	Maturity	Face value			As at September 30, 2017			Market value as % of net assets of the sub-fund
			As at July 01, 2017	Purchases during the year	Sales / maturities during the year	As at September 30, 2017	Carrying value	Appreciation / (diminution)	
Government Ijarah sukuk (3 years) 'PIPF Debt Sub Fund'									
GoP Ijarah sukuk	18-Dec-15	18-Dec-18	68,000,000		7,500,000	60,500,000	61,496,916	60,947,700	29.46%
GoP Ijarah sukuk	30-Jun-17	30-Jun-20	70,000,000		70,000,000	-	-	-	0.00%
As at September 30, 2017			138,000,000	-	77,500,000	60,500,000	61,496,916	60,947,700	(549,216)
As at June 30, 2017									
							138,469,916	139,822,200	1,352,284

7.2.2 Government ijarah sukuk (3 years) 'PIPF Money Market Sub Fund'

GoP Ijarah sukuk	18-Dec-15	18-Dec-18	7,000,000			7,000,000	7,115,346	7,051,800	9.58%
GoP Ijarah sukuk	30-Jun-17	30-Jun-20	15,000,000		15,000,000	-	-	-	0.00%
As at September 30, 2017			22,000,000	-	15,000,000	7,000,000	7,115,346	7,051,800	(63,546)
As at June 30, 2017							22,049,623	22,239,800	190,177

7.3 Sukuk certificates at fair value through profit or loss

Name of Investment	Issue Date	Number of Certificates				As at September 30, 2017			Market value as a percentage of net assets of the sub-fund	Market value as a percentage of total investments	Percentage in relation to the total size of the issue
		As at July 01, 2017	Purchases during the year	Sales / matured during the year	As at September 30, 2017	Carrying Value	Market value	Appreciation / (diminution)			
Sukuk Certificates 'PIPF Debt Sub Fund'											
		</									

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

7.4 Listed equities securities at Available for sales

Name of the Investee Company	Number of shares					As at September 30, 2017			Market value as a % of net assets of the sub-fund	% of the issued capital of the investee company
	As at July 01, 2017	Purchases during the period	Bonus issue during the period	Right issue during the period	Sales during the period	As at September 30, 2017	Cost	Market value (Rupees)		
Automobile Assembler										
Honda Atlas Cars(Pakistan) Limite	2,800	-	-	-	2,800	-	-	-	0.00%	0.00
Hinopak Motors	6,200	-	-	-	360	5,840	5,707,422	6,351,000	1.41%	0.05
Pak Suzuki Motor Co	8,400	-	-	-	8,000	400	232,169	183,068	0.04%	0.00
							5,939,591	6,534,068	0	
Automobile Parts & Accessories										
Agriauto Industries Limited	18,900	-	-	-	-	18,900	5,184,858	5,953,500	1.32%	0.07
Atlas Battery Limited	10,400	-	-	-	-	10,400	6,409,979	7,373,704	1.64%	0.06
							11,594,837	13,327,204	0	
Cable & Electrical Goods										
Pak Elektron	48,000	-	-	-	-	48,000	3,278,434	3,645,600	0.81%	0.01
							3,278,434	3,645,600	0	
Cement										
Cherat Cement	39,500	-	-	-	39,500	-	-	-	0.00%	0.00
Lucky Cement	7,700	-	-	-	-	7,700	4,397,265	4,351,886	0.96%	0.00
							4,397,265	4,351,886	0	
Chemicals										
Archroma Pakistan Limited	9,500	-	-	-	-	9,500	4,326,159	6,241,500	1.38%	0.03
Icl Pakistan	4,000	-	-	-	-	4,000	1,667,313	3,654,480	0.81%	0.00
							5,993,472	9,895,980	0	
Commercial Banks										
Meezan Bank Limited	7,000	-	-	-	-	7,000	363,022	521,010	0.12%	0.00
Meezan Bank Limited(R)	-	-	-	420	-	420	-	8,400	0.00%	0.00
							363,022	529,410	0	
Service Industries										
	3,700	-	-	-	-	3,700	4,485,275	3,374,400	0.75%	0.03
							4,485,275	3,374,400	0	
Miscellaneous										
Shifa International Hospitals	29,951	-	-	-	-	29,951	8,082,032	7,637,505	1.69%	0.05
							8,082,032	7,637,505	1.69%	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

Name of the Investee Company	Number of shares					As at September 30, 2017			Market value as a % of net assets of the sub-fund	% of the issued capital of the investee company
	As at July 01, 2017	Purchases during the period	Bonus issue during the period	Right issue during the period	Sales during the period	As at September 30, 2017	Cost	Market value (u s)		
Oil & Gas Exploration Companies										
Mari Petroleum Company	13,200	-	-	-	-	13,200	11,132,225	19,866,132	8,733,907	4.41%
Oil & Gas Development Co Ltd	87,500	-	-	-	-	87,500	12,518,940	13,006,000	487,060	2.88%
Pakistan Oilfields Limited	16,000	-	-	-	-	16,000	4,822,872	8,512,640	3,689,768	1.89%
Pakistan Petroleum Ltd	42,470	-	-	-	-	42,470	6,742,363	7,419,084	676,721	1.65%
							35,216,400	48,803,856	13,587,456	0
Pharmaceuticals										
Abbott Laboratories Pakistan)	9,050	-	-	-	-	9,050	5,958,005	7,140,450	1,182,445	1.58%
Glaxosmithkline Consumer Healthcare Pakistan Limited	3,750	-	-	-	-	3,750	232,523	1,044,188	811,665	0.23%
Ibl Healthcare Limited	683	-	-	-	-	683	67,625	84,269	16,644	0.02%
Searle Company	858	-	-	-	-	858	272,195	346,563	74,368	0.08%
							6,530,348	8,615,470	2,085,122	0
Power Generation & Distribution										
Hub Power Company Ltd	66,500	-	-	-	-	66,500	7,205,514	7,435,365	229,851	1.65%
							7,205,514	7,435,365	229,851	0
Technology & Communications										
Avanceon Limited	117,500	-	-	-	-	117,500	3,248,781	5,011,375	1,762,594	1.11%
							3,248,781	5,011,375	1,762,594	1.11%
Textile Composite										
Kohinoor Textile Mills Ltd	99,500	-	-	-	-	99,500	7,509,802	8,803,760	1,293,958	1.95%
Kohinoor Textile Mills Ltd(R)	-	-	-	5,970	-	5,970	-	134,385	134,385	0.03%
							7,509,802	8,938,145	1,428,343	1.98%

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

8 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	-----Unaudited-----				Audited
	As at September 30, 2017				As at June 30, 2017
	ALHIPF Equity Sub-Fund	ALHIPF Debt Sub-Fund	ALHIPF Money Market Sub-Fund	Total	
	----- Rupees -----				
Security deposit	2,701,000	200,000	100,000	3,001,000	3,001,000
Other receivable	17,306	16,500	16,500	50,306	50,302
Advance Tax	91,988	10,160	5,253	107,401	105,776
	2,810,294	226,660	121,753	3,158,707	3,157,078

	-----Unaudited-----				Audited
	As at September 30, 2017				As at June 30, 2017
	ALHIPF Equity Sub-Fund	ALHIPF Debt Sub-Fund	ALHIPF Money Market Sub-Fund	Total	
	----- Rupees -----				

9 ACCRUED AND OTHER LIABILITIES

Provision for federal excise duty on remuneration of					
Pension Fund Manager (note 9.1)	1,450,564	1,031,540	548,228	3,030,332	3,030,332
Auditors' remuneration	124,250	68,043	30,374	222,667	389,041
Workers Welfare Fund (note 9.2)	2,350,689	338,331	104,598	2,793,618	2,765,664
Donation / charity	248,292	-	-	248,292	221,999
Others	143,129	35,028	8,449	186,606	435,246
	4,316,924	1,472,942	691,648	6,481,514	6,842,282

9.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Pension Fund Manager of the Fund are 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 is of the view that further levy of FED was not justified.

On September 04, 2013, a constitutional petition was filed in Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustee, challenging the levy of FED.

The Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' to the Constitution. The management is however of the view that since the Federal government still has a right to appeal against the order, the previous balance of FED cannot be reversed.

Further, the Federal Government vide Finance Act, 2016 has excluded asset management companies and other non banking finance companies from charge of FED on their services.

In view of the pending decision and as a matter of prudence, the Management Company of the Fund has made a provision for FED in the books of account of the Fund with effect from June 13, 2013 to June 30, 2015. However, the Management Company of the Fund has not made any further provision for FED after the year ended June 30, 2015. The aggregate balance of FED provision as on September 30, 2017 was Rs.1.45 million for Equity sub fund, Rs.1.03 million for Debt sub fund and Rs.0.55 million for Money Market sub fund. The impact of decrease in NAV per unit is Rs.1.82 for Equity sub fund, Rs.0.97 for Debt sub fund and Rs.1.30 for Money Market fund as at September 30, 2017.

9.2 Provision For Workers Welfare Fund

The Supreme Court passed a judgment on November 10, 2016, which upheld the view of Lahore High Court, declaring the insertion of amendments through Finance Acts 2006 and 2008 pertaining to Workers' Welfare Fund (WWF) as unlawful and there by striking down the amendments introduced through these Finance Acts. The Federal Board of Revenue has filed an appeal in the Supreme Court against the said judgment, which is pending hearing.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

Mutual Fund Association of Pakistan (MUFAP), on behalf of all Asset Management Companies (AMCs), obtained a legal opinion dated December 5, 2016 on the matter, according to which there is no longer any basis in law to claim WWF payments from the mutual funds under the WWF Ordinance. After deliberating the position, The Mutual Fund Association of Pakistan (MUFAP) decided that the provision for WWF held for the period from January 1, 2013 to June 30, 2015 be reversed effective January 12, 2017. The provision reversed on January 12, 2017, amounted to Rs. 3.39 million in case of Equity sub fund, Rs. 0.4 million in case of Debt sub fund and Rs. 0.19 million in case of Money Market sub fund. This has resulted in an increase in NAV per unit of Rs. 5.05 in case of Equity sub fund, Rs. 0.45 per unit in case of Debt sub fund and Rs. 0.46 per unit in case of Money Market sub fund on January 12, 2017.

Furthermore, the Sindh Revenue Board (SRB) had written to mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. MUFAP reviewed the issue and based on an opinion dated August 2016 decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB on November 11, 2016 responded back that as mutual funds are included in definition of financial institutions in The Financial Institutions (Recovery of Finance) Ordinance, 2001, SWWF is payable by them. MUFAP has taken up the matter with the Sindh Finance Ministry to have mutual funds excluded from SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on June 30, 2017, MUFAP as an abundant caution, decided to provide for SWWF with effect from May 21, 2015, while the efforts to exclude mutual funds for SWWF continue. The provision made for SWWF on January 12, 2017, amounted to Rs. 1.7 million in case of Equity sub Fund, Rs. 0.24 million in case of Debt sub Fund and Rs. 0.07 million. The aggregated provision as at September 30, 2017 is Rs.2.35 million for Equity sub fund, Rs.0.338 million for Debt sub fund and Rs.0.10 million for Money market sub fund. The impact on decrease on NAV per unit as at June 30, 2017 is Rs.2.96 per unit for Equity sub fund, Rs.0.32 per unit for Debt sub fund and Rs.0.25 for Money Market sub fund.

The SECP has also concurred with the directions issued by MUFAP through its letter no. SCD/AMCW/MUFAP/2017-405 dated February 01, 2017.

9.4 TAXATION

The income of Pakistan Islamic Pension Fund is exempt from tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Despite the exemption is available under the clause, minimum tax at the rate of 1% of turnover was chargeable under section 113 of the Income Tax Ordinance, 2001. Further through Finance Act, 2011, effective from July 01, 2011, pension funds are included in the list of entities on which the provisions of section 113 regarding minimum tax shall not apply.

10 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include MCB-Arif Habib Savings and Investments Limited being the Pension Fund Manager and MCB Bank Limited being the Holding Company of MCB-Arif Habib Savings and Investments Limited, Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Pension Fund Manager as Management Company and directors and executives of the Pension Fund Manager.

The transactions with connected persons are in the normal course of business and are carried out on agreed terms.

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

10.1 Transactions during the period

-----Unaudited-----				
Quarter ended September 30, 2017				Quarter ended September 30, 2016
ALHIPF Equity Sub-Fund	ALHIPF Debt Sub-Fund	ALHIPF Money Market Sub-Fund	Total	
Rupees				

Arif Habib Investment Management Limited -

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

Remuneration (include indirect taxes)	1,823,999	882,044	313,309	3,019,352	2,285,921
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**Central Depository Company
Limited - Trustee**

Remuneration (include indirect taxes)	182,414	88,211	31,316	301,941	228,586
Settlement charges	10,730	1,695	-	12,425	8,496

* Arif Habib Limited Brokerage	2,782	-	-	2,782	30,405
* Next Capital Brokerage	17,253	-	-	17,253	7,255

Directors and Officers

Issue of PIPF Equity sub - fund 5,766 units (2016: 1,527 units)	3,013,576	-	-	3,013,576	712,570
Issue of PIPF Debt sub - fund 1,233 units (2016: 3,044 units)	-	238,666	-	238,666	568,087
Issue of PIPF Money Market sub - fund 175 units (2016: 685 units)	-	-	30,486	30,486	115,509
Redemption of PIPF Equity sub - fund 5,703 units (2016: 1,361 units)	3,078,875	-	-	3,078,875	626,947
Redemption of PIPF Debt sub - fund 9,342 units (2016: 875 units)	-	1,808,907	-	1,808,907	163,136
Redemption of PIPF Money Market sub - fund 693 units (2016: 35 units)	-	-	120,653	120,653	5,904

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

-----Unaudited-----				
As at SEPTEMBER 30, 2017				
ALHIPF Equity Sub-Fund	ALHIPF Debt Sub-Fund	ALHIPF Money Market Sub-Fund	Total	June 30, 2017 (Audited)

10.2 Amounts outstanding as at the period end

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

Remuneration payable	498,487	255,310	90,727	844,523	900,872
Sindh sales tax payable	64,803	33,190	11,792	109,785	117,111
Investment in seed capital 305,160 units (June 30, 2017: 305,160 units)	154,157,072	-	-	154,157,072	178,423,976
Investment in seed capital 289,051.29 units (June 30, 2017: 289,051 units)	-	56,159,143	-	56,159,143	55,969,002
Investment in seed capital 281,918 units (June 30, 2017: 281,918 units)	-	-	49,411,685	49,411,685	49,062,173

**Central Depository Company
Limited - Trustee**

Remuneration Payable	49,879	25,544	9,077	84,500	90,119
Sindh sales tax payable	6,496	3,305	1,147	10,949	11,689
Security deposit	201,000	200,000	100,000	501,000	3,001,000

Brokerage

* Arif Habib Limited Brokerage	2,156	-	-	2,156	15,392
* Next Capital Brokerage	2,238	-	-	2,238	32,121

Directors and Officers

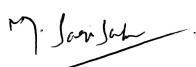
Balance as at September 30, 2017

Investment in PIPF Equity sub - fund 14,788 units (June 30, 2017: 14,726 units)	7,470,425	-	-	7,470,425	8,179,228
Investment in PIPF Debt sub - fund 19,238 units (June 30, 2017: 27,347 units)	-	3,737,713	-	3,737,713	5,130,614
Investment in PIPF Money Market sub - fund 3,790 units (June 30, 2017: 4,254 units)	-	-	664,272	664,272	740,324

11 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on 20th October, 2017 by the Board of Directors of the Pension Fund Manager.

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



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

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