



**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



# **Pakistan Pension Fund**

## CONTENTS

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Fund's Information	345
Report of the Directors of the Pension Fund Manager	346
Condensed Interim Statement of Assets and Liabilities	353
Condensed Interim Income Statement (Un-audited)	354
Condensed Interim Cash Flow Statement (Un-audited)	355
Condensed Interim Statement of Movement in Participants' Sub-Fund (Un-audited)	356
Condensed Interim Contribution Table (Un-audited)	357
Condensed Interim Statement of Number of Units in Issue (Un-audited)	358
Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)	359

## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi	
<b>Board of Directors</b>	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
<b>Audit Committee</b>	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mirza Qamar Beg Mr. Nasim Beg	Chairman Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Financial Officer &amp; Company Secretary</b>	Mr Abdul Basit	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> 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	
<b>Bankers</b>	Habib Metropolitan Bank Limited MCB Bank Limited Habib Bank Limited Askari Bank Limited JS Bank Limited Allied Bank Limited Zarai Taraqati Bank Limited Bank Al Falah Limited	
<b>Auditors</b>	<b>Deloitte Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi-75350.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
<b>Rating</b>	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 **Pakistan Pension Fund's** 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 4.23% during the period under review. The fund's exposure towards T-Bills decreased from 34.5% to 25.1% whereas exposure towards TFCs increased from 14.4% to 16.8%. The fund was mostly invested in TDRs (36.6%).

The Net Assets of the Fund as at September 30, 2017 stood at Rs. 527.85 million as compared to Rs. 512.78 million as at June 30, 2017 registering an increase of 2.94%.

The Net Asset Value (NAV) per unit as at September 30, 2017 was Rs. 232.22 as compared to opening NAV of Rs. 229.77 per unit as at June 30, 2017 registering an increase of Rs. 2.45 per unit.

#### Money Market Fund

The money market sub-fund generated a return of 4.28% during the period. The fund's exposure decreased in T-bills from 45.2% to 11.2% while increased its exposure in cash from 5% to 54.9% keeping in mind high deposit rates as compared to the T-bills rates.

## 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. 176.62 million as compared to Rs. 170.05 million as at June 30, 2017 registering an increase of 3.86%.

The Net Asset Value (NAV) per unit as at September 30, 2017 was Rs. 212.47 as compared to opening NAV of Rs. 210.20 per unit as at June 30, 2017 registering an increase of Rs. 2.27 per unit.

### Equity Fund

The Equity sub-fund generated a negative return of 12.4% while the KSE-100 posted a negative return of 8.93% during the period under review. The sub-fund maintained its overall equity exposure approximately at 96.1%.

The Net Assets of the Fund as at September 30, 2017 stood at Rs. 688.46 million as compared to Rs. 768.48 million as at June 30, 2017 registering a decrease of 10.41%.

The Net Asset Value (NAV) per unit as at September 30, 2017 was Rs. 495.07 as compared to opening NAV of Rs. 565.12 per unit as at June 30, 2017 registering a decrease of Rs. 70.05 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 advice 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 پاکستان پینشن فنڈ 30 ستمبر 2017ء کو ختم ہونے والی سہ ماہی کے اکاؤنٹس کا جائزہ پیش خدمت ہے۔

### معیشت اور بازار کا مجموعی جائزہ

مالی سال 2018ء کی پہلی سہ ماہی میں معاشی اشاریوں میں ملا جلا رجحان پایا گیا اور اکاؤنٹس سیکور کارڈ میں صورتحال مختلف معاشی علامات کی بنیاد پر ملتی جلی 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 گھٹتی بجانی شروع کردی 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 ڈیفیسٹ 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 کی کمی ہوئی۔

فیکل اکاؤنٹ جو کہ پرسکون طور پر چل رہا تھا خطرے میں نظر آیا۔ FY17 میں فیکل ڈیفیسٹ 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 بیچ مارک اینڈیکس %11.5 کم ہوا۔ 17 Sep، 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، مقابل 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 سیکیورٹیز انڈیکس کو زوال پزیر کرنے کا سبب بنے ان میں سینسٹو (QoQ down 28%) کی کارکردگی مسلسل پست رہی بوجہ سینٹ 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۔

فریڈلانڈ ریسکٹ (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 گرنے کے خدشات کی وجہ سے روپے اور ڈالر کی قدر کو برابر رکھنے کیلئے دباؤ کی امید کی جارہی تھی۔ E&P واحد ایسی سیکیورٹیز تھا جس میں منافع (QoQ up by 8%) دیکھنے کو ملا بوجہ تیل کی قیمتوں میں %22 اضافہ جس سے تیل \$56.6/bbl پر پہنچ گیا۔

### فنڈ کی کارکردگی

فنڈ

زیر جائزہ مدت کے دوران debt سب-فنڈ کا ایک سال پر محیط منافع %4.23 تھا۔ اختتام مدت پر سب-فنڈ کی ٹی-بلز میں شمولیت %34.5 سے کم ہو کر %25.1 ہو گئی اور TFCs میں شمولیت %14.4 سے بڑھ کر %16.8 ہو گئی۔ فنڈ کی زیادہ تر

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

سرمایہ کاری TDRs میں ہوئی جو کہ 36.6% ہے۔  
30 ستمبر 2017ء کو فنڈ کے net اثاثہ جات کی مالیت 527.85 ملین روپے تھی، جو 30 جون 2017ء پر 512.78 ملین روپے مالیت کے مقابلے میں 6.34% زیادہ ہے۔  
30 ستمبر 2017ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 232.22 روپے تھی، جو 30 جون 2017ء پر 229.77 روپے فی یونٹ قدر کے مقابلے میں 2.45 روپے فی یونٹ زیادہ ہے۔

### Money مارکیٹ فنڈ

دورانِ مدت Money مارکیٹ سب-فنڈ کا منافع 4.28% تھا۔ اختتامِ مدت پر سب-فنڈ کی ٹی-بلز میں شمولیت 45.2% سے کم ہو کر 11.2% ہو گئی جبکہ ٹی-بلز کے مقابلے نقد کے زیادہ ڈپازٹ ریٹز کو دیکھتے ہوئے نقد میں شمولیت 5% سے بڑھا کر 54.9% کر دی۔

30 ستمبر 2017ء کو فنڈ کے net اثاثہ جات کی مالیت 176.62 ملین روپے تھی، جو 30 جون 2017ء پر 170.05 ملین روپے مالیت کے مقابلے میں 3.86% زیادہ ہے۔  
30 ستمبر 2017ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 212.47 روپے تھی، جو 30 جون 2017ء پر 210.20 روپے فی یونٹ قدر کے مقابلے میں 2.27 روپے فی یونٹ زیادہ ہے۔

### ایکویٹی فنڈ

زیر جائزہ مدت کے دوران ایکویٹی سب-فنڈ کا منفی ریٹرن 12.4% تھا جبکہ KSE-100 نیز زیر جائزہ مدت کے دوران 8.93% کا منفی ریٹرن دیا۔ سب-فنڈ نے ایکویٹیز میں اپنی مجموعی شمولیت کو 96.1% پر برقرار رکھا۔  
30 ستمبر 2017ء کو فنڈ کے net اثاثہ جات کی مالیت 688.46 ملین روپے تھی، جو 30 جون 2017ء پر 768.48 ملین روپے مالیت کے مقابلے میں 10.41% کم ہے۔  
30 ستمبر 2017ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 495.07 روپے تھی، جو 30 جون 2017ء پر 565.12 روپے فی یونٹ قدر کے مقابلے میں 70.05 روپے فی یونٹ کم 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

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

کرنے کی فوری ضرورت ہے تاکہ ہم اپنی معاشی ترقی کی راہ پر گامزن رہ سکیں۔

مزید برآں، 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 پر کشش سطح پر ہیں اور جلد یا بدیر شیراز کی قیمتوں میں بہتری آ سکتی ہے۔ خدشات کے پرمیئم (دس سالہ شرح منافع اور انریجمنٹ 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 میڈیٹرم 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۔

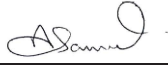
فلسفہ انکم مارکیٹ میں غیر معمولی بیرونی اکاؤنٹس کی محتاط پوزیشن پر رہنے کی امید ہے۔ معاشی محاذ پر صورتحال، خاص طور پر ادائیگیوں کا توازن، فلسفہ انکم مارکیٹوں کی سمت تعین کرنے میں اہم کردار ادا کرے گا۔

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

اظہار تشکر

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

برائے اور مین جانب یورڈ



صدر اے۔ حبیب  
ڈائریکٹر



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
20 اکتوبر 2017ء

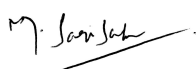


# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2017

		(UN-AUDITED)				Audited June 30, 2017
		SEPTEMBER 30, 2017				
Note		PPF Equity Sub-Fund	PPF Debt Sub- Fund	PPF Money Market Sub-Fund	Total	
----- Rupees -----						
<b>ASSETS</b>						
	6	20,028,864	100,275,699	97,942,120	218,246,683	57,741,805
	7	668,965,019	430,036,193	79,964,998	1,178,966,210	1,396,485,955
		4,128,928	-	-	4,128,928	2,928,529
		139,286	1,830,422	402,508	2,372,216	5,233,972
	8	2,981,679	421,772	119,497	3,522,948	3,934,245
<b>TOTAL ASSETS</b>		<b>696,243,776</b>	<b>532,564,086</b>	<b>178,429,124</b>	<b>1,407,236,986</b>	<b>1,466,324,506</b>
<b>LIABILITIES</b>						
		960,815	731,016	243,915	1,935,745	2,015,281
		87,196	66,339	22,117	175,653	180,913
		60,398	43,708	14,589	118,694	439,928
	9	6,676,276	3,875,629	1,527,832	12,079,737	12,381,080
<b>TOTAL LIABILITIES</b>		<b>7,784,685</b>	<b>4,716,692</b>	<b>1,808,453</b>	<b>14,309,829</b>	<b>15,017,202</b>
<b>NET ASSETS</b>		<b>688,459,092</b>	<b>527,847,395</b>	<b>176,620,671</b>	<b>1,392,927,157</b>	<b>1,451,307,304</b>
Participants Sub-Funds (as per condensed interim Statement of movement in Participants' sub-funds)		<b>688,459,092</b>	<b>527,847,395</b>	<b>176,620,671</b>		
(----- Number of units -----)						
Number of units in issue (As per attached - contribution table)		<b>1,390,618</b>	<b>2,273,017</b>	<b>831,268</b>		
(----- Rupees -----)						
Net asset value per unit		<b>495.07</b>	<b>232.22</b>	<b>212.47</b>		

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

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



Chief Executive Officer



Chief Financial Officer



Director



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

Note	September 30, 2017				Quarter ended September 30, 2016
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	
----- Rupees -----					
<b>INCOME</b>					
Capital gain on sale of investments	(6,132,246)	(134,577)	29,046	(6,237,777)	29,223,216
Dividend income	4,859,717	-	-	4,859,717	6,022,375
Profit on bank deposits	537,838	1,527,914	796,077	2,861,829	507,687
Income from Government Securities	-	2,323,979	984,721	3,308,700	11,933,521
Income from Term Deposit Receipts	-	2,943,306	960,783	3,904,089	-
Income From National Clearing Company of Pakistan		2,132		2,132	
Income from Term Finance Certificates - Sukuk	-	1,666,613	-	1,666,613	54,154
Element of income and capital gains included in prices of units issued less those in units redeemed					
- from realised / unrealised capital gain	1,092,972	(942)	101,493	1,193,523	(356,018)
- from other income	(206,831)	229,638	283	23,090	549,098
Unrealised (Diminution) / Appreciation in fair value classified as 'at fair value through profit or loss'	(52,585,494)	5,733	3,179	(52,576,582)	109,063
<b>Total Income</b>	<b>(52,434,045)</b>	<b>8,563,795</b>	<b>2,875,582</b>	<b>(40,994,668)</b>	<b>48,043,096</b>
<b>EXPENSES</b>					
Remuneration of Pension Fund Manager	2,720,551	1,968,846	657,229	5,346,626	4,397,518
Sales tax to Pension Fund Manager	353,672	255,950	85,440	695,061	571,678
Remuneration of Trustee	245,500	177,698	59,319	482,517	419,197
Sales tax on Trustee fee	31,905	23,100	7,709	62,714	54,496
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	60,398	43,707	14,589	118,694	96,692
Auditors' remuneration	52,854	36,436	9,909	99,199	113,129
Custody and settlement charges	116,226	77,499	-	193,725	473,929
Securities transaction cost	567,262	15,226	4,542	587,031	-
Bank charges	4,815	25,443	15,880	46,138	36,270
Provision WWF	-	118,733	40,453	159,186	215,148
<b>Total Expenses</b>	<b>4,153,183</b>	<b>2,742,638</b>	<b>895,069</b>	<b>7,790,891</b>	<b>6,378,056</b>
<b>Net income before taxation</b>	<b>(56,587,228)</b>	<b>5,821,156</b>	<b>1,980,513</b>	<b>(48,785,559)</b>	<b>41,665,041</b>
Provision for taxation	9.4	-	-	-	-
<b>Net income after taxation</b>	<b>(56,587,228)</b>	<b>5,821,156</b>	<b>1,980,513</b>	<b>(48,785,559)</b>	<b>41,665,041</b>
<b>Other comprehensive (loss) / income for the period</b>					
Unrealised (loss) / gain on re-valuation of investments classified as 'available for sale' - net	(39,412,509)	(54,388)	-	(39,466,897)	26,482,888
<b>Total comprehensive (loss) / income for the period</b>	<b>(95,999,737)</b>	<b>5,766,768</b>	<b>1,980,513</b>	<b>(88,252,456)</b>	<b>68,147,929</b>

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

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

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

  
\_\_\_\_\_  
Chief Financial Officer

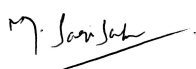
  
\_\_\_\_\_  
Director

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

	September 30, 2017				Quarter ended September 30, 2016
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	
	----- Rupees -----				
Net assets at the beginning of the period	768,481,490	512,780,783	170,045,031	1,451,307,304	1,107,014,913
Amount received on issue of units	25,834,231	16,517,728	6,625,547	48,977,506	84,844,196
Amount paid on redemption of units	(8,970,751)	(6,989,188)	(1,928,644)	(17,888,583)	(49,845,723)
	16,863,480	9,528,539	4,696,904	31,088,923	34,998,473
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	(1,092,972)	942	(101,493)	(1,193,523)	356,018
- from other income	206,831	(229,638)	(283)	23,090	(549,098)
- amount representing unrealised diminution / (appreciation) in fair value of investments	12,900,230	5,167,966	2,366,665	20,434,861	20,475,823
	12,014,089	4,939,270	2,264,889	19,218,248	20,282,743
Net unrealized (loss) / gain during the period in the market value of investments classified as available-for-sale	(39,412,509)	(54,388)	-	(39,466,897)	26,482,888
Element of income / (loss) and capital gains / (losses) included in prices of units sold less those in units redeemed - amount representing unrealised appreciation	(12,900,230)	(5,167,966)	(2,366,665)	(20,434,861)	(20,475,827)
Net income after taxation for the period	(56,587,228)	5,821,156	1,980,513	(48,785,559)	41,665,034
Net assets at the end of the period	688,459,092	527,847,395	176,620,671	1,392,927,157	1,209,968,224

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

**For MCB-Arif Habib Savings and Investments Limited  
(Pakistan 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	September 30, 2017							Quarter ended September 30, 2016
	PPF Equity Sub-Fund		PPF Debt Sub-Fund		PPF Money Market Sub-Fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
	----- Rupees -----							
Opening balance	1,359,847	315,412,608	2,231,698	369,525,179	808,983	109,093,954	794,031,741	668,535,626
Individuals - issue of units	47,485	25,834,231	71,716	16,517,728	31,422	6,625,547	48,977,580	84,844,193
- redemption of units	(16,713)	(8,970,751)	(30,397)	(6,989,188)	(9,137)	(1,928,644)	(17,888,583)	(49,845,723)
	30,771	16,863,480	41,319	9,528,613	22,285	4,696,904	31,088,997	34,998,470
Closing balance	1,390,618	332,276,088	2,273,017	379,053,792	831,268	113,790,858	825,120,738	703,534,096

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

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



**Chief Executive Officer**



**Chief Financial Officer**



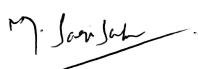
**Director**

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

	September 30, 2017		
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund
	----- No of units -----		
Total units outstanding at the beginning of the period	1,359,847	2,231,698	808,983
Add: Units issued during the period	47,485	71,716	31,422
Less: Units redeemed during the period	(16,713)	(30,397)	(9,137)
Total units in issue at the end of the period	1,390,618	2,273,017	831,268

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

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



**Chief Executive Officer**



**Chief Financial Officer**



**Director**

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

	September 30, 2017				Quarter ended September 30, 2016
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	
	Rupees				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net income before taxation	(56,587,228)	5,821,156	1,980,513	(48,785,559)	41,665,041
<b>Adjustments for non cash items:</b>					
Capital (loss) / gain on sale of investments	6,132,246	134,577	(29,046)	6,237,777	(29,223,217)
Impairment loss on investments classified as 'available-for-sale'	-	-	-	-	-
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss'	52,585,494	(5,733)	(3,179)	52,576,582	(109,063)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(1,092,972)	942	(101,493)	(1,193,523)	356,018
- from realised / unrealised capital gain	206,831	(229,638)	(283)	(23,090)	(549,098)
- from other income	57,831,599	(99,852)	(134,001)	57,597,746	(29,525,361)
<b>(Increase) / decrease in assets</b>					
Investments	(19,266,881)	55,744,140	82,761,230	119,238,489	(72,646,022)
Receivable against sale of Investments	(1,200,399)	-	-	(1,200,399)	(12,303,486)
Dividend receivable	338	2,839,022	22,396	2,861,756	(3,793,779)
Profit receivable	(13,924)	426,175	(954)	411,297	13,097,254
Deposits and other receivables	(20,480,866)	59,009,337	82,782,671	121,311,143	(16,396)
<b>(Decrease) / Increase in liabilities</b>					
Payable to Pension Fund Manager	(121,821)	30,360	11,925	(79,536)	147,257
Payable to Trustee	(9,994)	3,429	1,304	(5,260)	9,536
Payable to Auditors	(157,514)	(106,452)	(37,857)	(301,823)	413,880
Annual fee payable to the Securities and Exchange Commission of Pakistan	(174,035)	(107,577)	(39,621)	(321,234)	(226,343)
Accrued expenses and other liabilities	(223,802)	171,166	53,116	480	9,441,907
Tax paid	(687,165)	(9,074)	(11,133)	(707,373)	9,786,238
<b>Cash (used in) / generated from operating activities</b>	<b>(19,923,660)</b>	<b>64,721,567</b>	<b>84,618,050</b>	<b>129,415,597</b>	<b>(53,736,510)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Receipt of contribution	25,834,231	16,517,728	6,625,547	48,977,505	84,844,196
Payment against redemptions	(8,970,751)	(6,989,188)	(1,928,644)	(17,888,583)	(49,845,723)
<b>Cash generated / (used in) from financing activities</b>	<b>16,863,480</b>	<b>9,528,539</b>	<b>4,696,903</b>	<b>31,088,921</b>	<b>34,998,473</b>
<b>Net (decrease) / increase in cash and cash equivalent</b>	<b>(3,060,180)</b>	<b>74,250,107</b>	<b>89,314,953</b>	<b>160,504,879</b>	<b>(18,738,037)</b>
Cash and cash equivalent at beginning of the period	23,089,044	26,025,593	8,627,167	57,741,805	41,952,664
Cash and cash equivalent at end of the period	20,028,864	100,275,699	97,942,120	218,246,683	23,214,625

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

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

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017

### 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 (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 PPF is an open-ended pension fund consisting of three sub-funds namely PPF Equity Sub-Fund, PPF Debt Sub-Fund and PPF Money Market Sub-Fund. Units are offered for public subscription on a continuous basis. The number of units of any sub-fund purchased out of contributions depends on the Allocation Scheme selected by the respective Participant out of the allocation schemes offered by the Pension Fund Manager.
- 1.3 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 Securities and Exchange Commission of Pakistan. 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
- 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 STATEMENT OF COMPLIANCE

- 2.1 This condensed interim financial information have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Trust Deed, the VPS Rules and the directives issued by SECP.

Wherever, the requirements of the Trust Deed, the VPS Rules or the said directives differ with the requirements of IFRS, the requirements of the Trust Deed, the VPS Rules or the said directives take precedence. The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the IAS 34: 'Interim Financial Reporting' and guidelines issued by the SECP for the preparation of the quarterly reports of a pension fund.

- 2.2 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 This condensed interim financial information comprise of the condensed interim balance sheet as at September 30, 2015 and the condensed interim income statement, condensed interim cash flow statement, condensed interim statement of movement in participants' sub funds, condensed interim statement of investments by category, condensed interim statement of investment portfolio, condensed interim statement of other investments, condensed interim contribution table, condensed interim statement of number of units in issue and notes there to for the quarter ended September 30, 2017.
- 2.4 The comparative in the 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 comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the quarter ended 30 September 2016.
- 2.5 This condensed interim financial information are unaudited and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017

### 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.

### 4 ESTIMATES AND JUDGEMENTS

"The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

### 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
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	
	----- Rupees -----				

### 6 BALANCES WITH BANKS

Saving accounts	20,028,864	100,275,699	97,942,120	218,246,683	57,741,805
	20,028,864	100,275,699	97,942,120	218,246,683	57,741,805

### 7 INVESTMENTS

		-----Unaudited-----				Audited
		As at September 30, 2017				As at June 30, 2017
At fair value through profit or loss - held-for-trading		PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	
		----- Rupees -----				
Listed equity securities	7.1	469,584,547	-	-	469,584,547	475,435,380
Treasury Bills	7.2	-	133,560,351	19,964,998	153,525,349	256,113,845
Pakistan Investment Bonds		-	-	-	-	4,009,462
Term Finance Certificates	7.3	-	88,704,119	-	88,704,119	73,728,669
		469,584,547	222,264,470	19,964,998	711,814,015	809,287,356
<b>Available-for-sale</b>						
Listed equity securities	7.4	199,380,472	-	-	199,380,472	272,393,007
Pakistan Investment Bonds	7.5	-	11,938,949	-	11,938,949	53,970,527
Term Finance Certificates	7.6	-	832,774	-	832,774	835,065
		199,380,472	12,771,723	-	212,152,195	327,198,599
<b>Loans and receivables</b>						
Term Deposit Receipts	7.7	-	195,000,000	60,000,000	255,000,000	260,000,000
<b>As at September 30, 2017</b>		668,965,019	430,036,193	79,964,998	1,178,966,210	1,396,485,955

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION 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				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	As at September 30, 2017				
							Cost	Market value			
(Rupees)											
(Number of shares)											
<b>AUTOMOBILE ASSEMBLER</b>											%
ATLAS HONDA LTD	11,500	-	-	-	-	11,500	6,946,345	6,440,000	(506,345)	0.94%	0.01
GHANDHARA INDUSTRIES LTD	13,000	900	-	-	-	13,900	8,998,531	6,931,374	(2,067,157)	1.01%	0.07
HONDA ATLAS CARS(PAKISTAN) LIMITED	15,000	8,000	-	-	-	23,000	18,295,350	12,408,270	(5,887,080)	1.80%	0.02
INDUS MOTORS COMPANY LIMITED	9,080	-	-	-	3,000	6,080	10,905,088	10,462,586	(442,502)	1.52%	0.01
PAK SUZUKI MOTOR CO	21,000	-	-	-	-	21,000	16,387,560	9,611,070	(6,776,490)	1.40%	0.03
							61,532,874	45,853,300	(15,679,574)	6.66%	
<b>CABLE &amp; ELECTRICAL GOODS</b>											
PAK ELECTRON	139,000	70,000	-	-	100,000	109,000	11,613,667	8,278,550	(3,335,117)	1.20%	0.02
						-	11,613,667	8,278,550	(3,335,117)	1.20%	
<b>CEMENT</b>											
CHERAT CEMENT	113,500	-	-	-	113,500	-	-	-	-	0.00%	0.00
FAUJI CEMENT CO LTD	289,000	-	-	-	289,000	-	-	-	-	0.00%	0.00
KOHAT CEMENT LTD	61,500	-	-	-	14,800	46,700	10,706,442	7,003,132	(3,703,310)	1.02%	0.03
LUCKY CEMENT	54,500	11,000	-	-	26,000	39,500	31,672,530	22,324,610	(9,347,920)	3.24%	0.01
MAPLE LEAF CEMENT FACTORY LTD	142,000	-	-	-	142,000	-	-	-	-	0.00%	0.00
PIONEER CEMENT LTD	117,000	-	-	-	117,000	-	-	-	-	0.00%	0.00
							42,378,972	29,327,742	(13,051,230)	4.26%	
<b>CHEMICALS</b>											
DYNEA PAKISTAN	7,000	-	-	-	-	7,000	703,920	514,500	(189,420)	0.07%	0.04
							703,920	514,500	(189,420)	0.07%	
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>											
GENERAL TYRE & RUBBER CO	22,400	-	-	-	-	22,400	6,798,400	4,509,120	(2,289,280)	0.65%	0.04
							6,798,400	4,509,120	(2,289,280)	0.65%	
<b>COMMERCIAL BANKS</b>											
ALLIED BANK LIMITED	4,400	18,000	-	-	-	22,400	1,919,402	1,959,776	40,374	0.28%	0.00
ASKARI BANK LIMITED	-	350,000	-	-	-	350,000	7,382,970	6,650,000	(732,970)	0.97%	0.03
BANK AL FALAH LIMITED	380,000	317,000	-	-	-	697,000	28,052,508	29,566,740	1,514,232	4.29%	0.04
BANK AL HABIB LIMITED	150,000	267,500	-	-	-	417,500	23,498,069	24,048,000	549,931	3.49%	0.04
FAYSAL BANK LIMITED	-	656,000	-	-	-	656,000	14,481,856	14,694,400	212,544	2.13%	0.05
HABIB BANK LIMITED	35,800	-	-	-	35,800	-	-	-	-	0.00%	0.00
UNITED BANK LIMITED	88,000	73,000	-	-	100,000	61,000	13,670,960	11,600,370	(2,070,590)	1.68%	0.00
							89,005,765	88,519,286	(486,479)	12.86%	
<b>ENGINEERING</b>											
CRESCENT STEEL & ALLIED PROD	-	33,000	-	-	33,000	-	-	-	-	0.00%	0.00
INTERNATIONAL INDUSTRIES	30,000	13,200	-	-	10,000	33,200	11,721,648	9,634,640	(2,087,008)	1.40%	0.03
INTERNATIONAL STEELS LTD	52,500	70,000	-	-	60,000	62,500	7,821,944	7,570,625	(251,319)	1.10%	0.01
							19,543,592	17,205,265	(2,338,327)	2.50%	
<b>FERTILIZER</b>											
ENGRO CORPORATION LIMITED	120,600	4,500	-	-	-	125,100	40,816,740	37,916,559	(2,900,181)	5.51%	0.02
							40,816,740	37,916,559	(2,900,181)	5.51%	
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>											
FAUJI FOODS LIMITED	21,500	-	-	-	-	21,500	1,618,520	603,075	(1,015,445)	0.09%	0.02
FAUJI FOODS LIMITED(R)	-	-	-	64,500	-	64,500	-	1,033,290	1,033,290	0.15%	0.00
SHEZAN INTERNATIONAL	16,800	-	-	-	-	16,800	7,980,000	7,885,752	(94,248)	1.15%	0.21
							9,598,520	9,522,117	(76,403)	1.38%	



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017

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	Appreciation / (Diminution)	Market value as a % of net assets of the sub-fund		
												(Rupees)
(Number of shares)												
<b>GLASS &amp; CERAMICS</b>												
SHABIB TILES & CERAMICS LTD	592,000	-	-	-	-	-	592,000	11,348,640	7,749,280	(3,599,360)	1.13%	0.18
TARIQ GLASS INDUSTRIES	-	14,900	-	-	-	-	14,900	1,698,600	1,566,586	(132,014)	0.23%	0.02
								13,047,240	9,315,866	(3,731,374)	1.35%	0.00
<b>INSURANCE</b>												
PAKISTAN REINSURANCE CO. LTD	150,000	-	-	-	-	-	150,000	7,321,500	6,825,000	(496,500)	0.99%	0.05
								7,321,500	6,825,000	(496,500)	0.99%	
<b>LEASING COMPANIES</b>												
ORIX LEASING PAKISTAN LTD	162,000	-	-	-	76,908	-	238,908	9,435,313	10,459,392	1,024,079	1.52%	0.17
ORIX LEASING PAKISTAN LTD(R)	76,908	-	-	-	-	76,908	-	-	-	-	0.00%	0.00
								9,435,313	10,459,392	1,024,079	1.52%	0.00
<b>LEATHER &amp; TANNERIES</b>												
BATA PAKISTAN LIMITED	1,340	-	-	-	-	-	1,340	4,422,000	3,953,000	(469,000)	0.57%	
SERVICE INDUSTRIES	2,300	-	-	-	-	-	2,300	3,171,700	2,097,600	(1,074,100)	0.30%	
								7,593,700	6,050,600	(1,543,100)	0.88%	
<b>OIL &amp; GAS EXPOLORATION COMPANIES</b>												
OIL & GAS DEVELOPMENT CO LTD	47,500	175,000	-	-	-	-	222,500	33,096,274	33,072,400	(23,874)	4.80%	0.01
PAKISTAN OILFIELDS LIMITED	15,694	25,550	-	-	-	-	41,244	20,114,126	21,943,458	1,829,332	3.19%	0.02
PAKISTAN PETROLEUM LTD	125,823	110,000	-	-	-	-	235,823	37,861,335	41,195,920	3,334,585	5.98%	0.01
								91,071,735	96,211,778	5,140,043	13.97%	
<b>OIL &amp; GAS EXPOLORATION COMPANIES</b>												
SHELL PAKISTAN	13,000	-	-	-	-	-	13,000	7,479,810	5,406,180	(2,073,630)	0.79%	
SUI NORTHERN GAS	-	175,700	-	-	-	-	175,700	25,782,499	23,519,202	(2,263,297)	3.42%	
								33,262,309	28,925,382	(4,336,927)	4.20%	
<b>PAPER AND BOARD</b>												
CENTURY PAPER & BOARD MILLS	113,500	-	-	-	-	-	113,500	11,128,675	7,587,475	(3,541,200)	1.10%	0.08
CHERAT PACKAGING	25,000	-	-	-	-	-	25,000	5,944,500	5,000,000	(944,500)	0.73%	0.08
CHERAT PACKAGING(R)	-	-	-	-	3,375	-	3,375	-	236,216	236,216	0.03%	0.00
								17,073,175	12,823,691	(4,249,484)	1.86%	
<b>PHARMACEUTICALS</b>												
IBL HEALTHCARE LIMITED	6,578	-	-	-	-	-	6,578	802,516	811,594	9,078	0.12%	0.01
								802,516	811,594	9,078	0.12%	
<b>POWER GENERATION &amp; DISTRIBUTION</b>												
HUB POWER COMPANY LTD	387,995	-	-	-	-	-	387,995	45,562,253	43,381,461	(2,180,791)	6.30%	0.03
KOT ADDU POWER CO. LTD	31,500	-	-	-	-	-	31,500	2,268,630	2,395,260	126,630	0.35%	0.00
								47,830,883	45,776,721	(2,054,161)	6.65%	
<b>SUGAR &amp; ALLIED INDUSTRIES</b>												
FARAN SUGAR MILLS LIMITED	38,000	-	-	-	-	-	38,000	3,049,880	3,004,660	(45,220)	0.44%	0.15
								3,049,880	3,004,660	(45,220)	0.44%	
<b>TEXTILE COMPOSITE</b>												
KOHINOOR TEXTILE MILLS LTD	-	40,000	-	-	-	-	40,000	4,000,000	3,539,200	(460,800)	0.51%	0.01
KOHINOOR TEXTILE MILLS LTD(R)	-	-	-	-	2,400	-	2,400	-	54,024	54,024	0.01%	0.00
								4,000,000	3,593,224	(406,776)	0.52%	
<b>MISCELLANEOUS</b>												
TRI-PAK FILMS	25,400	-	-	-	-	-	25,400	5,689,600	4,140,200	(1,549,400)	0.60%	0.07
								5,689,600	4,140,200	(1,549,400)	0.60%	
<b>As at September 30, 2017</b>												
								522,170,301	469,584,547	(52,585,753)		
<b>As at June 30, 2017</b>												
								486,913,140	475,435,380	(11,477,760)		

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017

## 7.2 Government Securities - HFT

Name of Investments	Face value					As at September 30, 2017		
	As at July 01, 2017	Purchases during the year	Sales / maturities during the year	As at September 30, 2017	Carrying value	Market value	Appreciation / (diminution)	Market value as a percentage of net assets of the sub-fund
----- (Rupees) -----								
<b>7.2.1 Treasury Bills - 'PPF Debt Sub Fund'</b>								
Treasury Bills (3 months)	135,000,000	415,000,000	465,000,000	85,000,000	84,226,003	84,228,235	2,232	16
Treasury Bills (6 months)	25,000,000	-	25,000,000	-	-	-	-	-
Treasury Bills (12 months)	19,400,000	50,000,000	17,900,000	51,500,000	49,346,837	49,332,116	(14,721)	9
<b>As at September 30, 2017</b>	<b>179,400,000</b>	<b>465,000,000</b>	<b>507,900,000</b>	<b>136,500,000</b>	<b>133,572,840</b>	<b>133,560,351</b>	<b>(12,489)</b>	<b>25</b>
As at June 30, 2017					178,430,344	178,419,842	(10,502)	

## 7.2.2 Pakistan Investment Bonds - 'PPF Debt Sub Fund'

Pakistan Investment Bonds (3 Years)	4,000,000	-	4,000,000	-	-	-	-	-
<b>As at September 30, 2017</b>	<b>4,000,000</b>	<b>-</b>	<b>4,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
As at June 30, 2017					4,008,839	4,009,462	623	

## 7.2.3 Treasury Bills - 'PPF Money Market Sub Fund'

Treasury Bills (3 months)	78,000,000	300,000,000	358,000,000	20,000,000	19,964,270	19,964,998	728	4
Treasury Bills (6 months)	-	222,000,000	222,000,000	-	-	-	-	-
Treasury Bills (12 months)	-	2,000,000	2,000,000	-	-	-	-	-
<b>As at September 30, 2017</b>	<b>78,000,000</b>	<b>524,000,000</b>	<b>582,000,000</b>	<b>20,000,000</b>	<b>19,964,270</b>	<b>19,964,998</b>	<b>728</b>	<b>4</b>
As at June 30, 2017					77,696,535	77,694,003	(2,532)	

## 7.3 Term Finance Certificates - HFT

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
		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)		
(Rupees)										
Term Finance Certificates 'PPF Debt Sub Fund'										
Askari Bank Limited	30-Sep-14	3,003	-	-	3,003	15,295,977	15,197,117	(98,860)	2.88%	3.53%
Bank Al-Habib Limited	17-Mar-16	5,580	-	-	5,580	28,314,977	28,120,268	(194,709)	5.33%	6.54%
Habib Bank Limited	19-Feb-16	250	-	100	150	15,028,478	14,843,998	(184,480)	2.81%	3.45%
Jahangir Siddiqui & Company Limited	18-Jul-17	-	5,000	-	5,000	25,000,000	25,526,000	526,000	4.84%	5.94%
The Bank Of Punjab	23-Dec-16	50	-	-	50	5,056,489	5,016,736	(39,753)	0.95%	1.17%
As at September 30, 2017		8,883	5,000	100	13,783	88,695,921	88,704,119	8,198	16.80%	20.63%
As at June 30, 2017						73,518,530	73,728,669	210,139		

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION 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			% 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	Appreciation / (Diminution)	
								(Rupees)		%
<b>AUTOMOBILE ASSEMBLER</b>										
HINOPAK MOTORS	7,060	-	-	-	1,900	5,160	5,100,315	5,611,500	511,185	0.82%
							5,100,315	5,611,500	511,185	0
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>										
ATLAS BATTERY LIMITED	12,700	-	-	-	-	12,700	7,827,570	9,004,427	1,176,857	1.31%
							7,827,570	9,004,427	1,176,857	0
<b>CABLE &amp; ELECTRICAL GOODS</b>										
PAK ELEKTRON	88,250	-	-	-	-	88,250	6,198,000	6,702,588	504,588	0.97%
							6,198,000	6,702,588	504,588	0
<b>CEMENT</b>										
CHERAT CEMENT	50,000	-	-	-	50,000	-	-	-	-	0.00%
LUCKY CEMENT	13,800	-	-	-	-	13,800	8,219,401	7,799,484	(419,917)	1.13%
							8,219,401	7,799,484	-419,917	0
<b>CHEMICALS</b>										
ARCHROMA PAKISTAN LIMITED	10,500	-	-	-	-	10,500	4,779,681	6,898,500	2,118,819	1.00%
ICI PAKISTAN	7,000	-	-	-	-	7,000	3,016,530	6,395,340	3,378,810	0.93%
BIAFO INDUSTRIES	81	-	-	-	-	81	14,747	19,440	4,693	0.00%
							7,810,958	13,313,280	5,502,322	0
<b>COMMERCIAL BANKS</b>										
HABIB BANK LIMITED	28,000	-	-	-	28,000	-	-	-	-	0.00%
HABIB METROPOLITAN BANK	190,000	-	-	-	-	190,000	5,613,778	6,355,500	741,722	0.92%
MEEZAN BANK LIMITED	92,000	-	-	-	-	92,000	4,750,475	6,847,560	2,097,085	0.99%
MEEZAN BANK LIMITED(R)	-	-	-	5,520	-	5,520	-	110,400	110,400	0.02%
NATIONAL BANK OF PAKISTAN	-	-	-	-	-	-	-	-	-	0.00%
UNITED BANK LIMITED	80,700	-	-	-	75,000	5,700	978,063	1,083,969	105,906	0.16%
							11,342,316	14,397,429	3,055,113	0
<b>LEATHER &amp; TANNERIES</b>										
SERVICE INDUSTRIES	5,700	-	-	-	-	5,700	6,907,897	5,198,400	(1,709,497)	0.76%
							6,907,897	5,198,400	-1,709,497	0
<b>FERTILIZER</b>										
DAWOOD HERCULES CORPORATION	1,200	-	-	-	-	1,200	144,261	148,032	3,771	0.02%
							144,261	148,032	3,771	0

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION 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	Appreciation / (Diminution)		
										(Rupees)	%
<b>MISCELLANEOUS</b>											
SHIFA INTERNATIONAL HOSPITALS	21,603	-	-	-	-	21,603	5,450,119	5,508,765	58,646	0.80%	0.04
<b>ENGINEERING</b>											
INTERNATIONAL INDUSTRIES	55,000	-	-	-	25,000	30,000	3,085,860	8,706,000	5,620,140	1.26%	0.03
K.S.B.PUMPS COMPANY LTD	3,100	-	-	-	-	3,100	816,255	930,000	113,745	0.14%	0.02
<b>OIL &amp; GAS EXPOLORATION COMPANIES</b>											
MARI PETROLEUM COMPANY	22,000	-	-	-	-	-	3,902,115	9,636,000	5,733,885	0	0.02
OIL & GAS DEVELOPMENT CO LTD	111,000	-	-	-	-	22,000	21,826,235	33,110,220	11,283,985	4.81%	0.00
PAKISTAN OILFIELDS LIMITED	39,906	-	-	-	-	111,000	17,528,054	16,499,040	(1,029,014)	2.40%	0.02
<b>PHARMACEUTICALS</b>											
ABBOTT LABORATORIES PAKISTAN)	8,900	-	-	-	7,350	39,906	13,980,273	21,231,588	7,251,315	3.08%	0.00
IBL HEALTHCARE LIMITED	828	-	-	-	-	-	53,334,562	70,840,848	17,506,286	0	0.00
SEARLE COMPANY	168	-	-	-	-	1,550	1,023,992	1,222,950	198,958	0.18%	0.00
<b>PAPER AND BOARD</b>											
SECURITY PAPERS LTD	33	-	-	-	-	33	872	4,491	3,619	0.00%	0.00
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
ALTERN ENERGY LIMITED	10,500	-	-	-	-	10,500	404,977	464,100	59,123	0.07%	0.00
HUB POWER COMPANY LTD	49,400	-	-	-	-	49,400	5,935,968	5,523,414	(412,554)	0.80%	0.00
KOT ADDU POWER CO. LTD	59,000	-	-	-	-	59,000	5,367,873	4,486,360	(881,513)	0.65%	0.01
<b>TECHNOLOGY &amp; COMMUNICATIONS</b>											
AVANCEON LIMITED	368,125	-	-	-	-	368,125	11,708,818	10,473,874	-1,234,944	0	0.28
NETSOL TECHNOLOGIES	4,500	-	-	-	-	4,500	9,569,851	15,700,531	6,130,680	2.28%	0.01
SYSTEMS LIMITED	138,955	-	-	-	-	138,955	283,522	297,000	13,478	0.04%	0.12
<b>TEXTILE COMPOSITE</b>											
KOHINOOR TEXTILE MILLS LTD	140,000	-	-	-	-	140,000	5,345,265	10,774,571	5,429,306	1.57%	0.05
KOHINOOR TEXTILE MILLS LTD(R)	-	-	-	8,400	-	8,400	15,198,638	26,772,102	11,573,464	0	0.00
<b>As at September 30, 2017</b>							155,895,744	199,380,472	43,484,728		
<b>As at June 30, 2017</b>							189,495,884	272,393,007	82,897,123		

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017

## 7.5 Government Securities - AFS

Name of Investments	Face value				As at September 30, 2017		
	As at July 01, 2017	Purchases during the year	Sales / maturities during the year	As at September 30, 2017	Carrying value	Market value	Appreciation / (diminution)
<b>Pakistan Investment Bonds - 'PPF Debt Sub Fund'</b>							
Pakistan investment bonds (3 years)	950,000	50,000,000	50,350,000	600,000	610,529	607,800	(2,729)
Pakistan investment bonds (5 years)	1,260,000	50,000,000	50,100,000	1,160,000	1,245,997	1,211,832	(34,165)
Pakistan investment bonds (10 years)	45,130,000	100,000,000	141,200,000	3,930,000	4,368,730	4,188,072	(180,658)
Pakistan investment bonds (15 years)	3,500,000	-	-	3,500,000	3,584,398	3,834,107	249,709
Pakistan investment bonds (20 years)	1,900,000	50,000,000	17,900,000	34,000,000	2,003,476	2,097,138	93,662
<b>As at September 30, 2017</b>	<b>52,740,000</b>	<b>250,000,000</b>	<b>259,550,000</b>	<b>43,190,000</b>	<b>11,813,130</b>	<b>11,938,949</b>	<b>125,819</b>
As at June 30, 2017					53,792,012	53,970,527	178,515

## 7.6 Term Finance Certificates - AFS

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
		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)		
Term Finance Certificates 'PPF Debt Sub Fund'										
Bank Alfalah Limited	2-Dec-09	500	-	-	500	831,586	832,774	1,188	0.16%	0.19%
TFC - IV (Floating)		500	-	-	500	831,586	832,774	1,188	0.16%	0.19%
As at September 30, 2017										
						831,586	835,065	3,479		
As at June 30, 2017										

## 7.7 Term Deposit Receipts - PPF Debt Sub Fund

Particulars	Profit / mark-up rates	Issue date	Maturity date	As at September 30, 2017	Market value as a percentage of net assets %	Market value as a percentage of total investments %
(Rupees)						
Zarai Taraqati Bank Limited	6.50%	14-Sep-17	13-Mar-18	95,000,000	0.18	0.22
JS Bank Limited	6.60%	28-Sep-17	27-Dec-17	100,000,000	0.19	0.23
As at September 30, 2017				195,000,000	0.37	0.45
As at June 30, 2017				175,000,000		
Term Deposit Receipts - PPF Money Market Sub Fund						
(Rupees)						
Particulars	Profit / mark-up rates	Issue date	Maturity date	As at September 30, 2017	Market value as a percentage of net assets %	Market value as a percentage of total investments %
Zarai Taraqati Bank Limited	6.50%	14-Sep-17	13-Mar-18	30,000,000	0.17	0.16
JS Bank Limited	6.60%	28-Sep-17	27-Dec-17	30,000,000	0.17	0.16
As at September 30, 2017				60,000,000	0.34	0.32
As at June 30, 2017				85,000,000		

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017

### 8 DEPOSITS AND OTHER RECEIVABLES

	-----Unaudited-----				Audited
	As at September 30, 2017				As at June 30, 2017
	PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	
-----Rupees-----					
Security deposit - Central Depository	200,000	200,000	100,000	500,000	500,000
Security deposit - National Clearing	2,500,000	-	-	2,500,000	2,500,000
Other receivable	16,500	16,500	16,500	49,500	32,999
Advance Tax	265,179	5,946	2,997	274,122	257,077
Receivable from National Clearing - - Company of Pakistan	-	199,326	-	199,326	677,168
	2,981,679	421,772	119,497	3,522,948	3,934,245

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

### 9 ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for federal excise duty on remuneration of Pension Fund Manager (note 9.1)	2,420,238	2,404,933	1,151,294	5,976,465	5,976,464
Workers Welfare Fund (note 9.2)	3,766,624	1,289,667	313,305	5,369,596	5,210,409
Payable to Auditors	54,163	38,658	13,202	106,022	301,823
Others	435,252	142,371	50,031	627,654	892,384
	6,676,276	3,875,629	1,527,832	12,079,737	12,381,080

- 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 Management Company 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 Management Company is of the view that further levy of FED was not justified.

The SHC vide its Order dated June 30, 2016 has disposed of the petition by referring its judgment dated June 02, 2016 whereby it rendered the FED on certain services to be 'Ultra Vires' in the presence of Sindh Sales Tax Act 2011. However, the Federal Board of Revenue (FBR) has filed an appeal in the Supreme Court of Pakistan against this judgment by the SHC. 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 accounts 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 in the books of accounts for the Fund as on September 30, 2017 was Rs.5.97 million. (June 30, 2017: Rs.5.97 million). The impact of decrease in NAV per unit of the Fund is Rs.1.74 per unit, Rs.1.05 per unit and Rs. 1.38 per unit respectively for Equity, Debt and Money Market sub fund on that date."

### 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.

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.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 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 obtained 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 January 12, 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. 2.95 million, Rs.0.93 million and Rs.0.19 million for Equity, Debt and Money Market sub fund. The aggregated provision as at September 30, 2017 is Rs.3.76 million for Equity sub fund, Rs. 1.28 million for Debt sub fund and Rs. 0.31 million for Money Market sub fund. The impact on decrease on NAV per unit as at September 30, 2017 is Rs. 2.71 per unit for Equity sub fund, Rs. 0.57 per unit for Debt sub fund and Rs. 0.38 per unit 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 available under the said clause, minimum tax at the rate of 1% of turnover was chargeable under section 113 of the Income Tax Ordinance, 2001. 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 person include MCB-Arif Habib Savings and Investment Limited being the Pension Fund Manager and MCB Bank Limited being the Holding Company of MCB-Arif Habib Savings and Investment 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 2005 and the Trust Deed respectively.

#### 10.1 Transactions during the period

-----Unaudited-----				
September 30, 2017				September 30, 2016
PPF Equity Sub-Fund	PPF Debt Sub-Fund	PPF Money Market Sub-Fund	Total	
----- Rupees -----				

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

Remuneration (include indirect taxes)	3,074,223	2,224,796	742,669	6,041,687	4,969,196
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#### MCB Bank Limited

Mark-up earned	62,456	2,709	261	65,426	8,617
Bank charges	25	25	25	75	1,501

#### Central Depository Company Limited - Trustee

Remuneration (include indirect taxes)	277,405	200,798	67,028	545,231	473,693
Settlement charges	21,768	1,695		23,463	13,359

* Arif Habib Limited Brokerage	-	325	325	650	84,200
* Next Capital Brokerage	4,000	-	1,581	5,581	20,183



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017

## Unit Holders' Fund

For the quarter ended September 30, 2017

As at July 01, 2017	Issued for cash	Bonus	Redeemed	As at September 30, 2017	As at July 01, 2017	Issued for cash	Bonus	Redeemed	As at September 30, 2017
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Units

(Rupees in '000)

### Associated Companies

#### MCB Arif Habib Savings

#### and Investment Limited

- Pakistan Pension Fund - Equity	252,196	-	-	252,196	142,521,000	-	-	-	124,854,674
- Pakistan Pension Fund - Equity	253,109	-	-	253,109	58,156,828	-	-	-	58,776,972
- Pakistan Pension Fund - Equity	300,000	-	-	300,000	63,060,000	-	-	-	63,741,000

### Key management personnel

- Pakistan Pension Fund - Equity	11,263	229	1,556	9,936	6,364,986	120,028	-	784,623	4,919,025
- Pakistan Pension Fund - Debt	15,624	282	2,737	13,169	3,589,951	65,226	-	632,892	3,058,105
- Pakistan Pension Fund - Money Market	3,319	48	642	2,725	697,612	10,215	-	135,729	579,044

For the quarter ended September 30, 2016

As at July 01, 2016	Issued for cash	Bonus	Redeemed	As at September 30, 2016	As at July 01, 2016	Issued for cash	Bonus	Redeemed	As at September 30, 2016
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Units

(Rupees in '000)

### Associated Companies

#### MCB Arif Habib Savings

#### and Investment Limited

- Pakistan Pension Fund - Equity	252,196	-	-	252,196	105,014,412	-	-	-	117,210,613
- Pakistan Pension Fund - Debt	253,109	-	-	253,109	55,752,293	-	-	-	56,283,848
- Pakistan Pension Fund - Money Market	300,000	-	-	300,000	60,462,000	-	-	-	61,041,000

### Key management personnel

- Pakistan Pension Fund - Equity	20,058	195	-	20,253	6,761,257	86,479	-	-	9,413,107
- Pakistan Pension Fund - Debt	15,303	216	-	15,519	1,803,630	47,736	-	-	3,450,867
- Pakistan Pension Fund - Money Market	2,153	30	-	2,183	46,273	6,131	-	-	444,233



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017

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

## 10.2 Amounts outstanding as at the period end

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

Remuneration payable	850,279	646,917	215,855	1,713,049	1,783,435
Sindh sales tax payable	110,536	84,099	28,060	222,695	231,846

### MCB Bank Limited

Bank Balance	407,511	235,520	160,747	803,778	833,009
Profit Receivable	230	-	-	230	-

### Central Depository Company Limited - Trustee

Remuneration Payable	77,174	58,698	19,588	155,460	160,104
Sindh sales tax payable	10,022	7,641	2,529	20,192	20,809
Security deposit	200,000	200,000	100,000	500,000	500,000

### Brokerage

* Arif Habib Limited Brokerage - Payable	-	-	-	-	2,046
* Next Capital Brokerage - Payable	4,000	-	-	4,000	65,952

## 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  
(Pakistan Fund Manager)



Chief Executive Officer



Chief Financial Officer



Director

## **MCB-Arif Habib Savings and Investments Limited**

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