

PAKISTAN 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. Muhammad Saqib Saleem	Chairman Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Company Secretary	Mr. Muhammad Asif Mehdi Rizvi	
Chief Financial Officer	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 Allied Bank Limited Habib Bank Limited National Bank of Pakistan Askari Bank Limited Bank Alfalah Limited MCB Bank Limited JS Bank Limited Zarai Taraqati Bank Limited	
Auditors	Deloitte Yousuf Adil Chartered Accountant Cavish Court, A-35, Block-7 & 8, KCHSU, Shahra-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, Center point, off Shaheed-e-Millat Express Way Near K.P.T. Interchange, Karachi.	
Rating	AM2++ Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTORS OF THE PENSION FUND MANAGER FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

Dear Investor,

On behalf of the Board of Directors, We are pleased to present **Pakistan Pension Fund's** Half Yearly Report for the period ended March 31, 2018.

MARKET & ECONOMIC REVIEW

Economy and Money Market Review

The economic scorecard showed a mixed picture with the real side depicting strong growth momentum while external side demanding policy measures.

The policy makers allowed the PKR/USD parity to adjust towards ~115 to support the deteriorating reserves position by arresting the worsening external account. The government at the end of March announced a tax amnesty scheme for undeclared foreign and domestic assets with tax rates ranging from 2%-5%.

The real growth remained strong depicted by Large Scale Manufacturing registering a growth of 6.24% YoY in first eight months of FY18 supported by strong growth in Petroleum Products, Steel and Food & Beverage sectors. The better preliminary crop numbers of cotton, wheat and sugar along with strong LSM growth is expected to keep the growth target of 6% in reach.

The fiscal deficit for the first half of this financial year was recorded at ~2.2% of GDP, despite high tax collection. Tax Authorities managed to collect PKR 2.0 trillion during the period, showing a growth of 17.6% compared to same period last year.

CPI for the nine months of FY18 remained modest averaging 3.78% YoY supported by stable food prices, controlled house rent and higher base effect. However, rising oil prices and depreciating currency indicate upward pressure going forward.

On the external side, trade deficit widened to alarming levels. The current account deficit (CAD) for the nine months clocked in at ~USD 10.8 billion (up 50% YoY). Trade deficit for the first nine months of the financial year reached USD 19.7 billion up ~22% YoY. Import registered an increase of ~17% during the half year, propelled by petroleum imports and an expansionary fiscal and monetary policies. On the flip side, the impact of textile package introduced by the government in order to boost exports, started to gain some momentum as textile exports grew by ~8% during the nine months of the financial year, though insufficient to bridge the gap created by rising imports. Resultantly, the foreign exchange reserves declined by USD ~3.6 billion, despite USD 2.5 billion bond issuance in international bond markets. PKR also depreciated by ~10% against USD indicating a much need attempt from government to address widening external account.

Money markets took clue from the rising inflation expectations, after the recent rupee depreciation, as against all tenors, 3-months Treasury Bills remained the most preferred play. Meanwhile, longer tenor PIBs remained out of favor with very low participation from financial institutions and banks in auctions.

Equity Market Review

The benchmark index posted a cumulative 9MFY18 return of -2.16% as compared to 27.45% SPLY. However, much anticipated currency depreciation event rejuvenated subdued investor interest in the market. Also, developments on the macro front along with relative calm on the political front (Senate elections held on Mar3'18) drove market performance during the quarter. This was evident in 3QFY18's gain of ~12.5% in the benchmark index.

Macro vulnerabilities continued to impact the market as burgeoning current account deficit and higher debt servicing continued to exert pressure on SBP's foreign exchange reserves. Furthermore, announcement of a status quo in Monetary Policy on Mar 30'18 was quite contrary to market expectations. Other eminent events till date include 1) SC's decision declaring Nawaz Sharif ineligible to continue as party head while dismissing all political actions taken by him since Jul 28'17 (Panama case verdict) and 2) inclusion of Pakistan in FATF's watch-list.

While 9MFY18 numbers show USD 124 mn foreign selling, this trend was reversed in the last quarter where massive foreign buying of ~USD 31.2 mn was witnessed. In 9MFY18, foreign selling was mainly absorbed by insurance companies (USD 104 mn). Average volumes and value traded were 175 mn shares and PKR 8.3 bn respectively. Positive contribution to the index was led by E&Ps (+26%) and Refineries (+15%). E&Ps rallied on the back of increase in oil prices by ~37%. Negative contributors to the index were Cement(-23%), Autos(-16%) and Oil Marketing Companies(-13%). Cement sector's lackluster performance was because of concerns over future pricing discipline on upcoming capacity expansions of ~4.5 mn tons in the next 7-8 months in the Southern region. However, the sector rebounded in the latest

REPORT OF THE DIRECTORS OF THE PENSION FUND MANAGER FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

quarter on the back of price increase of ~Rs 50/bag in a phased manner throughout the month of March as well as improved dispatches number. Auto performed poorly on anticipation of currency depreciation and strengthening of Yen. OMC sector underperformed due to disappointing results (inventory losses), ban on import of furnace oil and weak demand outlook.

It is important to highlight that in 3QFY18, Commercial Banks, Chemicals and Fertilizers outperformed the market gaining (14.1%, 14.9% and 11.3% respectively). Banks' rally can be attributed to currency depreciation and ensuing rate rise expectations. Chemicals gained due to strong international chemical margins. Interest in fertilizer sector remained high due to strong international fertilizer prices, comfortable inventory situation and outstanding sales numbers.

FUND PERFORMANCE

Debt Fund

The debt sub-fund generated an annualized return of 4.22% during the period under review. The fund's exposure towards T-Bills slightly decreased from 25.8% to 25.5% whereas exposure towards TFCs decreased from 22.5% to 21.8%. The fund was mostly invested in cash (48.5%).

The Net Assets of the Fund as at March 31, 2018 stood at Rs. 538.27 million as compared to Rs. 512.78 million as at June 30, 2017 registering an increase of 4.97%.

The Net Asset Value (NAV) per unit as at March 31, 2018 was Rs. 237.05 as compared to opening NAV of Rs. 229.77 per unit as at June 30, 2017 registering an increase of Rs. 7.28 per unit.

Money Market Fund

The money market sub-fund generated a return of 4.35% during the period. The fund's exposure slightly decreased in T-bills from 45.2% to 43.0% while increased its exposure in cash from 5% to 56.7% keeping in mind high deposit rates as compared to the T-bills rates.

The Net Assets of the Fund as at March 31, 2018 stood at Rs. 183.4 million as compared to Rs. 170.05 million as at June 30, 2017 registering an increase of 7.85%.

The Net Asset Value (NAV) per unit as at March 31, 2018 was Rs. 217.07 as compared to opening NAV of Rs. 210.20 per unit as at June 30, 2017 registering an increase of Rs. 6.87 per unit.

Equity Fund

The Equity sub-fund generated a negative return of 2.03% while the KSE-100 posted a negative return of 2.16% during the period under review. The sub-fund maintained its overall equity exposure approximately at 88.9%.

The Net Assets of the Fund as at March 31, 2018 stood at Rs. 824.8 million as compared to Rs. 768.48 millions as at June 30, 2017 registering an increase of 7.33%.

The Net Asset Value (NAV) per unit as at March 31, 2018 was Rs. 553.66 as compared to opening NAV of Rs. 565.12 per unit as at June 30, 2017 registering a decrease of Rs. 11.46 per unit.

MARKET & ECONOMY - FUTURE OUTLOOK

The recent rupee depreciation of ~10% is expected to reflect in the external account numbers going forward. Exports are expected to continue growth trajectory with textile package also providing support. Unnecessary imports are expected to slow down reflecting the higher imported cost. Given our outlook of trade deficit and weak performance on remittances, we expect current account deficit to approach ~USD 16 billion for the FY18 which in our estimates indicate an additional financing need of near USD 5 billion. Next year could fare better, provided oil stays close to current levels, given machinery imports would slow down and impact of recent rupee devaluation would be more visible in proceeding year's numbers.

The recent tax amnesty scheme announced could be successful as it is followed by some complimentary steps to curb the undeclared money. Additionally, regulations over the world would allow information sharing of residents from September, 2017 and undeclared assets would be difficult to hide. The tax amnesty scheme could bring in much needed foreign inflow of around ~USD 4 bn.

REPORT OF THE DIRECTORS OF THE PENSION FUND MANAGER FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

KSE-100 trades at a forward P/E of 10.28x, at a steep discount of 19.5% from its emerging market peer group. Enduring themes that should play out over the medium-term include PKR depreciation and higher interest rates, CPEC and continued GoP support for the export-oriented sector that would encourage exports. The upcoming budget with expectations of removal of tax on bonus shares and rationalization of capital gains tax could propel positive sentiments. The success of the amnesty scheme would also be a positive omen as foreign inflows would allow to control external vulnerabilities and stock market would become a potential investment avenue after whitening of money.

On the fixed income front, market is expected to remain cautious on back of a precarious external account position along with an expected 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
April 19, 2018

مقررہ آمدنی کی جہت میں توقع ہے کہ مارکیٹ خارجی اکاؤنٹ کی خطرناک صورتحال اور افراط زر کی سطح میں اضافے کی بنیاد پر محتاط رہے گی۔ معاشی رُخ، خاص طور پر ادائیگیوں کے توازن کی واضح تصویر سے مقررہ آمدنی کی مارکیٹس میں مزید شرکت کی طرف راہنمائی ہوگی۔

اعلیٰٰ تکر

بورڈ فنڈ کے گراں قدر سرمایہ کاروں، سکیورٹیز 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۔

سید امجد علی

محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر

Money مارکیٹ فنڈ

دورانِ مدت Money مارکیٹ سب-فنڈ نے 4.35% منافع حاصل کیا۔ فنڈ کی ٹی-بلز میں شمولیت 45.2% سے کچھ کم ہو کر 43.0% ہو گئی، جبکہ نقد میں شمولیت کو ٹی-بلز کے مقابلے میں بلند شرحوں کے پیش نظر 5% سے بڑھا کر 56.7% کر دیا گیا۔
31 مارچ 2018ء کو فنڈ کے net اثاثہ جات 183.4 ملین روپے تھے، جو 30 جون 2017ء کو 170.05 ملین روپے کے مقابلے میں 7.85% اضافہ ہے۔

31 مارچ 2018ء کو Net اثاثہ جاتی قدر (NAV) فی یونٹ 217.07 روپے تھی، جو 30 جون 2017ء کو 210.20 روپے فی یونٹ ابتدائی NAV کے مقابلے میں 6.87 روپے فی یونٹ اضافہ ہے۔

ایکویٹی فنڈ

زیر جائزہ مدت کے دوران ایکویٹی سب-فنڈ کا 2.03% منفی منافع تھا جبکہ KSE-100 نے 2.16% منفی منافع پوسٹ کیا۔ سب-فنڈ نے ایکویٹی میں اپنی مجموعی شمولیت کو تقریباً 88.9% پر برقرار رکھا۔
31 مارچ 2018ء کو فنڈ کے net اثاثہ جات 824.8 ملین روپے تھے، جو 30 جون 2017ء کو 768.48 ملین روپے کے مقابلے میں 7.33% اضافہ ہے۔

31 مارچ 2018ء کو Net اثاثہ جاتی قدر (NAV) فی یونٹ 553.66 روپے تھی، جو 30 جون 2017ء کو 565.12 روپے فی یونٹ ابتدائی NAV کے مقابلے میں 11.46 روپے فی یونٹ کمی ہے۔

بازار اور معیشت - مستقبل کی صورتحال

روپے کی قدر میں حالیہ 10% کمی کی عکاسی متوقع طور پر خارجی اکاؤنٹ کے بلند ہوتے ہوئے اعداد و شمار میں ہوگی۔ برآمدات کی ترقی کا سفر جاری رہنے کی امید ہے، اور ٹیکسٹائل پنکچ بھی پشت پناہی فراہم کرے گا۔ درآمداتی لاگت میں اضافے کے باعث غیر ضروری درآمدات میں کمی متوقع ہے۔ تجارتی خسارے اور ترسیلات زر کی کمزور کارکردگی کے پیش نظر کرنٹ اکاؤنٹ کا خسارہ متوقع طور پر 16 بلین ڈالر تک پہنچ جائے گا، جس کے نتیجے میں ہمارے تخمینے کے مطابق تقریباً 5 بلین ڈالر کی اضافی سرمایہ کاری کی ضرورت ہوگی۔ اگلا برس کافی بہتر ہو سکتا ہے، بشرطیکہ تیل موجودہ سطحوں کے قریب برقرار رہے، مشینری کی موجودہ درآمدات میں کمی ہو، اور روپے کی قدر میں حالیہ کمی کی عکاسی اگلے سال کے اعداد و شمار میں واضح تر ہو۔

حالیہ اعلان کردہ ٹیکس معاف اسکیم کامیاب ہو سکتی ہے کیونکہ اس کے ساتھ ساتھ غیر اعلانیہ رقم پر قابو پانے کے لیے کچھ مفید اقدامات کیے گئے ہیں۔ اس کے علاوہ عالمی سطح کے اصول و ضوابط کے نتیجے میں ستمبر 2017ء سے رہائشیوں کی معلومات ظاہر کرنے کی اجازت ہوگی اور غیر اعلانیہ اثاثہ جات کو پوشیدہ رکھنا مشکل ہو جائے گا۔ ٹیکس معاف اسکیم تقریباً 4 بلین ڈالر کی مطلوبہ آمد کو بھی یقینی بنا سکتی ہے۔

KSE-100 کی تجارت 10.82x کی فارورڈ P/E پر ہوئی جو اس کے اُبھرتے ہوئے مارکیٹ peer گروپ کے مقابلے میں 19.5% کی بھرپور رعایت ہے۔ مستحکم پیش رفت، جن کا اثر درمیانی مدت تک رہے گا، میں روپے کی قدر میں کمی اور انٹریسٹ کی اونچی شرحیں، اور CPEC اور برآمدات پر منحصر شعبے کے لئے حکومت پاکستان کی مسلسل پشت پناہی (جن کی بدولت برآمدات کی حوصلہ افزائی ہوگی) شامل ہیں۔

آئندہ بجٹ، جس میں بونس حصص پر ٹیکس ختم ہونے اور کیپٹل منافعوں کی rationalization کی متوقع ہے، خوش آئند ثابت ہو سکتا ہے۔ ٹیکس معاف اسکیم کی کامیابی بھی مثبت علامت ہوگی کیونکہ غیر ملکی آمدات سے خارجی خطرات پر قابو پایا جاسکے گا اور اسٹاک مارکیٹ کا لے دھن کی صفائی کے بعد سرمایہ کاری کا اچھا موقع فراہم کرے گی۔

ماہی بازاری کی کارکردگی پر اثر ہوا، جو مالی سال 2018ء کی تیسری سہ ماہی میں بیچ مارک انڈیکس میں 12.5% منافع سے ظاہر ہے۔

کلاں معاشیات کے خطرات کا مارکیٹ پر اثر جاری رہا، اور کرنٹ اکاؤنٹ کے تیزی سے بڑھتے ہوئے خسارے اور پہلے سے زیادہ debt سروسنگ نے اسٹیٹ بینک آف پاکستان کے غیر ملکی زرمبادلہ کے ذخائر پر دباؤ جاری رکھا۔ علاوہ ازیں، 30 مارچ 2018ء کو مانیٹری پالیسی میں سابقہ معیار جاری رکھنے کا اعلان مارکیٹ کی توقعات کے برخلاف تھا۔ تاحال دیگر اہم واقعات میں (۱) سپریم کورٹ کا نواز شریف کو پارٹی سربراہی جاری رکھنے سے نااہل قرار دینے اور 28 جولائی 2017ء سے ان کے تمام سیاسی اقدامات کو بے اثر قرار دینے کا فیصلہ (پانامہ کیس کا فیصلہ)، اور (۲) پاکستان کی FATF کی وائچ لسٹ میں شمولیت شامل ہیں۔

اگرچہ مالی سال 2018ء کے نو ماہ کے اعداد و شمار کے مطابق 124 ملین امریکی ڈالر کی غیر ملکی فروخت ہوئی، لیکن آخری سہ ماہی میں اس رجحان میں تبدیلی آگئی اور 31.2 ملین ڈالر کی خطر خریداری دیکھی گئی۔ مالی سال 2018ء کے نو ماہ میں غیر ملکی فروخت کا اثر زیادہ تر انشورنس کمپنیوں نے قبول کیا (104 ملین امریکی ڈالر)۔ اوسطاً 8.3 بلین روپے مالیت کے 175 ملین حصص کی تجارت ہوئی۔

انڈیکس میں سب سے زیادہ مثبت کردار E&Ps (+26%) اور ریٹائرمنٹ (+15%) نے ادا کیا۔ E&Ps نے تیل کی قیمتوں میں اضافے کی بدولت 37% ترقی کی۔ انڈیکس پر منفی اثرات سیمنٹ کے شعبے (-23%)، گاڑیوں کے شعبے (-16%) اور آئل مارکیٹنگ کمپنیوں (-13%) نے مرتب کئے۔ سیمنٹ کے شعبے کی غیر معیاری کارکردگی کی وجہ سے 7-8 ماہ میں جنوبی خطے میں استعداد میں 4.5 ملین ٹن وسعت کی قیمتوں کے تعین کے نظام میں خدشات ہیں۔ تاہم مارچ کے پورے مہینے کے دوران 50 روپے فی تھیلی قیمت میں بتدریج اضافے اور ترسیلات کی تعداد میں اضافے کے باعث موجودہ سہ ماہی میں اس شعبے نے دوبارہ ترقی کی۔ گاڑیوں کے شعبے نے روپے کی قدر میں کمی اور جاپانی بین میں استحکام کی توقع میں غیر معیاری کارکردگی کا مظاہرہ کیا۔ OMC کے شعبے نے مایوس کن نتائج (انوینٹری کے نقصانات)، فرنیس آئل کی درآمد پر پابندی اور مانگ میں کمی کے رجحان کے باعث مطلوبہ سے کم کارکردگی کا مظاہرہ کیا۔

یہ بات قابل ذکر ہے کہ مالی سال 2018ء کی تیسری سہ ماہی میں کمرشل بینک، کیمیکلز اور کھاد کے شعبے بالترتیب 14.1%، 14.9% اور 11.3% ترقی کر کے مارکیٹ میں صوبہ اول میں رہے۔ بینکوں کی ترقی کا سبب روپے کی قدر میں کمی اور اس کے نتیجے میں شرح میں اضافے کی توقعات کو قرار دیا جاسکتا ہے۔ کیمیکلز کے شعبے نے مستحکم بین الاقوامی منافع کی بدولت ترقی کی۔ کھاد کے شعبے میں دلچسپی میں اضافے کے اسباب کھاد کی بین الاقوامی قیمتوں میں استحکام، انوینٹری کی اطمینان بخش صورتحال اور شاندار فروخت ہیں۔

فنڈ کی کارکردگی

Debt فنڈ

زیر جائزہ مدت کے دوران Debt سب-فنڈ کا ایک سال پر محیط منافع 4.22% منفی منافع تھا۔ فنڈ کی ٹی-بلز میں شمولیت 25.5% سے کچھ کم ہو کر 25.8% ہو گئی، جبکہ ٹرم فنانس سٹریٹجی (TFCs) میں شمولیت 22.5% سے کم ہو کر 21.8% ہو گئی۔ فنڈ کی زیادہ تر سرمایہ کاری نقد میں تھی (48.5%)۔ 31 مارچ 2018ء کو فنڈ کے net اثاثہ جات 538.27 ملین روپے تھے، جو 30 جون 2017ء کو 512.78 ملین روپے کے مقابلے میں 4.97% اضافہ ہے۔

31 مارچ 2018ء کو Net اثاثہ جاتی قدر (NAV) فی یونٹ 237.05 روپے تھی، جو 30 جون 2017ء کو 229.77 روپے فی یونٹ ابتدائی NAV کے مقابلے میں 7.28 روپے فی یونٹ اضافہ ہے۔

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان پینشن فنڈ کی 31 مارچ 2018ء کو ختم ہونے والے نو ماہ کی رپورٹ پیش خدمت ہے۔

بازار اور معیشت کا جائزہ

معیشت اور بازار کا جائزہ

معاشی اعداد و شمار میں مزید اضافہ جاری رہا۔ حقیقی رُخ بدستور ترقی کی جانب اشارہ کر رہا ہے، جبکہ خارجی رُخ پالیسی کے اقدامات مطالبہ کر رہا ہے۔ پالیسی ساز پاکستانی روپے اور امریکی ڈالر کے مابین برابری کو 115 کی جانب لے گئے تاکہ گھٹتے ہوئے ذخائر کے باعث خارجی اکاؤنٹ کی بگڑتی ہوئی حالت پر قابو پایا جاسکے۔ مارچ کے اختتام پر حکومت نے غیر اعلانیہ ملکی وغیرہ ملکی اثاثہ جات کے لئے ٹیکس میں رعایت کی پالیسی کا اعلان کیا اور ٹیکس کی شرحوں کو 2% سے 5% کے درمیان لے آئی۔

حقیقی ترقی مستحکم رہی جس کی عکاسی بڑے پیمانے کی مینوفیکچرنگ (LSM) میں مالی سال 2018ء کے پہلے آٹھ ماہ میں 6.24% YoY ترقی سے ہوئی، اور اس کی پشت پناہی پٹرولیم مصنوعات، اسٹیل اور اشیائے خورد و نوش کے شعبے میں مستحکم ترقی نے کی۔ کپاس، گندم اور چینی کی بہتر ابتدائی فصل بشمول مضبوط LSM ترقی کی بدولت 6% ترقی کا ہدف متوقع طور پر قابل حصول ہے۔

موجودہ مالی سال کی پہلی ششماہی میں ٹیکس کے بھرپور حصول کے باوجود مالی خسارہ مجموعی ملکی پیداوار (GDP) کا 2.2% تھا۔ ٹیکس کے اداروں نے دوران مدت 2.0 ٹریلین روپے ٹیکس جمع کیا جو سال گزشتہ کی اسی مدت کے مقابلے میں 17.6% زیادہ ہے۔

مالی سال 2018ء کے نو ماہ کے لئے CPI کا اوسط YoY 3.78% کے درمیانے درجے پر تھا جس کی پشت پناہی اشیائے خورد و نوش کی مستحکم قیمتوں، محدود رہائشی کرائے اور پہلے سے زیادہ base effect سے ہوئی۔ تاہم تیل کی بڑھتی ہوئی قیمتیں اور روپے کی گھٹتی ہوئی قدر دباؤ میں مزید اضافے کی طرف اشارہ کر رہی ہیں۔

خارجی رُخ پر تجارتی خسارے میں تشویشناک سطح تک اضافہ ہو گیا۔ کرنٹ اکاؤنٹ کا خسارہ (CAD) برائے نو ماہ 10.8 بلین ڈالر تھا (YoY 50% اضافہ)۔ مالی سال کے پہلے نو ماہ میں تجارتی خسارہ 19.7 ڈالر تک پہنچ گیا، جو YoY 22% اضافہ ہے۔ سال کے نصف اوّل کے دوران درآمدات میں 17% اضافہ ہوا جس کے اسباب پٹرولیم کی درآمدات اور وسعت پذیر اقتصادی اور مالیاتی پالیسی ہیں۔ دوسری جانب برآمدات کے فروغ کے لئے حکومت کے متعارف کردہ ٹیکسٹائل پیکیج کے اثرات نے کچھ رفتار پکڑی اور مالی سال کے پہلے نو ماہ کے دوران ٹیکسٹائل کی برآمدات میں 8% اضافہ ہوا، لیکن یہ اضافہ بڑھتی ہوئی برآمدات سے پیدا ہونے والی خلیج کوہ کرنے کے لئے ناکافی تھا۔ نتیجتاً، غیر ملکی زرمبادلہ کے ذخائر میں 3.6 بلین ڈالر کمی ہوئی، اگرچہ بین الاقوامی بانڈ مارکیٹ میں 2.5 بلین ڈالر مالیت کے بانڈز کا اجراء ہوا۔ علاوہ ازیں، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں 10% کمی ہوئی جس سے وسعت پذیر خارجی اکاؤنٹ پر حکومتی توجہ کی ضرورت کی عکاسی ہوتی ہے۔

روپے کی قدر میں حالیہ کمی کے بعد افراط زر میں تمام tenors کے مقابلے میں اضافے کی توقعات بازار کے لئے اشارہ تھا۔ سہ ماہی ٹریڈری بلز کو سب سے زیادہ ترجیح حاصل رہی، جبکہ طویل المیعاد پاکستان انویسٹمنٹ بانڈز (PIBs) سب سے کم مقبول رہے کیونکہ ان کو مالیاتی اداروں اور auctions میں بیٹیکوں سے بہت محدود پذیرائی حاصل ہوئی۔

ایکویٹی مارکیٹ کا جائزہ

مالی سال 2018ء کے نو ماہ میں بیچ مارک انڈیکس کا مجموعی منافع 2.16% تھا بالقابل SPLY 27.45%۔ تاہم روپے کی قدر میں متوقع کمی نے مارکیٹ میں سرمایہ کاروں کی محدود دلچسپی میں اضافہ کر دیا۔ علاوہ ازیں، وسیع رُخ میں متعدد پیش رفت اور سیاسی رُخ میں سبجٹ کم ہلچل (سینیٹ انتخابات منعقدہ 3 مارچ 2018ء) کا دوران سہ

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

March 31, 2018 (Un-Audited)						June 30, 2017 (Audited)
		Equity sub fund	Debt sub fund	Money market sub fund	Total	
Note		----- (Rupees) -----				
Assets						
Balances with banks	5	72,661,404	263,482,344	105,123,410	441,267,158	57,741,805
Investments	6	744,404,288	277,662,531	79,722,474	1,101,789,293	1,396,485,955
Dividend receivable		9,038,957	-	-	9,038,957	2,928,529
Profit receivable		165,678	1,750,878	364,859	2,281,415	5,233,972
Receivable against sale of investment		8,180,666	-	-	8,180,666	-
Advances, deposits and other receivables	7	3,000,055	518,344	120,673	3,639,072	3,934,245
Total assets		837,451,048	543,414,097	185,331,416	1,566,196,561	1,466,324,506
Liabilities						
Payable to Pension Fund Manager	8	1,131,457	773,908	262,068	2,167,433	2,015,281
Payable to Central Depository Company of Pakistan Limited - Trustee		100,627	68,895	23,309	192,831	180,913
Annual fee payable to the Securities and Exchange Commission of Pakistan		178,739	132,565	44,232	355,536	439,928
Payable against purchase of equity securities		4,033,915	-	-	4,033,915	-
Accrued expenses and other liabilities	9	7,182,867	4,163,242	1,632,521	12,978,630	12,381,080
Total liabilities		12,627,605	5,138,610	1,962,130	19,728,345	15,017,202
Net assets		824,823,443	538,275,487	183,369,286	1,546,468,216	1,451,307,304
Participants' sub funds (as per condensed interim Statement of Movement in Participants' sub funds)						
		<u>824,823,443</u>	<u>538,275,487</u>	<u>183,369,286</u>		
----- Number of units -----						
Number of units in issue		<u>1,489,760</u>	<u>2,270,750</u>	<u>844,740</u>		
----- (Rupees) -----						
Net assets value per unit		<u>553.66</u>	<u>237.05</u>	<u>217.07</u>		
Contingencies and commitments						

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

Nine Months ended March 31, 2018						Nine Months ended March 31, 2017
	Equity sub fund	Debt sub fund	Money market sub fund	Total		
Note	(Rupees)					
Income						
Net capital (loss) / gain on sale of investments	(31,230,454)	(154,892)	28,824	(31,356,522)	116,320,903	
Dividend income on shares	25,793,049	-	-	25,793,049	23,302,060	
Income from Government Securities	-	7,020,978	2,821,765	9,842,743	28,604,829	
Income from Term Finance Certificates	-	5,581,416	-	5,581,416	522,957	
Income on Commercial Papers	-	183,261	-	183,261	-	
Profit on bank and other deposits	1,468,390	13,156,163	5,555,962	20,180,515	6,590,991	
Income on NCCPI Deposit Against Exposure Deposit	-	2,640	-	2,640	-	
Unrealised gain / (loss) on revaluation of investments - at fair value through profit or loss - held-for-trading - net	47,222,383	(698,413)	712	46,524,682	709,631	
Total income	43,253,368	25,091,153	8,407,263	76,751,784	176,051,371	
Expenses						
Remuneration of Pension Fund Manager	8,050,964	5,971,393	1,992,311	16,014,668	14,403,119	
Sales tax and Federal Excise Duty on remuneration of Pension Fund Manager	1,046,625	776,281	259,000	2,081,906	1,872,385	
Remuneration of Central Depository Company Limited - Trustee	725,361	538,259	179,580	1,443,200	1,336,030	
Sales tax on remuneration of trustee	94,292	69,973	23,343	187,608	173,185	
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	178,739	132,564	44,232	355,535	319,046	
Auditors' remuneration	158,108	115,387	36,329	309,824	335,396	
Custody and settlement charges	351,151	260,564	-	611,715	489,401	
Securities transaction cost	1,666,578	33,031	7,988	1,707,597	2,228,976	
Legal and professional charges	-	-	-	-	56,667	
Impairment loss on available-for-sale investment	6,604,305	-	-	6,604,305	9,434	
Provision for Sindh Workers' Welfare Fund	454,942	346,076	120,354	921,372	(343,910)	
Bank charges	18,926	57,384	39,074	115,384	138,435	
Total expenses	19,349,991	8,300,912	2,702,211	30,353,114	21,018,164	
Net income from operating activities	23,903,377	16,790,241	5,705,052	46,398,670	155,033,207	
Element of (loss) / gain and capital (losses) / gain included in the prices of units sold less those in units redeemed - net	(1,611,227)	167,477	192,279	(1,251,471)	9,428,789	
Net income for the period before taxation	22,292,150	16,957,718	5,897,331	45,147,199	164,461,996	
Taxation	-	-	-	-	-	
Net income for the period after taxation	22,292,150	16,957,718	5,897,331	45,147,199	164,461,996	
Earnings per unit						

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2018

	Quarter ended March 31, 2018				Quarter ended March 31, 2017
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
Note	(Rupees)				
Income					
Net capital gain / (loss) on sale of investments	8,604,253	(22,110)	30	8,582,173	47,600,591
Dividend income on shares classified as	9,734,764	-	-	-	8,164,708
Income from Government Securities	-	2,403,390	1,023,839	-	5,158,814
Income from Term Finance Certificates and Sukuk Bonds	-	2,116,681	-	-	420,300
Income on Commercial Papers	-	177,349	-	177,349	-
Profit on bank and other deposits	491,321	4,086,370	1,807,249	6,384,940	5,026,558
Income on NCCPI Deposit Against Exposure Deposit	-	2,640	-	2,640	-
Unrealised gain / (loss) on revaluation of investments at fair value through profit or loss - held-for-trading - net	80,455,804	(430,363)	(1,431)	80,024,010	(19,946,952)
Total income	99,286,142	8,333,957	2,829,687	95,171,112	46,424,019
Expenses					
Remuneration of Pension Fund Manager	2,786,233	1,996,279	667,934	5,450,446	5,201,190
Sindh sales tax and Federal Excise Duty on remuneration of Pension Fund Manager	362,210	259,516	86,831	708,557	676,154
Remuneration of Central Depository Company Limited - Trustee	248,865	178,033	59,653	486,551	470,524
Sales tax on remuneration of trustee	32,344	23,174	7,760	63,278	60,674
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	61,861	44,324	14,824	121,009	115,462
Auditors' remuneration	53,527	38,464	12,865	104,856	110,160
Custody and settlement charges	127,624	91,713	-	219,337	320,906
Securities transaction cost	602,154	8,016	-	610,170	1,091,875
Legal and professional charges	-	-	-	-	(43,364)
Impairment loss on available-for-sale investment	-	-	-	-	9,434
Provision for Sindh Workers' Welfare Fund	454,942	111,869	41,057	607,868	(1,973,283)
Bank charges	7,014	19,845	9,697	36,556	59,439
Total expenses	4,736,774	2,771,233	900,621	8,408,628	6,099,171
Net income from operating activities	94,549,368	5,562,724	1,929,066	86,762,484	40,324,848
Element of (loss) / gain and capital (losses) / gain included in the prices of units sold less those in units redeemed - net	(1,125,668)	(80,889)	82,729	(1,123,828)	8,182,166
Net income for the period before taxation	93,423,700	5,481,835	2,011,795	85,638,656	48,507,014
Taxation	-	-	-	-	-
Net income for the period after taxation	93,423,700	5,481,835	2,011,795	85,638,656	48,507,014
Earnings per unit					

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

Nine Months ended March 31, 2018					
Note	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund (Rupees)	Total	Nine Months ended march 31, 2017
Net income for the period	22,292,150	16,957,718	5,897,331	45,147,199	164,461,996
Other comprehensive income					
Items to be reclassified to profit or loss in subsequent period					
Net unrealised (loss) / gain on revaluation of available-for-sale investments	(35,215,850)	(243,813)	-	(35,459,663)	62,694,626
Total comprehensive (loss) / income for the period	<u>(12,923,700)</u>	<u>16,713,905</u>	<u>5,897,331</u>	<u>9,687,536</u>	<u>227,156,622</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2018**

	Quarter ended March 31, 2018				Quarter ended March 31, 2017
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees)				
Net income for the period	93,423,700	5,481,835	2,011,795	100,917,330	48,507,014
Other comprehensive income / (loss)					
Items to be reclassified to profit or loss in subsequent periods					
Net unrealized gain / (loss) on revaluation of available-for-sale investments	11,431,036	(107,499)	-	11,323,537	(20,819,736)
Total comprehensive income for the period	104,854,736	5,374,336	2,011,795	112,240,867	27,687,278

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

Nine Months ended March 31, 2018					
Note	Equity sub fund	Debt sub fund	Money market sub fund	Total	Nine Months ended March 31, 2017
----- (Rupees) -----					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income before taxation	22,292,150	16,957,718	5,897,331	45,147,199	164,461,996
Adjustments for non cash charges and other items:					
Capital loss / (gain) on sale of investments	31,230,454	154,892	(28,824)	31,356,522	(116,320,903)
Unrealised loss / (gain) on revaluation of investments - at fair value through profit or loss - held-for-trading - net	(47,222,383)	698,413	(712)	(46,524,682)	(709,631)
Impairment loss on investments classified as available-for-sale	6,604,305	-	-	6,604,305	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those redeemed:	1,611,227	(167,477)	(192,279)	1,251,471	(9,428,789)
	(7,776,397)	685,828	(221,815)	(7,312,384)	(126,459,323)
(Increase) / decrease in assets					
Investments	(30,584,794)	117,210,293	23,001,068	109,626,567	154,516,499
Dividend receivable	(6,110,428)	-	-	(6,110,428)	(3,800,993)
Profit receivable	(26,052)	2,912,188	60,045	2,946,181	16,587,661
Receivable against sale of Units	-	-	-	-	(4,587,596)
Receivable against sale of investment	-	-	-	-	7,743,776
Advance, deposits and other receivables	(32,300)	329,603	(2,130)	295,173	(645,244)
	(36,753,574)	120,452,084	23,058,983	106,757,493	169,814,103
(Decrease) / increase in liabilities					
Payable to Pension Fund Manager	48,822	73,252	30,078	152,152	514,772
Payable to the Trustee	3,437	5,985	2,496	11,918	35,626
Annual fee - Securities and Exchange Commission of Pakistan	(55,694)	(18,720)	(9,978)	(84,392)	(3,987)
Payable against purchase of equity securities	4,033,915	-	-	4,033,915	-
Payable against redemption of units	-	-	22,098	22,098	22,098
Accrued and other liabilities	125,275	352,327	97,851	575,453	(613,327)
	4,155,755	412,844	142,545	4,711,144	(44,818)
Cash generated / (used in) from operating activities	(18,082,066)	138,508,474	28,877,044	149,303,452	207,771,958
CASH FLOW FROM FINANCING ACTIVITIES					
Receipt of contribution	101,093,274	58,121,443	20,076,666	179,291,383	274,901,396
Payment against withdrawal	(33,438,848)	(49,173,167)	(12,457,463)	(95,069,478)	(195,781,429)
Net cash generated from financing activities	67,654,426	8,948,276	7,619,203	84,221,905	79,119,967
Net increase in cash and cash equivalent during the period	49,572,360	147,456,750	36,496,247	233,525,357	286,891,925
Cash and cash equivalents at beginning of the period	23,089,045	116,025,593	68,627,167	207,741,805	41,952,664
Cash and cash equivalents at end of the period	72,661,404	263,482,344	105,123,410	441,267,158	328,844,589

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	Nine Months ended March 31, 2018				Nine Months ended March 31, 2017
	Equity sub fund	Debt sub fund	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	101,093,274	58,121,443	20,076,666	179,291,383	274,901,396
Amount paid on redemption of units	(33,438,848)	(49,173,167)	(12,457,463)	(95,069,478)	(195,781,429)
	67,654,426	8,948,276	7,619,203	84,221,905	79,119,967
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net					
Amount representing (income) / loss and realised capital (gains) / losses - net	1,611,227	(167,477)	(192,279)	1,251,471	(9,428,790)
Amount representing unrealised (appreciation) / diminution in fair value of investment	56,274,480	4,876,063	3,851,265	65,001,808	(54,503,197)
	57,885,707	4,708,586	3,658,986	66,253,279	(63,931,987)
Net unrealised (loss) / gain during the period in the market value of investments classified as available-for-sale	(35,215,850)	(243,813)	-	(35,459,663)	62,694,627
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - amount representing unrealised appreciation / (diminution) - net	(56,274,480)	(4,876,063)	(3,851,265)	(65,001,808)	54,503,197
Net income after taxation for the period	22,292,150	16,957,718	5,897,331	45,147,199	164,461,996
Net assets at the end of the period	824,823,443	538,275,487	183,369,286	1,546,468,216	1,403,862,713

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Director

**CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

Contributions net of front end fee	Nine Months ended March 31, 2018							Nine Months ended March 31, 2017
	Equity sub fund		Debt sub fund		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	1,107,014,913
Individuals -								
- issue/conversion in/reallocation of units	194,972	101,093,274	248,742	58,121,443	93,987	20,076,666	179,291,383	274,901,396
- redemption/conversion out/reallocation of units	(65,059)	(33,438,848)	(209,690)	(49,173,167)	(58,230)	(12,457,463)	(95,069,478)	(195,781,429)
	129,913	67,654,426	39,052	8,948,276	35,757	7,619,203	84,221,905	79,119,967
Closing balance	1,489,760	383,067,034	2,270,750	378,473,455	844,740	116,713,157	878,253,646	1,186,134,880

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



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	Nine Months ended March 31, 2018			Nine Months ended March 31, 2017
	Equity sub fund	Debt sub fund	Money market sub fund	
	----- No. of units -----			
Total units outstanding at the beginning of the period	1,359,847	2,231,698	808,983	3,961,044
Add: Units issued during the period	194,972	248,742	93,987	877,436
Less: Units redeemed during the period	(65,059)	(209,690)	(58,230)	(707,182)
Total units in issue at the end of the period	1,489,760	2,270,750	844,740	4,131,298

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



Chief Executive Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** The Pakistan Pension Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as Pension Fund Manager and Muslim Commercial Financial Services (Private) Limited (MCFSL) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 24, 2007 and was executed on June 04, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). Habib Metropolitan Bank Limited (HMBL) was appointed as the new Trustee in place of MCFSL through a revised Trust Deed dated June 16, 2011 which was approved by SECP on July 07, 2011. Central Depository Company of Pakistan Limited was appointed as the new Trustee in place of HMBL through a revised Trust Deed dated July 21, 2014 which was approved by SECP on July 23, 2014.
- 1.2** PPF is an open-end 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 December 28, 2017 to the Management Company.
- 1.5** Title to the assets of the fund is held in the name of Central Depository Company Limited as trustee of the fund.

2. BASIS OF PREPARATION

- 2.1** These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', the Trust Deed, the VPS Rules and the directives issued by SECP. Wherever, the requirements of the Trust Deed, the VPS Rules or the said directives differ with the requirements of IFRS, the requirements of the Trust Deed, the VPS Rules or the said directives take precedence.
- 2.2** These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017.
- 2.3** The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2018 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 31 March 2017.
- 2.4** 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies, basis of accounting estimates applied and methods of computation adopted in the preparation of the condensed interim financial statement are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017, except as described in notes 3.1:

4. FINANCIAL RISK MANAGEMENT

The Fund's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2017.

5. BALANCES WITH BANKS

Savings accounts with banks carry interest at the rate ranging from 3.75% to 6.9% per annum (June 30, 2017: 3.75 to 6.35% per annum).

6. INVESTMENTS

As at March 31, 2018 (Un-audited)					
	Equity	Debt	Money		As at June
	Sub-Fund	Sub-Fund	Market	Total	30, 2017
Note	(Rupees)				(Audited)

At fair value through profit or loss - held for trading

Listed equity securities	6.1	586,517,802	-	-	586,517,802	475,435,380
Government Securities	6.2	-	139,042,686	79,722,474	218,765,160	260,123,307
Term Finance Certificates	6.3	-	118,283,604	-	118,283,604	73,728,669
		586,517,802	257,326,290	79,722,474	923,566,566	809,287,356

Available for sale

Listed equity securities	6.4	157,886,486	-	-	157,886,486	272,393,007
Government Securities	6.5	-	10,511,619	-	10,511,619	53,970,527
Term Finance Certificates	6.6	-	-	-	-	835,065
		157,886,486	10,511,619	-	168,398,105	327,198,599

Loans and receivables

Term Deposit Receipts	6.7	-	-	-	-	260,000,000
Commercial Paper	6.8	-	9,824,622	-	9,824,622	-
		-	9,824,622	-	9,824,622	260,000,000
		744,404,288	277,662,531	79,722,474	1,101,789,293	1,396,485,955

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

6.1 Listed Equity Securities - at fair value through profit or loss

Name of the Investee Company	Number of shares				Balance as at March 31, 2018			Market value as a % of net assets of the sub-fund	Market value as a % of the capital of the investee company
	As at July 01, 2017	Purchases during the year	Bonus / Right issue during the year	Sales during the year	As at March 31, 2018	Carrying Value	Market value		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise									
Automobile Assembler									
Atlas Honda Limited	11,500	-	-	-	11,500	6,946,345	6,037,500	0.01	0.01
Ghandhara Industries Limited	13,000	900	-	13,900	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	15,000	8,000	-	20,300	2,700	2,147,715	1,288,764	0.00	0.00
Indus Motor Company Limited	9,080	-	-	3,000	6,080	10,905,088	10,592,880	0.01	0.01
Pak Suzuki Motor Company Limited	21,000	-	-	21,000	-	-	-	-	-
Automobile Parts & Accessories									
Agriaautos Industries Limited	-	12,000	-	-	12,000	3,754,600	3,780,000	0.00	0.04
General Tyre & Rubber Company Limited	22,400	-	-	-	22,400	6,798,400	4,293,408	0.01	0.04
Cable & Electrical Goods									
Pak Elektron Limited	139,000	70,000	-	209,000	-	-	-	-	-
Cement									
Cherat Cement Company Limited	113,500	32,500	-	113,500	32,500	4,257,500	4,169,750	0.01	0.02
Fauji Cement Company Limited	289,000	575,000	-	436,500	427,500	11,096,489	12,504,375	0.02	0.03
Kohat Cement Limited	61,500	50,000	-	14,800	96,700	18,276,987	15,519,383	0.02	0.06
Lucky Cement Limited	54,500	74,000	-	81,000	47,500	30,373,766	32,756,950	0.04	0.01
Maple Leaf Cement Factory Limited	142,000	405,000	-	347,000	200,000	14,024,740	14,166,000	0.02	0.03
Pioneer Cement Limited	117,000	11,000	-	117,000	11,000	739,500	770,440	0.00	0.00
Chemicals									
Dynea Pakistan Limited	7,000	-	-	-	7,000	703,920	1,303,190	0.00	0.04
Engro Polymer and Chemicals Limited	-	242,500	-	-	242,500	6,844,951	8,645,125	0.01	0.04
Commercial Banks									
Allied Bank Limited	4,400	150,000	-	-	154,400	13,112,791	15,203,768	0.02	0.01
Askari Bank Limited	-	350,000	-	-	350,000	7,382,970	8,022,000	0.01	0.03
Bank Al-Falah Limited	380,000	417,500	-	-	797,500	32,675,409	42,131,925	0.05	0.05
Bank Al-Habib Limited	150,000	330,000	-	-	480,000	27,775,344	37,200,000	0.05	0.04
Faysal Bank Limited	-	1,256,000	188,400	80,000	1,364,400	27,528,544	35,992,872	0.04	0.09
Habib Bank Limited	35,800	306,200	-	193,800	148,200	28,151,627	31,440,630	0.04	0.01
Habib Metropolitan Bank Limited	-	175,500	-	-	175,500	6,669,000	7,530,705	0.01	0.02
United Bank Limited	88,000	207,100	-	295,100	-	-	-	-	-
						143,295,685	177,521,900	34,226,215	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

Name of the Investee Company	Number of shares				Balance as at March 31, 2018			Market value as % of net assets of the sub-fund	Market value as % of the paid up capital of the investee company	
	As at July 01, 2017	Purchases during the year	Bonus / Right issue during the year	Sales during the year	As at March 31, 2018	Carrying Value	Market value			Appreciation / (Diminution)
Engineering										
International Industries Limited	30,000	13,200	-	10,000	33,200	11,721,648	9,442,080	(2,279,568)	0.01	0.03
International Steels Limited	52,500	135,000	-	187,500	-	-	-	-	-	-
Fertilizer										
Engro Corporation Limited	120,600	142,000	-	147,900	114,700	31,606,835	35,516,855	3,910,020	0.04	0.02
Engro Fertilizers Limited	-	565,000	-	30,000	535,000	35,762,771	36,963,150	1,200,379	0.04	0.04
Food & Personal Care Products										
Al-Shaheer Corporation Limited	-	300,000	-	-	300,000	7,425,000	9,186,000	1,761,000	0.01	0.21
Fauji Foods Limited	21,500	-	64,500	86,000	-	-	-	-	-	-
Shezan International Limited	16,800	-	-	500	16,300	7,742,500	8,932,400	1,189,900	0.01	0.20
Glass & Ceramics										
Shabbir Tiles and Ceramics Limited	592,000	-	-	592,000	-	-	-	-	-	-
Tariq Glass Industries Limited	-	14,900	-	14,900	-	-	-	-	-	-
Insurance										
Pakistan Reinsurance Company Limited	150,000	-	-	150,000	-	-	-	-	-	-
Leasing Companies										
Orix Leasing Pakistan Limited	238,908	-	-	-	238,908	9,435,313	10,034,136	598,823	0.01	0.17
Leather & Tanneries										
Bata Pakistan Limited	1,340	-	-	-	1,340	4,422,000	3,815,650	(606,350)	0.00	0.02
Service Industries Limited	2,300	4,800	-	400	6,700	6,654,015	5,631,350	(1,022,665)	0.01	0.06
Miscellaneous										
Tri-Pack Films Limited	25,400	-	-	25,400	-	-	-	-	-	-
Oil & Gas Expoloration Companies										
Oil and Gas Development Company Limited	47,500	256,000	-	50,000	253,500	38,273,202	44,129,280	5,856,078	0.05	0.01
Pakistan Oilfields Limited	15,694	33,550	-	19,700	29,544	14,762,487	19,220,145	4,457,658	0.02	0.01
Pakistan Petroleum Limited	125,823	110,000	-	100,000	135,823	21,806,355	28,908,567	7,102,212	0.04	0.01
Oil And Gas Marketing Companies										
Shell Pakistan Limited	13,000	-	-	-	13,000	7,479,810	4,735,120	(2,744,690)	0.01	0.01
Sui Northern Gas Pipelines Limited	-	175,700	-	173,000	2,700	396,202	304,317	(91,885)	0.00	0.00
						7,876,012	5,039,437	(2,836,575)		

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

Name of the Investee Company	Number of shares				Balance as at March 31, 2018			Market value as % of net assets of the sub-fund	Market value as % of the paid up capital of the investee company
	As at July 01, 2017	Purchases during the year	Bonus / Right issue during the year	Sales during the year	As at March 31, 2018	Carrying Value	Market value (Diminution)		
Paper And Board									
Century Paper and Board Mills Limited	113,500	-	-	-	113,500	11,128,675	8,042,610	(3,086,065)	0.01
Cherat Packaging Limited	25,000	-	3,375	-	28,375	6,366,374	4,845,315	(1,521,059)	0.01
						17,495,049	12,887,925	(4,607,124)	
Pharmaceuticals									
AGP Limited	-	225,545		60,000	165,545	13,243,600	15,013,276	1,769,676	0.02
Ibl Healthcare Limited	6,578	-	657	-	7,235	802,516	623,006	(179,510)	0.00
The Searle Company Limited	-	20,000	-	-	20,000	6,640,000	7,032,200	392,200	0.01
						20,686,116	22,668,482	1,982,366	
Power Generation & Distribution									
Hub Power Company Limited	387,995	76,000	-	310,000	153,995	17,375,117	15,476,498	(1,898,619)	0.02
Kot Addu Power Company Limited	31,500	-	-	31,500	-	-	-	-	-
						17,375,117	15,476,498	(1,898,619)	
Refinery									
Attock Refinery Limited	-	23,000	-	-	23,000	6,745,900	5,745,170	(1,000,730)	0.01
Sugar & Allied Industries									
Faran Sugar Mills Limited	38,000	-	-	-	38,000	3,049,880	3,477,000	427,120	0.00
Technology & Communications									
Hum Network Limited	-	775,000	-	-	775,000	6,587,500	7,362,500	775,000	0.01
Systems Limited	-	59,500	-	-	59,500	5,558,252	5,748,890	190,638	0.01
						12,145,752	13,111,390	965,638	
Textile Composite									
Kohinoor Textile Mills Limited	-	40,000	2,400	-	42,400	4,143,998	2,982,840	(1,161,158)	0.00
As at March 31, 2018 (Un-audited)									
						539,295,636	586,517,802	47,222,384	
As at June 30, 2017 (Audited)									
						486,913,140	475,435,380	(11,477,760)	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

6.2 Government Securities - at fair value through profit or loss

Name of investment	Face value					Balance as at March 31, 2018		Market value as % of net assets of sub funds
	As at July 01, 2017	Purchases during the year	Sales / matured during the year	As at March 31, 2018	Carrying Value	Market value	Appreciation / (Diminution)	
(Rupees)								
Pakistan Investment Bonds								
<u>PPF Debt Sub-Fund</u>								
Pakistan investment bonds (10 years)	-	400000	-	400,000	459,688	451,249	(8,439)	-
Pakistan investment bonds (3 years)	4,000,000	-	4,000,000	-	-	-	-	-
				400,000	459,688	451,249	(8,439)	
Treasury Bills								
<u>PPF Debt Sub-Fund</u>								
Treasury Bills (3 months)	135,000,000	712,000,000	752,000,000	95,000,000	94,555,079	94,550,105	(4,974)	0.18
Treasury Bills (6 months)	25,000,000	-	25,000,000	-	-	-	-	-
Treasury Bills (12 months)	19,400,000	50,000,000	24,400,000	45,000,000	44,136,297	44,041,815	(94,482)	0.08
	179,400,000	762,000,000	801,400,000	140,000,000	138,691,376	138,591,437	(99,456)	
<u>PPF Money Market Sub-Fund</u>								
Treasury Bills (3 months)	78,000,000	570,000,000	568,000,000	80,000,000	79,724,299	79,722,575	(1,724)	0.43
Treasury Bills (6 months)	-	270,000,000	270,000,000	-	-	-	-	-
Treasury Bills (12 months)	-	2,000,000	2,000,000	-	-	-	-	-
	78,000,000	842,000,000	840,000,000	80,000,000	79,724,299	79,722,474	(1,724)	
	183,400,000	764,000,000	807,400,000	220,400,000	218,875,363	218,765,160	(109,619)	
Name of investment								
As at March 31, 2018 (Un-audited)								
As at June 30, 2017 (Audited)	192,020,000	2,327,210,000	2,257,830,000	261,400,000	260,135,718	260,123,307	(12,411)	

6.3 Term Finance Certificate - at fair value through profit or loss

Name of investment	Face value			Balance as at March 31, 2018			Market value as % of net assets of sub funds		
	As at July 01, 2017	Purchases during the year	Sales / matured during the year	As at March 31, 2018	Carrying Value	Market value / Appreciation (Diminution)			
(Rupees)									
Askari Bank Limited	30-Sep-14	15,002,988	9,988,000	11,009	24,979,979	25,293,902	25,079,899	(214,003)	0.05
Aspin Pharma Private Limited	30-Nov-17	-	13,000,000	-	13,000,000	13,000,000	13,091,000	91,000	0.02
Bank Al-Habib Limited	17-Mar-16	27,894,420	-	16,740	27,877,680	28,309,310	27,877,680	(431,630)	0.05
Dawood Hurdles Corporation Limited	16-Nov-17	-	13,000,000	5,800,000	7,200,000	7,200,000	7,236,806	36,806	0.01
Habib Bank Limited	19-Feb-16	24,990,000	-	10,002,000	14,988,000	15,025,470	14,868,096	(157,374)	0.03
Jahangir Siddiqui & Company Limited	18-Jul-17	-	25,000,000	-	25,000,000	25,000,000	25,213,775	213,775	0.05
The Bank Of Punjab	23-Dec-16	5,000,000	-	2,000	4,998,000	5,055,477	4,916,348	(139,129)	0.01
As at March 31, 2018 (Un-audited)		887,408	60,988,000	15,831,749	118,043,659	118,884,159	118,283,604	(600,555)	
As at June 30, 2017 (Audited)		-	72,887,408	-	72,887,408	73,518,530	73,728,669	210,139	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

6.4 Listed Equity Securities - available for sale

Name of the Investee Company	(Number of shares)					Balance as at March 31, 2018			Market value as a % of net assets of the sub-fund	Market value as a % of the paid-up capital of the investee company
	As at July 01, 2017	Purchases during the year	Bonus / Right issue during the year	Sales during the year	As at March 31, 2018	Cost	Market value	Appreciation/ (Diminution)		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Automobile Assembler										
Hinopak Motors Limited	7,060	-	-	1,900	5,160	5,100,315	5,987,200	886,885	0.01	0.04
Automobile Parts & Accessories										
Atlas Battery Limited	12,700	-	-	-	12,700	7,827,570	5,113,655	(2,713,915)	0.01	0.07
Cable & Electrical Goods										
Pak Elektron Limited	88,250	-	-	88,250	-	-	-	-	-	-
Cement										
Cherat Cement Company Limited	50,000	-	-	50,000	-	-	-	-	-	-
Lucky Cement Limited	13,800	-	-	-	13,800	8,219,401	9,516,756	1,297,355	0.01	0.00
Chemicals										
Archroma Pakistan Limited	10,500	-	-	-	10,500	4,779,681	5,785,500	1,005,819	0.01	0.03
Biafo Industries Limited	81	-	-	-	81	14,747	25,593	10,846	0.00	0.00
I.C.I. Pakistan Limited	7,000	-	-	-	7,000	3,016,530	5,959,590	2,943,060	0.01	0.01
						7,810,958	11,770,683	3,959,725		
Commercial Banks										
Habib Bank Limited	28,000	-	-	28,000	-	-	-	-	-	-
Habib Metropolitan Bank Limited	190,000	-	-	-	190,000	5,613,778	8,152,900	2,539,122	0.01	0.02
Meezan Bank Limited	92,000	-	5,520	-	97,520	5,026,473	7,766,493	2,740,020	0.01	0.01
United Bank Limited	80,700	-	-	80,700	-	-	-	-	-	-
						10,640,251	15,919,393	5,279,142		
Engineering										
International Industries Limited	55,000	-	-	25,000	30,000	3,085,860	8,532,000	5,446,140	0.01	0.03
K.S.B.Pumps Company Limited	3,100	-	-	3,100	-	-	-	-	-	-
Fertilizer										
Dawood Hercules Corporation Limited	1,200	-	-	-	1,200	144,261	157,128	12,867	0.00	0.00

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

Name of the Investee Company	(Number of shares)				Balance as at March 31, 2018			Market value as a % of net assets of the sub-fund	Market value as a % of the paid-up capital of the investee company
	As at July 01, 2017	Purchases during the year	Bonus / Right issue during the year	Sales during the year	As at March 31, 2018	Cost	Market value (Rupees)		
Leather & Tanneries									
Service Industries Limited	5,700	-	-	2,500	3,200	3,878,118	2,689,600	0.00	0.03
Miscellaneous									
Shifa International Hospitals Limited	21,603	-	-	-	21,603	5,450,119	6,243,267	0.01	0.04
Oil & Gas Exploration Companies									
Mari Petroleum Company Limited	22,000	-	-	20,380	1,620	1,607,205	2,398,507	0.00	0.00
Oil and Gas Development Company Limited	111,000	-	-	-	111,000	17,528,054	19,322,880	0.02	0.00
Pakistan Oilfields Limited	39,906	-	-	-	39,906	13,980,273	25,961,247	0.03	0.02
						33,115,532	47,682,634		
Paper And Board									
Security Paper Limited	33	-	-	-	33	872	4,039	0.00	0.00
Pharmaceuticals									
Abbot Laboratories (Pakistan) Limited	8,900	-	-	8,900	-	-	-	-	-
IBL Healthcare Limited	828	-	82	-	910	83,606	78,360	0.00	0.00
The Searle Company Limited	168	-	33	-	201	53,356	70,674	0.00	0.00
						136,962	149,034		
Power Generation & Distribution									
Altern Energy Limited	10,500	-	-	-	10,500	404,977	411,600	0.00	0.00
Hub Power Company Limited	49,400	-	-	-	49,400	5,935,968	4,964,700	0.01	0.00
Kot Addu Power Company Limited	59,000	-	-	59,000	-	-	-	-	-
						6,340,945	5,376,300		
Technology & Communications									
Avanceon Limited	368,125	-	-	75,000	293,125	7,620,136	14,879,025	0.02	0.22
Netsol Technologies Limited	4,500	-	-	4,500	-	-	-	-	-
Systems Limited	138,955	-	-	-	138,955	5,345,265	13,425,832	0.02	0.12
						12,965,401	28,304,857		
Textile Composite									
Kohinoor Textile Mills Limited	140,000	-	8,400	-	148,400	12,092,953	10,439,940	0.01	0.05
As at March 31, 2018 (Un-audited)						116,809,518	157,886,486		
As at June 30, 2017 (Audited)						189,495,884	272,393,007		

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

6.5 Government Securities - available for sale

	Face value			As at March 31, 2018			Market value as a % of net assets of the sub-fund
	As at July 01, 2017	Purchases during the year	Sales / maturities during the year	As at March 31, 2018	Cost	Market value (Diminution)	
Pakistan Investment Bonds							
PPF Debt Sub-Fund							%
Pakistan investment bonds (3 years)	950,000	50,000,000	50,950,000	-	-	-	-
Pakistan investment bonds (5 years)	1,260,000	50,900,000	51,000,000	1,160,000	1,190,271	1,181,195	0.00
Pakistan investment bonds (10 years)	45,130,000	100,000,000	141,600,000	3,530,000	3,809,845	3,610,837	0.01
Pakistan investment bonds (15 years)	3,500,000	-	-	3,500,000	3,577,331	3,696,571	0.01
Pakistan investment bonds (20 years)	1,900,000	-	-	1,900,000	1,995,991	2,023,016	0.00
As at March 31, 2018 (Un-audited)	52,740,000	200,900,000	243,550,000	10,090,000	10,573,438	10,511,619	(61,819)
As at June 30, 2017 (Audited)	204,150,000	1,565,340,000	1,716,750,000	52,740,000	53,792,012	53,970,527	178,515

6.6 Term Finance Certificates - available for sale
PPF Debt Sub-Fund

Name of the investee company	Issue date	Number of certificates			Balance as at March 31, 2018			Market value as % of net assets of the sub-fund	Market value as a % 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 March 31, 2018	Cost	Appreciation/ (Diminution)			
Term finance certificates										
Bank Alfalah Limited	9-Dec-09	500	-	500	-	-	-	-	-	-
TFC - IV (Floating)		500	-	500	-	-	-	-	-	-
As at March 31, 2018 (Un-audited)		500	-	-	-	-	-	-	-	-
As at June 30, 2017 (Audited)		500	-	-	500	831,586	835,065	3,479	-	-

6.7 Term Deposit Receipt - loans and receivables
PPF Debt Sub-Fund

Particulars	Profit / mark-up rates	Issue date	Maturity date	Face value	Amortised cost	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
Hascol Petroleum Limited	7.46%	29-Dec-17	29-Jun-18	-	-	-	-
As at March 31, 2018 (Un-audited)		-	-	-	-	-	-
As at June 30, 2017 (Audited)		-	-	260,000,000	260,634,558	0.18	0.19

6.8 Commercial Paper - loans and receivables
PPF Debt Sub-Fund

Particulars	Profit / mark-up rates	Issue date	Maturity date	Face value	Amortised cost	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
Hascol Petroleum Limited	7.46%	29-Dec-17	29-Jun-18	10,000,000	9,824,622	0.02	0.04
As at March 31, 2018 (Un-audited)		-	-	10,000,000	9,824,622	0.02	0.04
As at June 30, 2017 (Audited)		-	-	-	-	-	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

7. ADVANCES, DEPOSITS AND OTHER RECEIVABLES	As at March 31, 2018 (Un-audited)				As at June 30, 2017 (Audited)
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
Receivable against					
-National Clearing Company of Pakistan Limited	2,500,000	199,326	-	2,699,326	2,500,000
- Central Depository Company of Pakistan	200,000	200,000	100,000	500,000	500,000
Advance tax	280,549	102,518	4,173	387,240	257,077
Others	19,506	16,500	16,500	52,506	677,168
	3,000,055	518,344	120,673	3,639,072	3,934,245

8. PAYABLE TO PENSION FUND MANAGER	As at March 31, 2018 (Un-audited)				As at June 30, 2017 (Audited)
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
Remuneration payable to Pension Fund Manager	1,001,290	684,875	231,919	1,918,084	1,783,435
Sindh sales tax payable on remuneration of Pension Fund Manager	130,167	89,033	30,149	249,349	231,846
	1,131,457	773,908	262,068	2,167,433	2,015,281

9. ACCRUED EXPENSES AND OTHER LIABILITIES	As at March 31, 2018 (Un-audited)				As at June 30, 2017 (Audited)
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
Provision for Sindh Workers' Welfare Fund (note 9.1)	4,221,566	1,517,010	393,206	6,131,782	5,210,409
Provision for Federal Excise Duty on remuneration of Pension Fund Manager (note 9.2)	2,420,238	2,404,933	1,151,294	5,976,465	5,976,464
Brokerage	197,334	2,531	318	200,183	529,339
Withholding tax	184,313	120,509	25,984	330,806	340,297
Auditors' remuneration	159,416	117,609	39,622	316,647	301,823
Payable against redemption of units	-	-	22,098	22,098	22,098
Others	-	650	-	650	650
	7,182,867	4,163,242	1,632,521	12,978,630	12,381,080

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

9.1 Provision for Sindh Workers' Welfare Fund

There is no change in the status of the SWWF as reported in the annual financial statements of the Fund for the year ended June 30, 2017. Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2018 would have been higher by Rs. 2.83 per unit for Equity sub fund, Rs. 0.67 per unit for Debt sub fund and Rs. 0.47 per unit for Money Market sub fund per unit (June 30, 2017 Rs. 2.77 per unit for Equity sub fund, Rs. 0.52 per unit for Debt sub fund and Rs. 0.33 per unit for Money Market sub fund)

9.2 Provision for Federal Excise Duty

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2017. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2018 would have been higher by Rs. 1.62 per unit for Equity sub fund, Rs. 1.06 per unit for Debt sub fund and Rs. 1.36 per unit for Money Market sub fund (June 30, 2017: Rs. 2.77 per unit for Equity sub fund, Rs. 0.52 per unit for Debt sub fund and Rs. 0.33 per unit for Money Market sub fund).

10. CONTINGENCIES AND COMMITMENTS

10.1 There were no contingencies and commitments outstanding as at March 31, 2018 (June 30, 2017: Nil).

11. REMUNERATION OF PENSION FUND MANAGER

This represents remuneration of the Pension Fund Manager at the rate of 1.5 percent of the average amount of net assets of each sub-fund calculated during the period for determining the prices of units of the sub-funds.

12. TAXATION

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

13. EARNINGS PER UNIT

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

14. CASH AND CASH EQUIVALENTS

March 31, 2018 (Un-audited)					June 30, 2017 (Audited)
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total		
(Rupees)					
Savings accounts	72,661,404	263,482,344	105,123,410	441,267,158	57,741,805
Term Deposit Receipts (3 months)	-	-	-	-	150,000,000
	72,661,404	263,482,344	105,123,410	441,267,158	207,741,805

15. 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 2005 and the Trust Deed respectively."

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

15.1 Transactions during the period

	Nine Months ended March 31, 2018 (Un-audited)				Nine Months ended March 31, 2017 (Un-audited)
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
MCB Arif Habib Savings and Investments Limited - Pension Fund Manager					
Remuneration including indirect taxes	9,097,589	6,747,674	2,251,311	18,096,574	16,275,504
Central Depository Company of Pakistan Limited - Trustee					
Remuneration (including indirect taxes)	819,653	608,232	202,923	1,630,808	1,509,215
Settlement charges	54,671	5,989	-	60,660	100,382
Group / Associated Companies					
MCB Bank Limited					
Mark-up earned	108,456	5,455	2,020	115,931	23,805
Bank charges	6,530	25	25	6,580	2,632
Arif Habib Limited *					
Brokerage expense	119,597	325	325	120,247	139,860
Next Capital Limited *					
Brokerage expense	121,001	-	1,581	122,582	69,770
Sui Northern Gas Limited					
Dividend	20250	-	-	20,250	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

15.2 Amounts outstanding as at the period end

	As at March 31, 2018 (Un-audited)				June 30, 2017 (Audited)
	Equity sub fund	Debt sub fund	Money market sub fund	Total	
	----- (Rupees) -----				
MCB - Arif Habib Savings and Investments Limited Pension Fund Manager					
Remuneration Payable (including indirect taxes)	1,131,457	773,908	262,068	2,167,433	2,015,281
MCB Bank Limited					
Bank Balance	21,044,533	14,765	12,506	21,071,804	833,009
Profit Receivable	5,536	-	-	5,536	-
Central Depository Company Limited - Trustee					
Remuneration Payable (including indirect taxes)	100,627	68,895	23,309	192,831	180,913
Security deposit	200,000	200,000	100,000	500,000	500,000
Brokerage					
* Arif Habib Limited	6,250	-	-	6,250	2,046
* Next Capital Limited	6,000	-	-	6,000	65,952

15.3 Unit Holders' Fund

For the Nine Months ended March 31, 2018										
As at July 01, 2017	Issued for cash	Bonus	Redeemed	As at March 31, 2018	As at July 01, 2017	Issued for cash	Bonus	Redeemed	As at March 31, 2018	
Units					(Rupees in '000)					
Associated Companies										
MCB Arif Habib Savings and Investment Limited										
- Pakistan Pension Fund - Equity	252,196	-	-	-	252,196	142,521,004	-	-	-	139,630,837
- Pakistan Pension Fund - Debt	253,109	-	-	-	253,109	58,156,855	-	-	-	59,999,488
- Pakistan Pension Fund - Money Market	300,000	-	-	-	300,000	63,060,000	-	-	-	65,121,000
Key management personnel										
- Pakistan Pension Fund - Equity	8,838	679	-	5,953	3,564	4,994,531	350,812	-	3,210,932	1,973,244
- Pakistan Pension Fund - Debt	12,839	244	-	11,101	1,982	2,950,017	56,760	-	2,621,706	469,833
- Pakistan Pension Fund - Money Market	2,856	24	-	2,880	-	600,331	5,040	-	623,152	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

For the Nine Months ended March 31, 2017

As at July 01, 2016	Issued for cash	Bonus	Redeemed	As at March 31, 2017	As at July 01, 2016	Issued for cash	Bonus	Redeemed	As at March 31, 2017
Units					(Rupees in '000)				

Associated Companies

**MCB Arif Habib Savings
and Investment Limited**

- Pakistan Pension Fund - Equity	252,196	-	-	-	252,196	105,014,412	-	-	-	143,600,402
- Pakistan Pension Fund - Debt	253,109	-	-	-	253,109	55,752,293	-	-	-	57,521,551
- Pakistan Pension Fund - Money Market	300,000	-	-	-	300,000	60,462,000	-	-	-	62,412,000

Key management personnel

- Pakistan Pension Fund - Equity	20,199	3,365	-	15,465	8,099	6,761,257	1,779,948	-	7,342,762	4,611,571
- Pakistan Pension Fund - Debt	15,848	4,671	-	9,739	10,780	1,803,630	1,049,503	-	2,168,020	2,449,863
- Pakistan Pension Fund - Money Market	1,628	1,529	-	525	2,632	46,273	328,548	-	106,861	547,561

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 19, 2018 by the Board of Directors of the Pension Fund Manager.

17. GENERAL

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of better presentation.

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



Chief Executive Officer



Director