

**PAKISTAN  
ISLAMIC PENSION FUND**

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## FUND'S INFORMATION

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<b>Pension Fund Manager</b>	Arif Habib Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
<b>Board of Directors of the Pension Fund Manager</b>	Mian Mohammad Mansha Mr. Nasim Beg Mr. Yasir Qadri Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Mahmood Ahmad	Chairman(subject to the approval of SECP) Executive Vice Chairman Chief Executive (subject to the approval of SECP) Director (subject to the approval of SECP) Director (subject to the approval of SECP) Director (subject to the approval of SECP) Director Director (subject to the approval of SECP)
<b>Company Secretary &amp; Chief Financial Officer of the Pension Fund Manager</b>	Mr. Muhammad Saqib Saleem	
<b>Audit Committee</b>	Mr. Nasim Beg Mr. Haroun Rashid Mr. Samad A. Habib Mr. Ali Munir	
<b>Trustee</b>	Habib Metropolitan Bank Limited 8th Floor, HBZ Plaza, I.I. Chundrigar Road, Karachi.	
<b>Bankers</b>	MCB Bank Limited Habib Metropolitan Bank Limited Bank AL Falah Limited Bank AL-Habib Limited United Bank Limited	
<b>Auditors</b>	M. Yousuf Adil Saleem & Co. Chartered Accountants Cavish Court, A-35, Block 7 & 8, KCHSU, Shahrah-e-Faisal, Karachi.	
<b>Legal Advisor</b>	Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
<b>Registrar</b>	Arif Habib Investments Limited 8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi.	
<b>Rating</b>	AM2 (Positive Outlook) Management Quality Rating assigned by PACRA	

# REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

Dear Investor,

On behalf of the Board of Directors, I am pleased to present the financial results of **Pakistan Islamic Pension Fund** for the nine months ended March 31, 2012.

## ECONOMY AND MONEY MARKET OVERVIEW

On the macroeconomic front, inflationary pressures have remained largely on the lower side during the period with YoY CPI inflation averaging 10.8% amid change in CPI methodology as well as high base-effect of last year. External account, however, has started deteriorating significantly with 8M FY12 current account balance posting a sizeable deficit of US\$ 3.0 billion amid higher trade deficit despite record remittances flows. Financial flows have remained weak during the period thereby posing serious risks towards balance of payment position as well as exchange rate. On the fiscal side, the government posted a budget deficit of 2.5% of GDP during 1H FY12 with about 94% funding coming from the domestic sources (including one-off circular debt adjustment, 1H FY12 deficit is around 4.4%). Significant deterioration in key macroeconomic indicators has compelled the SBP to keep its earlier adopted monetary easing stance at a halt during the latter part of the period under review.

In the money market, short term market rates remained on the higher side due to relatively tight liquidity scenario in the system amid continued NFA attrition. Due to sizeable depletion in net foreign assets (NFA) of the banking system, market liquidity remained largely tight almost throughout the period - compelling the SBP to constantly inject significant amount of money in the system through OMOs in order to calm down the market.

## EQUITIES MARKET OVERVIEW

After remained bearish for the first six months of the period under review, bullish trend returned at the local bourses during the 3Q FY12 and pushed the KSE-100 Index by significant 21% during the quarter together with buoyant volumes. The major impetus to market came primarily from Finance minister's acceptance of SECP's proposal on CGT relaxation and tax amnesty scheme that reignited the investors' interest, particularly of retail investors which were largely sidelined after the imposition of CGT. Average volumes during the third quarter also improved significantly to 196 million shares, also largely contributed by mid to small-cap stocks. In addition to the local participation, foreign investors also made a comeback to the local bourse with a net inflow of US\$16.1 million after two consecutive quarters of net outflows. Strong corporate earnings announcement by key listed companies also served to uphold the momentum in the market despite concerns of macroeconomic imbalances.

Sector-wise, Banks, Cement, Oil & Gas and Chemical sectors remained center of major activity although significant interest was also seen in several small-cap stocks.

## FUND PERFORMANCE

### *Debt Sub-fund*

The debt sub-fund generated an annualized return of 10.2% during the period under review. The sub-fund's exposure towards GoP Ijarah Sukuk was marginally increased to around 87.7% while exposure towards corporate Sukuks remained largely unchanged to around 2% at period-end.

### *Money Market Sub-fund*

The money market sub-fund generated an annualized return of 8.4% during the period under review. The asset allocation witnessed significant changes with exposure towards GOP Ijarah Sukuk increased from around 50% to 64% while its exposure towards bank deposits also went up to around 16% by period-end.

### *Equity Sub-fund*

The Equity sub-fund generated a return of 21.3% while the KSE-100 Index increased by 10.1% during the period under review. The overall equities exposure increased from 89% to around 93% at period-end. The sub-fund increased its exposure in Oil & Gas and Construction & Materials sector while exposure towards General Industrial and Chemical sector was significantly reduced.

## **FUTURE OUTLOOK**

Despite relatively lower inflation, fragile external and fiscal accounts would continue to keep a check on the SBP's future monetary direction. We continue to flag realization of foreign flows as the single most important variable especially in the backdrop of sustained oil prices, downward trend in cotton prices and debt repayments including IMF. However, re-emergence of talks over US flows under coalition support fund (CSF) and Kerry-Lugar bill would hold the key for the economic outlook in the near term.

Although the external environment, both political and macroeconomic, may remain challenging, market should continue to find support from the earnings season with a focus on Banking, Oil & Gas and Construction Materials Sectors. However, the market could seek correction/profit taking if there is any further delay on the CGT and amnesty related announcement.

## **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,

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Yasir Qadri  
Chief Executive Officer  
Dated: April 27, 2012

## CONDENSED INTERIM BALANCE SHEET As at March 31, 2012

		-----Unaudited-----				Audited June 30, 2011
		March 31, 2012				
Note	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total		
-----Rupees-----						
<b>ASSETS</b>						
Balances with banks	6	44,006	3,556,311	7,285,740	10,886,057	24,519,836
Investments (as per condensed interim statement of investments by category)		46,406,095	46,592,605	34,245,499	127,244,199	99,869,645
Dividend receivable		970,514	-	-	970,514	202,960
Profit receivable		5,563	1,285,036	586,436	1,877,035	2,466,602
Deposits and other receivables	7	2,753,300	431,163	146,595	3,331,058	2,951,927
<b>TOTAL ASSETS</b>		50,179,478	51,865,115	42,264,270	144,308,863	130,010,970
<b>LIABILITIES</b>						
Payable against redemption of units		-	-	-	-	1,914,352
Payable to Pension Fund Manager		64,828	75,614	59,768	200,210	156,706
Payable to the Trustee		7,927	8,565	6,768	23,260	20,672
Payable to Auditors		95,832	112,735	96,130	304,697	299,936
Annual fee payable to the Securities and Exchange Commission of Pakistan		10,433	12,259	10,109	32,801	39,374
Other liabilities	8	148,279	33,200	32,555	214,034	199,807
<b>TOTAL LIABILITIES</b>		327,299	242,373	205,330	775,002	2,630,847
<b>NET ASSETS</b>		<u>49,852,179</u>	<u>51,622,742</u>	<u>42,058,940</u>	<u>143,533,861</u>	<u>127,380,123</u>
<b>CONTINGENCY</b>						
Participants Sub-Funds (as per condensed interim Statement of movement in Participants' sub-funds)	9	<u>49,852,179</u>	<u>51,622,742</u>	<u>42,058,940</u>		
<b>Number of units in issue</b>		<u>378,199</u>	<u>353,354</u>	<u>315,687</u>		
<b>Net asset value per unit</b>		<u>131.81</u>	<u>146.09</u>	<u>133.23</u>		

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited  
(Pension Fund Manager)

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

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Note	Nine months ended March 31, 2012				Nine Months ended March 31, 2011
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
----- Rupees -----					
<b>INCOME</b>					
Capital gain on sale of investments	2,889,585	56,250	48,000	2,993,835	1,738,899
Dividend income	2,696,511	-	-	2,696,511	1,759,069
Profit on bank deposits	80,214	128,204	475,545	683,963	965,104
Income from Government Ijarah Sukuk	-	4,210,518	2,040,226	6,250,744	4,150,397
Income from Certificates of Investment	-	-	-	-	686,964
Income from Term Deposit Receipts	-	-	610,058	610,058	120,063
Income from Term Finance Certificates - Sukuk	-	60,516	-	60,516	254,720
Impairment loss on listed equity securities classified as "available for sale"	10.1 (371,355)	-	-	(371,355)	(746,802)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	103,405	67,562	17,962	188,929	(2,860)
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss'	138,812	-	27,960	166,772	-
<b>Total Income</b>	<u>5,537,172</u>	<u>4,523,050</u>	<u>3,219,751</u>	<u>13,279,973</u>	<u>8,925,554</u>
<b>EXPENSES</b>					
Remuneration of Pension Fund Manager	464,491	551,669	454,888	1,471,048	1,304,616
Sales tax on remuneration of Pension Fund Manager	11 75,119	88,267	72,782	236,168	-
Remuneration of Trustee	61,881	72,671	59,921	194,473	172,758
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	10,433	12,259	10,109	32,801	28,991
Auditors' remuneration	100,553	118,276	100,930	319,759	286,012
Custody and settlement charges	16,648	5,699	1,000	23,347	17,590
Securities transaction cost	119,376	1,500	2,325	123,201	11,648
Legal and professional charges	16,695	19,641	16,202	52,538	122,551
Bank charges	1,903	1,949	5,196	9,048	4,124
Donation and charity expense	-	-	-	-	366
Amortisation of formation cost	-	-	-	-	30,387
<b>Total Expenses</b>	<u>867,099</u>	<u>871,931</u>	<u>723,353</u>	<u>2,462,383</u>	<u>1,979,043</u>
<b>Net income before taxation</b>	<u>4,670,073</u>	<u>3,651,119</u>	<u>2,496,398</u>	<u>10,817,590</u>	<u>6,946,511</u>
Provision for taxation - current	12 -	-	-	-	62,403
<b>Net income after taxation</b>	<u>4,670,073</u>	<u>3,651,119</u>	<u>2,496,398</u>	<u>10,817,590</u>	<u>6,884,108</u>
<b>Other comprehensive (loss) / income for the period</b>					
Unrealised (loss) / gain on re-valuation of investments classified as 'available for sale' - net	10 3,983,381	37,987	214	4,021,582	5,379,409
<b>Total comprehensive (loss) / income for the period</b>	<u>8,653,454</u>	<u>3,689,106</u>	<u>2,496,612</u>	<u>14,839,172</u>	<u>12,263,517</u>
<b>Earnings per unit</b>	13 <u>12.67</u>	<u>10.53</u>	<u>7.97</u>		

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

**For Arif Habib Investments Limited  
(Pension Fund Manager)**

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

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Note	Quarter ended March 31, 2012				Quarter ended March 31, 2011
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
----- Rupees -----					
<b>INCOME</b>					
Capital gain on sale of investments	2,710,714	-	-	2,710,714	1,156,703
Dividend income	1,144,494	-	-	1,144,494	622,547
Profit on bank deposits	27,502	44,600	93,672	165,774	324,423
Income from Government Ijarah Sukuk	-	1,373,680	799,205	2,172,885	1,434,806
Income from Certificates of Investment	-	-	-	-	277,481
Income from Term Deposit Receipts	-	-	171,078	171,078	-
Income from Term Finance Certificates - Sukuk	-	-	-	-	79,043
Impairment loss on listed equity securities classified as "available for sale"	-	-	-	-	-
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	85,826	97,655	22,326	205,807	123,606
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss'	138,812	-	27,960	166,772	-
<b>Total Income</b>	<b>4,107,348</b>	<b>1,515,935</b>	<b>1,114,241</b>	<b>6,737,524</b>	<b>4,018,609</b>
<b>EXPENSES</b>					
Remuneration of Pension Fund Manager	158,608	187,028	152,621	498,257	447,859
Sales tax on remuneration of Pension Fund Manager	26,178	29,924	24,420	80,522	-
Remuneration of Trustee	21,529	24,611	20,084	66,224	59,194
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	3,636	4,156	3,392	11,184	9,951
Auditors' remuneration	33,387	38,234	31,223	102,844	92,466
Custody and settlement charges	3,152	1,565	-	4,717	5,750
Securities transaction cost	92,515	-	825	93,340	5,269
Donation and charity expense	-	-	-	-	-
Legal and professional charges	5,631	6,449	5,267	17,347	17,260
Bank charges	-	7	942	949	3
<b>Total Expenses</b>	<b>344,636</b>	<b>291,974</b>	<b>238,774</b>	<b>875,384</b>	<b>637,752</b>
<b>Net income before taxation</b>	<b>3,762,712</b>	<b>1,223,961</b>	<b>875,467</b>	<b>5,862,140</b>	<b>3,380,857</b>
Provision for taxation - current	-	-	-	-	21,455
<b>Net income after taxation</b>	<b>3,762,712</b>	<b>1,223,961</b>	<b>875,467</b>	<b>5,862,140</b>	<b>3,359,402</b>
<b>Other comprehensive (loss) / income for the period</b>					
Unrealised (loss) / gain on re-valuation of investments classified as 'available for sale' - net	5,836,927	10,630	-	5,847,557	(15,067)
<b>Total comprehensive (loss) / income for the period</b>	<b>9,599,639</b>	<b>1,234,591</b>	<b>875,467</b>	<b>11,709,697</b>	<b>3,344,335</b>
<b>Earnings per unit</b>	<b>10.13</b>	<b>3.52</b>	<b>2.79</b>		

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited  
(Pension Fund Manager)

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman



# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

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	Nine months ended March 31, 2012				Nine months ended March 31, 2011
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
<b>Rupees</b>					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net income before taxation	4,670,073	3,651,119	2,496,398	10,817,590	6,946,511
<b>Adjustments for non cash items:</b>					
Amortisation of formation cost	-	-	-	-	30,387
Impairment loss on investments classified as 'available-for-sale'	371,355	-	-	371,355	746,802
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss'	(138,812)	-	(27,960)	(166,772)	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(103,405)	(67,562)	(17,962)	(188,929)	2,860
	129,138	(67,562)	(45,922)	15,654	780,049
<b>(Increase) / decrease in assets</b>					
Investments	(6,015,696)	(3,403,534)	(14,138,325)	(23,557,555)	(15,283,985)
Dividend receivable	(767,554)	-	-	(767,554)	(288,605)
Profit receivable	(5,563)	314,036	281,094	589,567	1,022,712
Deposits and other receivables	(2,026,382)	1,046,077	601,174	(379,131)	985,094
	(8,815,195)	(2,043,421)	(13,256,057)	(24,114,673)	(13,564,784)
<b>(Decrease) / Increase in liabilities</b>					
Payable against redemption of units	(643,428)	(821,571)	(449,353)	(1,914,352)	-
Payable to Pension Fund Manager	14,059	18,179	11,266	43,504	21,705
Payable to Trustee	1,230	988	370	2,588	2,776
Payable to Auditors	2,001	2,407	353	4,761	(8,489)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(1,915)	(2,212)	(2,446)	(6,573)	(5,188)
Other liabilities	67,413	(31,301)	(21,885)	14,227	60,238
	(560,640)	(833,510)	(461,695)	(1,855,845)	71,042
Tax paid	-	-	-	-	(62,679)
<b>Cash (used in) / generated from operating activities</b>	(4,576,624)	706,626	(11,267,276)	(15,137,274)	(5,829,861)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Receipt of contribution	3,093,928	3,054,007	722,931	6,870,866	5,304,454
Payment against redemptions	(2,151,002)	(2,505,423)	(710,946)	(5,367,371)	(3,820,725)
<b>Cash (used in) / generated from financing activities</b>	942,926	548,584	11,985	1,503,495	1,483,729
Net (decrease) / increase in cash and cash equivalent	(3,633,698)	1,255,210	(11,255,291)	(13,633,779)	(4,346,132)
Cash and cash equivalent at beginning of the period	3,677,704	2,301,101	18,541,031	24,519,836	20,347,990
Cash and cash equivalent at end of the period	44,006	3,556,311	7,285,740	10,886,057	16,001,858

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

**For Arif Habib Investments Limited  
(Pension Fund Manager)**

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

Page 2 of 2

	Quarter ended March 31, 2012				Quarter ended March 31, 2011
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
Rupees					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net income before taxation	3,762,712	1,223,961	875,467	5,862,140	3,380,857
<b>Adjustments for non cash items:</b>					
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'	(138,812)	-	(27,960)	(166,772)	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(85,826)	(97,655)	(22,326)	(205,807)	(123,606)
	(224,638)	(97,655)	(50,286)	(372,579)	(123,606)
<b>(Increase) / decrease in assets</b>					
Investments	(3,763,961)	-	(4,015,000)	(7,778,962)	(11,259,811)
Dividend receivable	(923,608)	-	-	(923,608)	(374,005)
Profit receivable	43,605	(224,693)	279,993	98,905	1,056,167
Deposits and other receivables	(15,299)	193,372	174,930	353,003	-
	(4,659,263)	(31,321)	(3,560,077)	(8,250,662)	(10,577,649)
<b>(Decrease) / Increase in liabilities</b>					
Payable against redemption of units	(282,850)	(489,070)	(42,533)	(814,452)	-
Payable to Pension Fund Manager	6,159	3,064	(339)	8,884	4,797
Payable to Trustee	1,254	323	(59)	1,518	607
Payable to Auditors	33,389	38,234	31,223	102,846	92,465
Annual fee payable to the Securities and Exchange Commission of Pakistan	3,636	4,156	3,392	11,184	9,952
Other liabilities	(181,206)	(42,354)	3,983	(219,577)	26,920
	(419,618)	(485,647)	(4,333)	(909,597)	134,741
Tax paid	-	-	-	-	(20,495)
<b>Cash (used in) / generated from operating activities</b>	(1,540,807)	609,338	(2,739,229)	(3,670,698)	(7,206,152)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Receipt of contribution	1,754,582	1,828,315	484,143	4,067,040	1,539,567
Payment against redemptions	(218,850)	(149,568)	(10,691)	(379,109)	(863,647)
<b>Cash (used in) / generated from financing activities</b>	1,535,732	1,678,747	473,452	3,687,931	675,920
Net (decrease) / increase in cash and cash equivalent	(5,075)	2,288,085	(2,265,776)	17,234	(6,530,232)
Cash and cash equivalent at beginning of the period	49,081	1,268,226	9,551,516	10,868,823	22,532,091
Cash and cash equivalent at end of the period	44,006	3,556,311	7,285,740	10,886,057	16,001,859

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited  
(Pension Fund Manager)

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

Page 1 of 2

	Nine months ended March 31, 2012				Nine months ended March 31, 2011
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
----- Rupees -----					
Net assets at the beginning of the period	40,359,204	47,452,614	39,568,305	127,380,123	109,801,004
Amount received on issue of units	3,093,928	3,054,007	722,931	6,870,866	5,304,454
Amount paid on redemption of units	(2,151,002)	(2,505,423)	(710,946)	(5,367,371)	(3,820,725)
	942,926	548,584	11,985	1,503,495	1,483,729
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net					
- amount representing (income) / loss and realised (capital gains) / losses -net	(103,405)	(67,562)	(17,962)	(188,929)	2,861
- amount representing unrealised diminution / (appreciation) in fair value of investments	(57,192)	(125,802)	1,717	(181,277)	(37,884)
	(160,597)	(193,364)	(16,245)	(370,206)	(35,023)
Net unrealized gain / (loss) during the period in the market value of investments classified as available-for-sale	3,983,381	37,987	214	4,021,582	5,379,409
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing unrealised (diminution) / appreciation - net	57,192	125,802	(1,717)	181,277	37,884
Net income after taxation for the period	4,670,073	3,651,119	2,496,398	10,817,590	6,884,108
Net assets at the end of the period	<u>49,852,179</u>	<u>51,622,742</u>	<u>42,058,940</u>	<u>143,533,861</u>	<u>123,551,111</u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

**For Arif Habib Investments Limited  
(Pension Fund Manager)**

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012**

Page 2 of 2

	Quarter ended March 31, 2012				Quarter ended March 31, 2011
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
	----- Rupees -----				
Net assets at the beginning of the period	38,802,629	48,807,059	40,732,346	128,342,034	119,654,455
Amount received on issue of units	1,754,586	1,828,315	484,144	4,067,045	1,539,567
Amount paid on redemption of units	(218,850)	(149,568)	(10,691)	(379,109)	(863,647)
	1,535,736	1,678,747	473,453	3,687,936	675,920
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed - net					
- amount representing (income) / loss and realised (capital gains) / losses -net	(85,826)	(97,655)	(22,326)	(205,807)	(123,599)
- amount representing unrealised diminution / (appreciation) in fair value of investments	(139,955)	(417,207)	(91,256)	(648,418)	16,385
	(225,781)	(514,862)	(113,582)	(854,225)	(107,214)
Net unrealized (loss) / gain during the period in the market value of investments classified as available-for-sale	5,836,927	10,630	-	5,847,557	(15,067)
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing unrealised (diminution) / appreciation - net	139,955	417,207	91,256	648,418	(16,385)
Net income after taxation for the period	3,762,712	1,223,961	875,467	5,862,140	3,359,402
Net assets at the end of the period	49,852,178	51,622,742	42,058,940	143,533,861	123,551,111

The annexed notes 1 to 19 form an intergral part of this condensed interim financial information.

**For Arif Habib Investments Limited  
(Pension Fund Manager)**

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

## CONDENSED INTERIM STATEMENT OF INVESTMENTS BY CATEGORY AS AT MARCH 31, 2012

-----Un-Audited-----					Audited June 30, 2011
March 31, 2012					
PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total		
-----Rupees-----					
<b>Available-for-sale investments</b>					
Listed equity securities	35,563,515	-	-	35,563,515	36,639,561
Government Ijarah - Sukuk	-	45,499,004	24,202,539	69,701,543	62,255,076
Sukuk Certificates	-	1,093,601	-	1,093,601	975,008
Investments at market value	<u>35,563,515</u>	<u>46,592,605</u>	<u>24,202,539</u>	<u>106,358,659</u>	<u>99,869,645</u>
<b>Investments classified as 'At fair value through profit or loss '</b>					
Listed equity securities	<u>10,842,581</u>	-	-	<u>10,842,581</u>	-
Investments at market value	<u>10,842,581</u>	-	-	<u>10,842,581</u>	-
<b>Loans and receivables</b>					
Term Deposit Receipts	-	-	7,000,000	7,000,000	-
Investments at amortised cost	-	-	7,000,000	7,000,000	-
	<u>35,563,515</u>	<u>46,592,605</u>	<u>31,202,539</u>	<u>113,358,659</u>	<u>99,869,645</u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited  
(Pension Fund Manager)

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

# CONDENSED INTERIM STATEMENT OF INVESTMENT PORTFOLIO (UN-AUDITED) AS AT MARCH 31, 2012

AVAILABLE FOR SALE INVESTMENT  
PIPF EQUITY SUB- FUND  
LISTED EQUITY SECURITIES

Page 1 of 2

Name of the Investee company	As at July 1, 2011	Purchases during the period	Bonus / Right issue during the period	Sales during the period	As at March 31, 2011	---Balance as at March 31, 2012---			Market value as a % of net assets of the sub fund	% of paid up capital of the investee company
						Cost	Market value	Appreciation / (Diminution)		
(-----Number of shares-----)						-----Rupees-----			%	%
<b>OIL &amp; GAS PRODUCERS</b>										
Attock Petroleum Limited	-	6,658	-	2,000	4,658	1,910,091	2,111,239	201,148	4.23	0.0067
* Oil & Gas Development Company Limited	-	15,100	-	5,600	9,500	1,332,369	1,592,770	260,401	3.19	0.0002
Pakistan Oilfields Limited	11,876	-	-	3,651	8,225	1,970,988	3,004,099	1,033,111	6.03	0.0035
Pakistan Petroleum Limited	16,954	4,690	1,695	-	23,339	3,272,265	4,266,136	993,871	8.56	0.0018
* Pakistan State Oil Company Limited	8,470	1,434	-	5,000	4,904	1,342,111	1,222,665	(119,446)	2.45	0.0029
						<b>9,827,825</b>	<b>12,196,909</b>	<b>2,369,084</b>	<b>24.47</b>	
<b>CHEMICALS</b>										
Fauji Fertilizer Bin Qasim Limited	26,233	15,500	-	41,733	-	-	-	-	-	-
Fauji Fertilizer Company Limited	18,875	43,250	-	62,125	-	-	-	-	-	-
Sitara Chemicals Industries Limited	13,450	-	-	13,450	-	-	-	-	-	-
						-	-	-	-	-
<b>FORESTRY AND PAPER</b>										
Security Paper Limited	-	9,805	-	9,805	-	-	-	-	-	-
						-	-	-	-	-
<b>CONSTRUCTION AND MATERIALS</b>										
Lucky Cement Limited	40,021	21,000	-	12,000	49,021	3,541,470	5,561,432	2,019,963	11.16	0.0152
						<b>3,541,470</b>	<b>5,561,432</b>	<b>2,019,963</b>	<b>11.16</b>	
<b>GENERAL INDUSTRIALS</b>										
Packages Limited	27,130	-	-	27,130	-	-	-	-	-	-
Thal Limited	19,912	-	1,874	10,539	11,247	919,491	974,777	55,286	1.96	0.0305
Tri-pack Films Limited	9,658	7,757	-	-	17,415	2,289,762	3,430,755	1,140,993	6.88	0.0290
						<b>3,209,253</b>	<b>4,405,532</b>	<b>1,196,279</b>	<b>8.84</b>	
<b>AUTOMOBILE AND PARTS</b>										
Agriauto Industries Limited	26,287	-	-	26,287	-	-	-	-	-	-
Pak Suzuki Motor Company Limited	18,664	-	-	18,664	-	-	-	-	-	-
						-	-	-	-	-
<b>PERSONAL GOODS</b>										
Nishat Mills Limited	46,500	-	-	46,500	-	-	-	-	-	-
						-	-	-	-	-
<b>PHARMA AND BIO TECH</b>										
Ferozsons Laboratories Limited	6,608	991	-	-	7,599	655,726	524,103	(131,623)	1.05	0.0264
						<b>655,726</b>	<b>524,103</b>	<b>(131,623)</b>	<b>1.05</b>	
<b>FIXED LINE TELECOMMUNICATION</b>										
* Pakistan Telecommunication Company Limited 'A'	48,800	323,000	-	148,800	223,000	2,456,112	2,745,130	289,018	5.51	0.0059
						<b>2,456,112</b>	<b>2,745,130</b>	<b>289,018</b>	<b>5.51</b>	
<b>ELECTRICITY</b>										
The Hub Power Company Limited	86,004	50,900	-	32,000	104,904	3,840,534	3,947,538	107,004	7.92	0.0091
						<b>3,840,534</b>	<b>3,947,538</b>	<b>107,004</b>	<b>7.92</b>	
<b>BANKS</b>										
Meezan Bank Limited	113,201	100,000	24,275	19,000	218,476	3,310,433	6,182,871	2,872,438	12.40	0.0242
						<b>3,310,433</b>	<b>6,182,871</b>	<b>2,872,438</b>	<b>12.40</b>	
<b>Total for Equity Sub-Fund</b>						<b>26,841,353</b>	<b>35,563,515</b>	<b>8,722,162</b>	<b>71.34</b>	

-----Total-----  
**Un audited**                      **Audited**  
**March 31, 2012**                  **June 30, 2011**  
-----Rupees-----  
35,563,515                      36,639,561

**Market value**

\* The above include shares with a market value aggregating to Rs. 4,070,370 (June 2011: NIL) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

**For Arif Habib Investments Limited  
(Pension Fund Manager)**

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

# CONDENSED INTERIM STATEMENT OF INVESTMENT PORTFOLIO (UN-AUDITED) AS AT MARCH 31, 2012

AT FAIR VALUE THROUGH PROFIT OR LOSS INVESTMENT  
PIPF EQUITY SUB- FUND  
LISTED EQUITY SECURITIES

Page 2 of 2

Name of the Investee company	As at July 1, 2011	Purchases during the period	Bonus / Right issue during the period	Sales during the period	As at March 31, 2012	---Balance as at March 31, 2012---			Market value as a % of net assets of the sub fund	% of paid up capital of the investee company	
						Carrying Value	Market value	Appreciation / (Diminution)			
(-----Number of shares-----)						-----Rupees-----			%	%	
<b>OIL &amp; GAS PRODUCERS</b>											
Attock Petroleum Limited	-	2,700	-	-	2,700	1,214,995	1,223,775	8,780	2.45	0.0039	
Pakistan Oilfields Limited	-	3,900	-	-	3,900	1,480,489	1,424,436	(56,053)	2.86	0.0016	
Pakistan Petroleum Limited	-	3,500	-	1,750	1,750	311,631	319,883	8,251	0.64	0.0001	
Pakistan State Oil Company Limited	-	7,100	-	-	7,100	1,891,050	1,770,172	(120,878)	3.55	0.0041	
						<b>4,898,165</b>	<b>4,738,266</b>	<b>(159,900)</b>	<b>9.50</b>		
<b>CHEMICALS</b>											
Fauji Fertilizer Company Limited	-	39,250	-	39,250	-	-	-	-	-	-	
<b>FORESTRY AND PAPER</b>											
Pakistan Paper Products	-	25,417	-	-	25,417	915,853	940,175	24,321	1.89	0.5083	
						<b>915,853</b>	<b>940,175</b>	<b>24,321</b>	<b>1.89</b>		
<b>AUTOMOBILE AND PARTS</b>											
Exide Pakistan Limited	-	11,500	-	11,500	-	-	-	-	-	-	
<b>INDUSTRIAL ENGINEERING</b>											
Millat Tractors Limited	-	4,500	-	2,000	2,500	1,221,218	1,257,000	35,782	2.52	0.0068	
						<b>1,221,218</b>	<b>1,257,000</b>	<b>35,782</b>	<b>2.52</b>		
<b>FOOD PRODUCTS</b>											
National Foods Limited	-	3,946	-	-	3,946	401,635	411,647	10,011	0.83		
						<b>401,635</b>	<b>411,647</b>	<b>10,011</b>	<b>0.83</b>		
<b>FIXED LINE TELECOMMUNICATION</b>											
Pakistan Telecommunication Company Limited 'A'	-	174,581	-	-	174,581	1,989,149	2,149,092	159,943	4.31	0.0046	
						<b>1,989,149</b>	<b>2,149,092</b>	<b>159,943</b>	<b>4.31</b>		
<b>ELECTRICITY</b>											
The Hub Power Company Limited	-	35,780	-	-	35,780	1,277,747	1,346,401	68,654	2.70	0.0031	
						<b>1,277,747</b>	<b>1,346,401</b>	<b>68,654</b>	<b>2.70</b>		
<b>Total for Equity Sub-Fund</b>					<b>257,674</b>	<b>10,703,768</b>	<b>10,842,581</b>	<b>138,812</b>	<b>21.75</b>		
						-----Total-----					
						Un audited		Audited			
						March 31, 2012		June 30, 2011			
						-----Rupees-----					
						10,842,581			-		

## Market value

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

**For Arif Habib Investments Limited  
(Pension Fund Manager)**

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

# CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED) AS AT MARCH 31, 2012

**AVAILABLE FOR SALE INVESTMENT  
PIPF DEBT SUB- FUND**

Name of Investments	Face value			As at March 31, 2012			Market value as % of net assets of the sub-fund %	
	As at July 1, 2011	Purchases during the period	Sales/ Matured during the period	As at March 31, 2012	Cost	Market value		Appreciation
Government Ijarah Sukuk (3 years)	42,000,000	26,500,000	23,500,000	45,000,000	45,235,325	45,499,004	263,679	88.14
	42,000,000	26,500,000	23,500,000	45,000,000	45,235,325	45,499,004	263,679	88.14

Name of the Investment	Number of certificates						As at March 31, 2012			Market value as % of net assets of the sub-fund %	Market value as % of total Investments %	Percentage in relation to the size of the issue %	
	As at July 1, 2011	Purchases during the period	Sales during the period	As at March 31, 2012	Cost	Market value	Appreciation	Rupees					
								Rupees					
SUKUK CERTIFICATES Pak Electron Limited - SUKUK (28-09-2007)	550	-	-	550	1,011,220	1,093,601	82,381	2.12	2.35	0.08			
					<u>1,011,220</u>	<u>1,093,601</u>	<u>82,381</u>						

Total	Un audited March 31, 2012	Audited June 30, 2011
	45,499,004	42,176,076
	1,093,601	975,008
	<u>46,592,605</u>	<u>43,151,084</u>

Market Value of Government Ijarah Sukuk  
Market Value of Sukuk Certificates

**Total Market Value**

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited  
(Pension Fund Manager)

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman



# CONDENSED INTERIM STATEMENT OF OTHER INVESTMENTS (UN-AUDITED) AS AT MARCH 31, 2012

## AVAILABLE FOR SALE INVESTMENT PIPF MONEY MARKET SUB- FUND

Name of Investment	Face Value			As at March 31, 2012			Market value as % of net assets of the sub-fund
	As at July 1, 2011	Purchases during the period	Sales/ Maturated during the period	As at March 31, 2012	Market value	Appreciation	
<b>GOVERNMENT IJARAH SUKUK</b>							
Government Ijarah Sukuk (3 years)	20,000,000	24,000,000	20,000,000	24,000,000	24,202,539	52,214	57.54%
	<u>20,000,000</u>	<u>24,000,000</u>	<u>20,000,000</u>	<u>24,000,000</u>	<u>24,202,539</u>	<u>52,214</u>	<u>57.54%</u>

-----Rupees-----

## 'LOANS AND RECEIVABLES'

Name of Investment	Profit / markup rate %	Maturity date	Closing balance as at March 31, 2012	Value as a percentage of net assets	Value as a percentage of total investment
Term Deposit Receipt	11.5%	June 29, 2012	7,000,000	16.64%	20.44%

-----Total-----

Un audited      Audited  
March 31, 2012      June 30, 2011

-----Rupees-----

Term Deposit Receipt	7,000,000	-
Market Value of Government Ijarah Sukuk	24,202,539	20,079,000
<b>Total Market Value</b>	<u><b>31,202,539</b></u>	<u><b>20,079,000</b></u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited  
(Pension Fund Manager)

\_\_\_\_\_  
Yasir Qadri  
Chief Executive Officer

\_\_\_\_\_  
Nasim Beg  
Executive Vice Chairman

# CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

Page 1 of 2

Contributions net of front end fee	Nine months ended March 31, 2012						Total	Nine months ended March 31, 2011
	PIPF Equity Sub-Fund		PIPF Debt Sub-Fund		PIPF Money Market Sub-fund			
	Units	Rupees	Units	Rupees	Units	Rupees		
	----- Rupees -----							
Opening balance	370,360	36,446,919	349,777	36,033,759	315,724	31,818,994	104,299,672	104,299,672
Individuals - issue of units	27,369	3,093,928	21,393	3,054,007	5,528	722,748	6,870,683	2,803,826
- redemption of units	(19,530)	(2,151,002)	(17,816)	(2,505,423)	(5,565)	(710,946)	(5,367,371)	(4,988,262)
	7,839	942,926	3,577	548,584	(37)	11,802	1,503,312	(2,184,436)
Closing balance	378,199	37,389,845	353,354	36,582,343	315,687	31,830,796	105,802,984	102,115,236

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

**For Arif Habib Investments Limited  
(Pension Fund Manager)**

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

**CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012**

Page 2 of 2

Contributions net of front end fee	Quarter ended March 31, 2012							Quarter ended March 31, 2011
	PIPF Equity Sub-fund		PIPF Debt Sub-fund		PIPF Money Market Sub-fund		Total	
	Units	Rupees	Units	Rupees	Units	Rupees		
	----- Rupees -----							
Opening balance	365,084	35,854,113	341,690	34,903,596	312,082	31,357,527	102,115,236	103,105,488
Individuals - issue of units	14,951	1,754,582	12,701	1,828,315	3,686	483,960	4,066,857	2,078,707
- redemption of units	(1,836)	(218,850)	(1,037)	(149,568)	(81)	(10,691)	(379,109)	(3,068,959)
	13,115	1,535,732	11,664	1,678,747	3,605	473,269	3,687,748	(990,252)
Closing balance	378,199	37,389,845	353,354	36,582,343	315,687	31,830,796	105,802,984	102,115,236

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited  
(Pension Fund Manager)

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

# CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

Page 1 of 2

	Nine months ended March 31, 2012		
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund
	No of units		
Total units outstanding at the beginning of the period	370,360	349,777	315,724
Add: Units issued during the period	27,369	21,393	5,528
Less: Units redeemed during the period	(19,530)	(17,816)	(5,565)
Total units in issue at the end of the period	378,199	353,354	315,687

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

**For Arif Habib Investments Limited  
(Pension Fund Manager)**

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

# CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

Page 2 of 2

	Quarter ended March 31, 2012		
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund
	----- No of units -----		
Total units outstanding at the beginning of the period	365,084	341,690	312,082
Add: Units issued during the period	14,951	12,701	3,686
Less: Units redeemed during the period	(1,836)	(1,037)	(81)
Total units in issue at the end of the period	378,199	353,354	315,687

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

For Arif Habib Investments Limited  
(Pension Fund Manager)

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

## 1. LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Islamic Pension Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (AHIL) 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 July 24, 2007 and was executed on September 5, 2007 under the Voluntary Pension System Rules, 2005 (VPS Rules). Through a revised Trust Deed dated June 16, 2011, Habib Metropolitan Bank Limited has been appointed as new Trustee in place of MCFSL which was approved by SECP on July 7, 2011. The Fund is an open-ended pension fund consisting of three sub-funds namely PIPF Equity Sub-Fund, PIPF Debt Sub-Fund and PIPF 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.

Based on shareholders' resolutions of MCB Asset Management Company Limited and Arif Habib Investments Limited the two companies have merged as of 27 June 2011 through operation of an order from the SECP issued under Section 282L of the Companies Ordinance 1984 (Order through letter no.SCD/NBFC-II/MCBAMCL & AHIL/271/2011 dated 10 June 2011). Arif Habib Investments Limited being a listed company is the surviving entity and in compliance of SBP's approval, it is a subsidiary of MCB Bank. However subsequent to the completion of the merger, the SECP issued an order postponing the effective date of the merger to 30 July 2011 (through letter no. SCD/PR & DD/AMCW/MCB-AMCL & AHI/348/2011 dated 27 June 2011). Since the merger had already taken place and the subsequent order of the SECP could not be complied with, the Company has sought a ruling by the honorable Sindh High Court (SHC). The honorable Sindh High Court (SHC) has held the SECP's subsequent order in abeyance and instructed SECP to treat the companies as merged pending a final ruling. Irrespective of the final ruling, the Fund's assets and NAV remain unaffected.

The Pension Fund Manager has been licensed to act as a Pension Fund Manager under VPS Rules through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at Techno city Corporate Tower, Hasrat Mohani Road, Karachi, Pakistan.

## 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 This condensed interim financial information comprise of the condensed interim balance sheet as at March 31, 2012 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 thereto for the nine months ended March 31, 2012.

2.3 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, 2011.

## 3. SIGNIFICANT ACCOUNTING POLICIES

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, 2011, except for the change in methodology as stated below:

### 3.1 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

During the period, the Fund has revised the methodology for determination of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed. As per the revised methodology, element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the year is recognised in income statement. Previously, the proportion of opening undistributed income received / paid on issue / redemption of units was being recognised in the income statement.

The revised methodology, in the opinion of the management, would ensure that continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units. The change did not have any impact on the net assets value (NAV) of the Fund.

**4. RISK MANAGEMENT**

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Fund for the year ended June 30, 2011.

**5. STANDARDS AND INTERPRETATIONS ADOPTED WITH NO EFFECT ON THE CONDENSED INTERIM FINANCIAL INFORMATION**

**5.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period:**

The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning July 1, 2011:

IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The adoption of the revised standard did not have any impact on the Fund's condensed interim financial information.

IFRS 7 (amendment) 'Financial instruments: Disclosures'. This amendment was part of the IASB's annual improvement project published in May 2010. The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. Adoption of this amendment did not have any impact on the Fund's condensed interim financial information.

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

**5.2 Standards, interpretations and amendments to published approved accounting standards, as adopted in Pakistan, that are not yet effective:**

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in this condensed interim financial information.

-----Unaudited-----				Audited
As at March 31, 2012				As at June 30, 2011
PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
----- Rupees -----				

**6. BALANCES WITH BANKS**

Current accounts	22,355	-	-	22,355	393,495
Saving accounts	21,651	3,556,311	7,285,740	10,863,702	24,126,341
	44,006	3,556,311	7,285,740	10,886,057	24,519,836

Deposit accounts carry a rate of return ranging from 5% to 8%. (June 2011: 5.4% to 9%) per annum.

**7. DEPOSITS AND OTHER RECEIVABLES**

Security deposits	2,701,000	200,000	100,000	3,001,000	800,000
Other receivable	1,000	1,000	1,000	3,000	3,000
Receivable against issue of units	51,300	230,163	45,595	327,058	2,148,927
	2,753,300	431,163	146,595	3,331,058	2,951,927

**8. OTHER LIABILITIES**

Donation / charity	51,363	-	5,910	57,273	41,372
Professional fee	25,920	30,741	25,871	82,532	140,000
Tax	-	-	-	-	235
Others	70,996	2,459	774	74,229	18,200
	148,279	33,200	32,555	214,034	199,807

**9. CONTINGENCY**

**9.1 Contribution To Workers Welfare Fund**

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequently, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on December 14, 2010 the Ministry filed its response against the Constitutional petition requesting the court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

During the period, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the Honorable High Court of Sindh. However, pending the decision of the said constitutional petition, the Management Company believes that the Fund is not liable to contribute to WWF and hence no provision has been recognised by the Management Company. The aggregate unrecognised amount of WWF as at March 31, 2012 amounted to Rs. 0.618 million (June 2011: Rs. 0.405 million).

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

	-----Unaudited-----				Audited
	As at March 31, 2012				As at June 30, 2011
	PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	
	----- Rupees -----				
Market Value	35,563,515	46,592,605	24,202,539	106,358,659	99,869,645
Average Cost	(26,841,353)	(46,246,545)	(24,150,325)	(97,238,223)	(99,550,446)
	8,722,162	346,060	52,214	9,120,436	319,199
Impairment loss					
Opening	4,941,738	-	-	4,941,738	4,068,199
Charged during the period	371,355	-	-	371,355	1,868,624
Derecognised on sale of investments	(5,151,010)	-	-	(5,151,010)	(995,085)
	162,083	-	-	162,083	4,941,738
Net unrealised diminution in value of investment at the end of the period	8,884,245	346,060	52,214	9,282,519	5,260,937
Net unrealised diminution in value of investment at the beginning of the period	4,900,864	308,073	52,000	5,260,937	1,001,808
	3,983,381	37,987	214	4,021,582	4,259,129

**10.1** As at March 31, 2012, the management carried out a scrip wise analysis of impairment in respect of equity securities classified as 'available-for-sale'.



**11. SALES TAX ON REMUNERATION OF PENSION FUND MANAGER**

During the current period, the provincial government has levied General Sales Tax at the rate of 16% on the remuneration of the Pension Fund Manager through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011.

**12. TAX**

Through Finance Act, 2011, pension funds are included in the list of entities on which provisions of section 113 regarding minimum tax shall not apply, effective from July 01, 2011. Earlier minimum tax @ 1% of turnover was chargeable under section 113 of the Income Tax Ordinance, 2001, although the income of the Fund is exempt from tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

**13. EARNINGS PER UNIT**

Earnings per unit (EPU) for the half year and quarter ended March 31, 2012 in respect of each sub-fund has been calculated by dividing the net income after taxation of a sub-fund by the weighted average number of units of the sub-fund in circulation during the period, which are given below:

	<b>Nine months ended March 31, 2012-(Unaudited)</b>		
	<b>PIPF Equity Sub-Fund</b>	<b>PIPF Debt Sub-Fund</b>	<b>PIPF Money Market Sub-Fund</b>
Weighted average number of units	368,601	346,613	313,317
Net income after taxation (Rupees)	4,670,073	3,651,119	2,496,398
Earnings per unit	12.67	10.53	7.97

	<b>Quarter ended March 31, 2012-(Unaudited)</b>		
	<b>PIPF Equity Sub-Fund</b>	<b>PIPF Debt Sub-Fund</b>	<b>PIPF Money Market Sub-Fund</b>
Weighted average number of units	371,379	347,472	313,947
Net income after taxation (Rupees)	3,762,712	1,223,961	875,467
Earnings per unit	10.13	3.52	2.79

**14. TRANSACTIONS WITH CONNECTED PERSONS**

Connected persons include Arif Habib Investments Limited (AHI) being the Pension Fund Manager and MCB Bank Limited being the holding company of AHI, Habib Metropolitan Bank 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. Up till June 27, 2011 MCB Financial Services Limited was the trustee of the Fund, therefore comparative figures have been shown with respect to the previous trustee

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

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

14.1 Transactions during the period

-----Unaudited-----					
Nine months ended March 31, 2012				Total	Nine months ended March 31, 2011
PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund			

-----Rupees-----

**Arif Habib Investments Limited - Pension Fund Manager**

Remuneration	464,491	551,669	454,888	1,471,048	1,132,124
Sales load	11,256	15,324	5,978	32,558	5,516

**Habib Metropolitan Bank Limited -Trustee**

Remuneration	61,881	72,671	59,921	194,473	-
Profit earned during the period	76,670	110,955	236,862	424,487	-
Investment in Term Deposit Receipt (TDR)	-	-	20,900,000	20,900,000	-
Profit earned on TDR	-	-	610,058	610,058	-

**MCB Bank Limited**

Profit earned during the period	-	-	77,152	77,152	-
Investment in TDR	-	-	7,900,000	7,900,000	-
Profit earned on TDR	-	-	216,654	216,654	-

**MCB Financial Services Limited - Former Trustee**

Trustee Fee	-	-	-	-	150,808
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**Directors and Officers**

Issue of PIPF Equity sub - fund 7,935 units (2011: 2,516 units)	922,214	-	-	922,214	250,496
Issue of PIPF Debt sub - fund 6,608 units (2011: 1,556 units)	-	940,670	-	940,670	200,397
Issue of PIPF Money Market sub - fund 6,024 units (2011: 417 units)	-	-	889,629	889,629	50,099
Redemption of PIPF Equity sub - fund Nil units (2011: Nil units)	-	-	-	-	-
Redemption of PIPF Debt sub - fund Nil units (2011: Nil units)	-	-	-	-	-
Redemption of PIPF Money Market sub - fund Nil units (2011: Nil units)	-	-	-	-	-

-----Unaudited-----					
Quarter ended March 31, 2012				Total	Quarter ended March 31, 2011
PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund			

-----Rupees-----

**Arif Habib Investments Limited - Pension Fund Manager**

Remuneration	158,608	187,028	152,621	498,257	447,859
Sales load	5,496	13,884	3,240	22,620	2,240

**Habib Metropolitan Bank Limited -Trustee**

Remuneration	21,529	24,611	20,084	66,224	-
Profit earned during the period	49,798	79,025	117,539	246,362	-
Investment in Term Deposit Receipt	-	-	13,200,000	13,200,000	-
Profit earned on TDR	-	-	600,535	600,535	-

-----Unaudited-----				
Quarter ended March 31, 2012				Quarter ended March 31, 2011
PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	

-----Rupees-----

**MCB Bank Limited**

Profit earned during the period	-	-	503	503	-
Investment in Term Deposit Receipt	-	-	200,000	200,000	-
Profit earned on TDR	-	-	207,131	207,131	-

**MCB Financial Services Limited - Former Trustee**

Trustee Fee	-	-	-	-	59,194
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**Directors and Officers**

Issue of PIPF Equity sub - fund 6,635 units (2011: 4,123 units)	780,921	-	-	780,921	441,781
Issue of PIPF Debt sub - fund 4,161 units (2011: 6,081 units)	-	600,537	-	600,537	799,957
Issue of PIPF Money Market sub - fund 1,119 units (2011: 3,699 units)	-	-	147,384	147,384	451,595
Redemption of PIPF Equity sub - fund Nil units (2011: 5,383)	-	-	-	-	601,998
Redemption of PIPF Debt sub - fund 2,124 units (2011: 1,594)	-	-	-	-	209,480
Redemption of PIPF Money Market sub - fund 575 units (2011: 217)	-	-	-	-	26,400

**14.2 Amounts outstanding as at the period end**

-----Unaudited-----				
As at March 31, 2012				Audited June 30, 2011
PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	

-----Rupees-----

**Arif Habib Investments Limited - Pension Fund Manager**

Remuneration payable	64,828	75,614	59,768	200,210	156,706
Investment in seed capital 300,000 units (2011: 300,000 units)	39,544,388	43,828,061	39,968,956	123,341,405	110,991,000

**Habib Metropolitan Bank Limited**

Trustee fee payable	7,927	8,565	6,768	23,260	-
Bank balance	44,006	3,546,222	576,497	4,166,725	16,659,285
Profit receivable	5,563	15,837	9,640	31,040	-
Profit receivable on TDR	-	-	4,721	4,721	-

-----Unaudited-----				
Quarter ended March 31, 2012				Year ended June 30, 2011
PIPF Equity Sub-Fund	PIPF Debt Sub-Fund	PIPF Money Market Sub-Fund	Total	

-----Rupees-----

**MCB Bank Limited**

Bank balance	-	-	20,817	20,817	-
Profit receivable	-	-	75,505	75,505	-

**MCB Financial Services Limited - Former Trustee**

Remuneration payable	-	-	-	-	20,672
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**Directors and Officers**

Balance as at March 31, 2012

Investment in PIPF Equity sub - fund 13,699 units (2011: 27,127 units)	1,805,729	-	-	1,805,729	2,740,448
Investment in PIPF Debt sub - fund 8,499 units (2011: 12,033 units)	-	1,241,649	-	1,241,649	2,141,436
Investment in PIPF Money Market sub - fund 2,262 units (2011: 5,089 units)	-	-	301,366	301,366	927,370

**15. ACCOUNTING ESTIMATES AND JUDGEMENTS**

"The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty were consistent as those that applied to financial statements as at and for the year ended June 30, 2011."

**16. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction.

Investments are revalued at the market prices, using the appropriate method, prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not different from carrying value.

**17. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information were authorised for issue on April 27, 2012 by the Board of Directors of the Pension Fund Manager.

**18. SIGNIFICANT EVENTS AFTER THE END OF INTERIM PERIOD**

There is no significant event to report after the end of interim period ended March 31, 2012.

**19. GENERAL**

Figures have been rounded off to the nearest Rupee.

**For Arif Habib Investments Limited  
(Pension Fund Manager)**

Yasir Qadri  
Chief Executive Officer

Nasim Beg  
Executive Vice Chairman



Arif Habib  
Investments Limited  
A subsidiary of  
**MCB Bank Limited**

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