



Bachat ka Doosra Naam

Quarterly Report

March 31, 2013
(Unaudited)



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Vision

To become synonymous with Savings.

Mission

To become a preferred Savings and Investment Manager in the domestic and regional markets, while maximizing stakeholder's value.

Core Values

The Company takes pride in its orientation towards client service. It believes that its key success factors include continuous investment in staff, systems and capacity building, and its insistence on universal best practices at all times.

COMPANY INFORMATION

Board of Directors	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 Officer (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 (subject to the approval of SECP)
Audit Committee	Mr. Haroun Rashid Mr. Nasim Beg Mr. Samad A. Habib	Chairman Member Member
Human Resource & Remuneration Committee	Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Yasir Qadri	Chairman Member Member Member Member
Company Secretary & Chief Operating Officer	Mr. Muhammad Saqib Saleem	
Chief Financial Officer	Mr. Umair Ahmed	
Auditors	A.F. Ferguson & Co., Chartered Accountants (a member firm of PwC network) State Life Building No. 1-C, I.I. Chundrigar Road, Karachi-74000	
Legal Advisor	Akhund Forbes D-21, Block 4, Scheme 5, Clifton Karachi. 75600 Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
Share Registrar	Central Depository Company of Pakistan Limited CDC House, 99-B, Block B, S.M.C.H.S, Main Shahra-e-Faisal Karachi-74400 Pakistan Tel: (021) 111-111-500 Fax: (021) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Summit Bank Limited Bank AL- Habib Limited	
Registered Office	Arif Habib Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi. UAN: (+92-21) 11-11-622-24, Toll Free: 0800-622-24 Fax: (+92-21) 32276898, 32276908 URL: www.mcbah.com, Email: info@mcbah.com	
Ratings (PACRA)	Asset Manager AM2	

DIRECTOR'S REPORT FOR THE NINE MONTHS ENDED MARCH 31, 2013

The board of Directors of Arif Habib Investment Limited (AHI) is pleased to present the affairs of AHI for the nine months period ended March 31, 2013.

Company's Performance Review

The Company recorded a gross income of Rs. 404.18 million, which includes management/investment advisory fee and other operating income. After accounting of administrative, operating & financial expenses and income sharing with distributor of Rs. 235.40 million, the company earned a profit before tax of Rs. 168.79 million. The net profit after tax for the period amounts to Rs. 119.89 million, as compared to net profit of Rs. 102.17 million for the corresponding period ended March 31, 2013. Accordingly, with the increasing trend of funds under management of the company, the company is expected to deliver better results going forward.

MARKET & ECONOMIC REVIEW

Economy & Money Market Review

On the macroeconomic front, Mar'13 YoY CPI inflation of 6.57% was lowest since Aug'07, with 9M FY13 average CPI at 7.98%. CPI inflation may dip further in April and remain in the lower range for the next few months. However, with the base effect neutralizing CPI would start rising again expectedly towards the later part of the year. On the other hand, external current account had witnessed significant pressures during the past few months and changed its course during Feb'13 by posting a CA Deficit of US\$ 596 million - taking the 8M FY13 CAB to a deficit of US\$ 700 million. FX reserves continued to remain under pressure amid weaker financial account flows and heavy debt repayments including that of IMF during Mar'13- touching US\$ 12.37 billion mark, as of Mar'22 2013. On the fiscal front, the government's reliance on domestic sources for fiscal funding has continued with YTD borrowing from banking system stood at an alarming level of PKR 937 billion by Mar'22 2013. With stressing its concerns on the external and fiscal accounts, the State Bank of Pakistan took comfort from declining inflationary trend and lowered its policy discount rate cumulatively by 250 bps to 9.5% during the period under review.

The short term money market rates remained in the higher range during most part of the period owing to relatively tight liquidity position in the system with few exceptions where the market witnessed floors also. SBP continued to inject sizeable amount through Open Market Operations to provide needed liquidity in the market. Given a downward trajectory in YoY CPI inflation coupled with SBP

DIRECTOR'S REPORT FOR THE NINE MONTHS ENDED MARCH 31, 2013

monetary easing stance, the yield curve has adjusted significantly downwards during the period. 1 year PKRV adjusted downwards by 246 bps to 9.51%, while longer tenure 10 year PKRV adjusted downwards by 139 bps to 11.89% during the period under review.

Equities Market Review

Positive start of stock market at the beginning of FY13 proved to be a sustainable bullish trend which is still prevailing in the market on the back of positive sentiments generated by timely dissolution of assembly and smooth transition of power to the interim set up. KSE 100 index made new historical high of 18185.19 and posted an outstanding return of 30.7% during the period. Improvement in market activity was also observed and average daily volume turnover remained around 170m shares. Foreign investment continued to flow in the market at a regular pace and resulted in a net inflow of around \$227.7m during 9 months.

Major interest during the period remained in Construction & Materials, Consumer, Oil and Gas and Electricity Sectors where strong inherent bottom line growth, healthy payouts and favorable projected impact of fall in interest rates thrived investor interest. Highly levered companies were also remained in the limelight during the period amid aggressive policy rate cut of cumulative 250 bps by the SBP during the period. Fertilizer manufactures also came in strong demand on the resolution of gas supply issue in later part of the period. Strong corporate results as well as healthy payouts by key companies served to keep the positive momentum intact in the market despite of major concerns on macroeconomic imbalances.

MARKET & ECONOMY - FUTURE OUTLOOK

Going forward despite continued lower range of CPI inflation, further rate cut seems a distant possibility given deteriorating fiscal and external accounts, significant IMF repayments ahead and alarming monetary growth - while the potential return to the IMF may result in a cycle of monetary tightening by end of 2Q CY13. Government bond market, which remained active for last few months on the back of soft inflation numbers and expected monetary easing, has started to become relatively less active, especially on the longer end, with the anticipation of no rate cut and possible rate hikes in the next 2-4 months. In this backdrop, the activities are expected to be concentrated at short-end Treasury Bills going forward.

On equity front severe pressure on external account, reversal of monetary expansion cycle resulting in interest rate hike and reduction in subsidies going forward would

DIRECTOR'S REPORT FOR THE NINE MONTHS ENDED MARCH 31, 2013

be challenging and high volatility might be observed in the stock market. However in short run attractive valuations, positive earnings outlook of major companies, liquidity inflows on both local and foreign fronts are expected to keep the market get going while positive sentiments generated by smooth transfer of power to the new elected Government is expected to provided the much needed support. Prudence requires us to be cautious and extra vigilant to the unfolding macro situation while keep responding to strong fundamentals based stimuli.

MUTUAL FUND INDUSTRY REVIEW

The Net Assets of the open end mutual fund industry declined by around 11.5% during the period under review and ended the period at a size of around Rs.314 billion. The major reason behind this fall in AUMs was due to sizeable redemptions from one of the largest Government bond funds in the industry, which brought a decline of around 33% in Income funds segment during the period. In addition, money market funds also witnessed a decline of 11.8% during 9 months FY13 followed by Islamic Money Market funds with a 4.5% decline. Islamic Income funds, on the other hand, remained better performers by posting an increase of around 17.8% to close the period at a size of around PKR 36 billion.

Fiscal year 2013 turned out to be relatively better for equity funds so far as they posted a growth of 1% to reach to a size of around Rs. 55 billion. It is however important to highlight that equity funds have not been able to attract fresh investments, rather witnessed redemption pressures, during this period as well and this YTD increase was mainly due to strong stock market performance.

In terms of the segment share, Money Market funds continued to be the growing segment of the industry with a share of around 42%, followed by conventional Income funds 20%, Equity funds 17.6% and Islamic Income funds at 11.5%.

MUTUAL FUND INDUSTRY OUTLOOK

Monetary easing witnessed during the year has reflected in drop in fixed income fund yields particularly money market funds category which has somewhat slowed down investments from investors segment sensitive to absolute return levels. Overall growth however is likely to remain supported by relatively stronger cash flows of corporate sector coupled with relatively stable M2 growth. On the other hand equity fund assets, where equity market return led growth got largely even out by the outflows of few institutions, are now expected to gradually improve as equity markets valuations continue to offer strong potential for long term investors.

DIRECTOR'S REPORT

FOR THE NINE MONTHS ENDED MARCH 31, 2013

Sharia Compliant Funds are also expected to continue the stronger growth where interest of retail investors remains strong particularly in the Islamic Income Funds category.

Voluntary Pension Schemes are still awaiting a kick start (even though they offer enormous tax saving for retail investors) because of lack of awareness, relatively lesser propensity to save for retirement along with reluctance of companies to allow their employees switching to these schemes in place of Provident Fund. However, increased efforts are likely to gradually improve the asset growth in medium term.

Timely and smooth transition from care taker setup to the new government shall be particularly important as the same is immediately followed by the Annual Fiscal Budget which may reflect the priorities and strategy of the new govt. in terms of policies for overall economic management and regulatory framework for industries in general and mutual fund industry in particular.

For and on behalf of the board



Yasir Qadri
Chief Executive
Karachi: April 24, 2013

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2013

		(Unaudited) March 31, 2013	(Audited) June 30, 2012
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	109,335,195	109,030,443
Intangible assets	5	279,446,820	279,241,002
Long-term investments	6	285,528,000	326,549,333
Long-term loans and receivables		5,465,825	6,547,002
Long-term deposits		1,077,472	849,700
Total non-current assets		680,853,312	722,217,480
Current assets			
Loans and advances		1,537,728	1,282,238
Deposits, prepayments and other receivables		6,337,093	10,193,757
Receivable from related parties		93,419,511	120,913,283
Short-term investments	7	525,969,252	467,659,528
Accrued return on bank deposits		156,429	184,225
Taxation - net		61,429,036	75,983,220
Cash and bank balances		5,050,014	11,590,602
Total current assets		693,899,063	687,806,853
Total assets		1,374,752,375	1,410,024,333

EQUITY AND LIABILITIES

Share capital and reserves

Authorised capital			
72,000,000 (June 30, 2012: 72,000,000) ordinary shares of Rs 10 each		720,000,000	720,000,000
Issued, subscribed and paid-up capital			
72,000,000 (June 30, 2012: 72,000,000) ordinary shares of Rs 10 each	8	720,000,000	720,000,000
Reserves		487,761,649	551,591,327
		1,207,761,649	1,271,591,327
Surplus on revaluation of property, plant and equipment - net of deferred tax		9,960,090	10,335,783

LIABILITIES

Non-current liabilities

Deferred tax	40,346,093	40,287,243
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Current liabilities

Trade and other payables	116,684,543	87,809,980
	1,374,752,375	1,410,024,333

CONTINGENCIES AND COMMITMENTS

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



Chief Executive Officer




Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2013

		Nine months ended		Quarter ended	
	Note	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
-----Rupees-----					
Revenue					
Management fee / investment advisory fee	9	349,067,036	339,176,119	111,011,309	117,339,550
Processing and other related income		609,433	2,458,345	204,743	416,465
Profit on bank deposits		1,291,101	1,532,172	317,000	90,826
Capital gain on sale of investments - net		17,323,158	8,918,121	8,885,088	5,101,645
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		34,304,890	24,959,234	5,633,948	8,342,876
Other income		1,585,541	5,361,057	345,698	2,618,350
Total income		404,181,159	382,405,048	126,397,786	133,909,712
Expenses					
Administrative and operating expenses	10	(183,532,726)	(171,258,239)	(59,084,459)	(58,492,372)
Management / investment advisory / processing fee and other related income sharing		(51,857,925)	(60,086,910)	(16,909,669)	(17,687,236)
Financial charges		(5,018)	(41,061)	(75)	(3,310)
Total expenses		(235,395,669)	(231,386,210)	(75,994,203)	(76,182,918)
Profit for the period before taxation		168,785,490	151,018,838	50,403,583	57,726,794
Taxation					
- Current		(38,700,035)	(11,944,526)	(12,977,586)	(9,271,763)
- Prior		(10,137,654)	84,339	-	-
- Deferred		(58,280)	(36,990,218)	(1,742,417)	(7,838,382)
		(48,895,969)	(48,850,405)	(14,720,003)	(17,110,145)
Profit for the period after taxation		119,889,521	102,168,433	35,683,580	40,616,649
Earnings per share - basic and diluted (Rupees)		1.67	1.42	0.50	0.56

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



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	-----Rupees-----			
Profit for the period after taxation	119,889,521	102,168,433	35,683,580	40,616,649
Other Comprehensive income				
Net unrealised appreciation / (diminution) on re-measurement of 'available for sale' less reclassification adjustment for gain included in the income statement - net of deferred tax	31,905,122	26,132,761	3,785,052	22,195,996
Transferred from surplus on revaluation of building on account of incremental depreciation - net of deferred tax	375,679	398,319	(125,230)	-
	32,280,801	26,531,080	3,659,822	22,195,996
Total comprehensive income	152,170,322	128,699,513	39,343,402	62,812,645

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



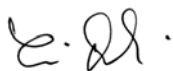
Chief Executive Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2013

	March 31, 2013	March 31, 2012
	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period before taxation	168,785,490	151,018,838
Adjustments for non cash items:		
Depreciation	9,041,000	9,653,925
Amortisation	1,538,858	1,593,840
Loss / (Gain) on sale of fixed assets	50,154	(250,599)
Capital gain on sale of marketable securities	(17,323,158)	(8,918,121)
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(34,304,890)	(24,959,234)
Financial charges	5,018	41,061
	(40,993,018)	(22,839,128)
CASH FLOW FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	127,792,472	128,179,710
WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets		
Receivable from related parties	27,493,772	39,302,411
Deposits, prepayments and other receivables	3,856,664	3,412,504
Investments made-net	66,244,756	(25,540,429)
Mark-up accrued	27,796	814,930
Loans and advances	(255,490)	1,892,337
	97,367,498	19,881,753
Increase / (decrease) in current liabilities		
Trade and other payables	28,874,563	(18,946,908)
NET CASH USED IN WORKING CAPITAL CHANGES	126,242,061	934,845
CASH FLOW FROM OPERATING ACTIVITIES	254,034,533	129,114,555
Income tax paid	(34,282,939)	(13,575,213)
Finance cost paid	(5,018)	(41,061)
Dividend paid	(216,000,000)	(162,000,000)
NET CASH (USED IN) / FLOW FROM OPERATING ACTIVITIES	3,746,576	(46,501,719)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(11,908,916)	(2,611,118)
Proceeds from sale of property plant and equipment	768,347	723,098
Long term loans and receivables	1,081,177	1,198,677
Long term deposits	(227,772)	(225,000)
NET CASH USED IN INVESTING ACTIVITIES	(10,287,164)	(914,343)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(6,540,588)	(47,416,062)
Cash and cash equivalents at the beginning of the period	11,590,602	57,779,770
Cash and cash equivalents at the end of the period	5,050,014	10,363,708



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2013

	Issued, subscribed and paid-up capital	Share premium	Deficit arising on amalgamation	Unrealised gain on re- measurement of available for sale financial	Unappropriated profit	Total
Balance as at June 30, 2011	720,000,000	396,000,000	(60,000,000)	(986,262)	203,716,256	1,258,729,994
Final dividend for the year ended June 30, 2011 @ 15% declared subsequent to the year end	-	-	-	-	(108,000,000)	(108,000,000)
Profit for the nine months ended March 31, 2012	-	-	-	-	102,168,433	102,168,433
Other comprehensive income - net	-	-	-	26,132,761	398,319	26,531,080
	-	-	-	26,132,761	102,566,752	128,699,513
Interim Dividend @ 7.5% (Rupee 0.75 per share)	-	-	-	-	(54,000,000)	(54,000,000)
Balance as at March, 31 2012	720,000,000	396,000,000	(60,000,000)	25,146,499	144,283,008	1,225,429,507
Balance as at July 01, 2012	720,000,000	396,000,000	(60,000,000)	28,760,879	186,830,448	1,271,591,327
Final dividend for the year ended June 30, 2012 @ 15% declared subsequent to the year end	-	-	-	-	(108,000,000)	(108,000,000)
Profit for the nine months ended March 31, 2013	-	-	-	-	119,889,521	119,889,521
Other comprehensive income - net	-	-	-	31,905,122	375,679	32,280,801
	-	-	-	31,905,122	120,265,200	152,170,322
Interim dividend @ 15% (Rupee 1.5 per share)	-	-	-	-	(108,000,000)	(108,000,000)
Balance as at March, 31 2013	720,000,000	396,000,000	(60,000,000)	60,666,001	91,095,648	1,207,761,649

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



Chief Executive Officer



Director

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Arif Habib Investments Limited ("the Company") was incorporated on August 30, 2000 as an unquoted public limited company under the Companies Ordinance, 1984. During 2008, the Company was listed on the Karachi Stock Exchange by way of offer for sale of shares by a few of the existing shareholders of the Company to the general public. In the same financial year, the name of the Company was changed from Arif Habib Investment Management Limited to Arif Habib Investments Limited.
- 1.2** During the year ended June 30, 2011, a transfer agreement was signed on January 19, 2011 between Arif Habib Corporation Limited (AHCL) [the then parent of the Company] and MCB Bank Limited (MCB Bank) [the then parent of MCB Asset Management Company Limited (MCB AMC)] for the transfer of entire business of MCB AMC to the Company to achieve synergies in business and to access a wider distribution network. The scheme of amalgamation (the scheme) was approved by the shareholders of the Company and MCB AMC in their respective extra ordinary general meetings held on May 21, 2011. The Securities and Exchange Commission of Pakistan (SECP) vide its order (through letter no. SCD/NBFC-II/MCBAMCL and AHIL/271/2011 dated June 10, 2011) under Section 282(L) of the Companies Ordinance, 1984 (the Sanction Order) approved the Scheme. As per the Sanction Order, the effective date of amalgamation was June 27, 2011 (the effective date).

Pursuant to amalgamation, the entire undertaking of MCB AMC including all properties, assets, liabilities, receivables, payables and all other rights and obligations was transferred into and vested in the Company as on the effective date. As part of the Scheme, the Company issued and allotted 36 million ordinary shares of Rupees 10 each, as fully paid shares, to the registered ordinary shareholders of MCB AMC in the ratio of 1.2 ordinary shares of the Company for each share of Rupees 10 of MCB AMC as consideration. The fair value of the shares issued to the shareholders of MCB AMC was Rupees 21 per share being the last published quoted price of the ordinary shares of the Company as at June 24, 2011. Accordingly, the Company became a subsidiary of MCB Bank Limited from the end of the year ended June 30, 2011 which owns 51.33% ordinary shares in the Company till date.

However subsequent to the completion of the merger, the SECP issued an order postponing the effective date of the merger to July 30, 2011 (through letter no. SCD/PR and DD/AMCW/MCB-AMCL and AH/348/2011 dated June 27, 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 honourable Sindh High Court (SHC). The SHC in its order dated July 4, 2011 held the SECP's subsequent order in abeyance and instructed SECP to treat the companies as merged pending a final ruling. On the basis of this order and the legal advice regarding the merits of the case, management strongly believes that the outcome of the petition would be the favour of the Company.

- 1.3** The Company is registered as a Pension Fund Manager under Voluntary Pension System Rules, 2005 and as an Asset Management Company and an Investment Advisor under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. It also manages discretionary portfolios on behalf of its clients. The registered office of the Company is situated at 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi, Pakistan.
- 1.4** The Company has been assigned an asset manager rating of AM2 by the Pakistan Credit Rating Agency Limited (PACRA) and currently has the following funds under management:

Note	Net assets value as at	
	March 31, 2013	June 30, 2012
	----- Rupees in million -----	
Open-end mutual funds		
MCB Cash Management Optimizer	9,127	18,971
MCB Dynamic Allocation Fund	241	100
MCB Dynamic Cash Fund	11,583	6,696
MCB Dynamic Stock Fund	644	726
MCB Islamic Income Fund	3,362	1,507
AH Dow Jones SAFE Pakistan Titans 15 Index Fund	1.6.1	-
Metro Bank - Pakistan Sovereign Fund	4,246	6,369
Pakistan Capital Protected Fund - Fixed Income Securities	1.6.2	-
Pakistan Capital Market Fund	381	354
Pakistan Cash Management Fund	2,533	3,836
Pakistan Income Enhancement Fund	742	991
Pakistan Income Fund	1,256	1,301

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	Net assets value as at	
	March 31, 2013	June 30, 2012
	----- Rupees in million -----	
Pakistan International Element Islamic Asset Allocation Fund	174	294
Pakistan Premier Fund	509	468
Pakistan Stock Market Fund	1,040	921
Pakistan Strategic Allocation Fund	302	352
Pension Funds		
Pakistan Islamic Pension Fund	188	157
Pakistan Pension Fund	344	260
Discretionary portfolio	3,156	1,604

The company is also managing investors under discretionary portfolio management agreement, the details of which is given below:

<u>Number of accounts</u>	<u>13</u>	<u>12</u>
Cost of the portfolio - Rupees	3,018,861,113	1,534,061,819
Market value of portfolio - Rupees	3,117,218,012	1,582,976,575
Management fee earned - Rupees	4,559,764	2,842,334

1.6.1 AH Dow Jones SAFE Pakistan Titans 15 Index Fund (the Scheme) has been wound up with effect from January 24, 2013 due to decline in its net assets below the minimum statutory requirement of Rs 100 million as mentioned in Regulation 54(3)(a) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 coupled with the management's view that the continuity of the scheme is no more commercially viable.

1.6.2 The Pakistan Capital Protected Fund - Fixed Income Securities was launched in 2010 with a fixed term of 2.5 years , which expired on August 15, 2012.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

- This condensed interim financial information has been prepared in accordance with 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 requirements of the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan. Wherever the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.
- The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Company for the year ended June 30, 2012.
- This condensed interim financial information is unaudited.

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

The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting period beginning on or after July 1, 2012:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

- Amendments to IAS 1, 'Presentation of financial statements' (effective January 1, 2013). The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The Management is currently in the process of assessing the impact of this amendment on the Company's financial statements.
- Amendment to IFRS 7, 'Financial instruments: Disclosures' (effective January 1, 2013). The amendment includes new disclosures to facilitate comparison between those entities that prepare financial statements in accordance with IFRSs to those that prepare financial statements in accordance with US GAAP. The adoption of this amendment did not have any impact on the Company's condensed interim financial information.

There are other amendments to the standards and new 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 Company's operations and are therefore not detailed in this condensed interim financial information.

2.3 New and amended standards and interpretations that are not yet effective

The following are some of the new and amended standards and interpretations that have been published and are mandatory for the Company's accounting period beginning on or after July 1, 2013:

- IAS 19 (Amendment), 'Employee benefits', (effective January 1, 2013). It eliminates the corridor approach and recognises all actuarial gains and losses in other comprehensive income as they occur, immediately recognises all past service costs and replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability / asset. The management is currently in the process of assessing the impact of this amendment on the Company's financial statements.

There are certain other new and amended standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or do not have any material effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

2.4 Critical accounting estimates and judgments

The basis and methods used for critical accounting estimates and judgments adopted in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2012.

2.5 Accounting convention

This condensed interim financial information has been prepared under the historical cost convention except that investments have been marked to market and are carried at their respective fair values.

2.6 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupee which is the Company's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation of balances adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of annual published financial statements of the Company for the year ended June 30, 2012.

		Unaudited March 31, 2013	Audited June 30, 2012
	Note	----- Rupees -----	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	98,895,887	104,030,443
Capital work-in-progress	4.2	10,439,308	5,000,000
		<u>109,335,195</u>	<u>109,030,443</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

4.1 Operating fixed assets

Following is a statement of operating fixed assets:

	Computers	Building	Office equipment	Furniture and fixtures	Vehicles	Total
Rupees						
As at July 1, 2012						
Cost	23,869,121	80,800,000	8,687,177	14,551,268	8,616,063	136,523,629
Accumulated depreciation	(14,344,647)	(6,278,833)	(4,057,866)	(5,237,822)	(2,574,018)	(32,493,186)
Net book value	9,524,474	74,521,167	4,629,311	9,313,446	6,042,045	104,030,443
Nine months ended March 31, 2013						
Opening net book value	9,524,474	74,521,167	4,629,311	9,313,446	6,042,045	104,030,443
Additions during the period	914,670	-	3,490,221	319,940	-	4,724,831
Disposals / transfers						
Cost	(681,215)	-	(176,211)	(45,820)	(953,796)	(1,857,042)
Accumulated depreciation	636,515	-	150,976	12,601	238,449	1,038,541
	(44,700)	-	(25,235)	(33,219)	(715,347)	(818,501)
Depreciation for the period	(2,528,639)	(2,794,545)	(1,285,203)	(1,100,824)	(1,331,675)	(9,040,886)
Closing net book value	7,865,805	71,726,622	6,809,094	8,499,343	3,995,023	98,895,887
As at March 31, 2013						
Cost	24,102,576	80,800,000	12,001,187	14,825,388	7,662,267	139,391,418
Accumulated depreciation	(16,236,771)	(9,073,378)	(5,192,093)	(6,326,045)	(3,667,244)	(40,495,531)
Net book value	7,865,805	71,726,622	6,809,094	8,499,343	3,995,023	98,895,887
Depreciation rates (% per annum)	25%	5%	20%	10%	25%	
As at July 1, 2011						
Cost	23,349,010	80,800,000	8,208,600	12,662,491	9,952,063	134,972,164
Accumulated depreciation	(10,342,711)	(2,356,669)	(2,695,891)	(3,857,637)	(1,814,135)	(21,067,043)
Net book value	13,006,299	78,443,331	5,512,709	8,804,854	8,137,928	113,905,121
	Computers	Building	Office equipment	Furniture and fixtures	Vehicles	Total
Rupees						
Year ended June 30, 2012						
Opening net book value	13,006,299	78,443,331	5,512,709	8,804,854	8,137,928	113,905,121
Additions during the year	642,648	-	582,487	2,181,807	-	3,406,942
Disposals / transfers						
Cost	(122,537)	-	(103,910)	(293,030)	(1,336,000)	(1,855,477)
Accumulated depreciation	6,766	-	6,719	4,474	1,336,000	1,353,959
	(115,771)	-	(97,191)	(288,556)	-	(501,518)
Depreciation for the year	(4,008,702)	(3,922,164)	(1,368,694)	(1,384,659)	(2,095,883)	(12,780,102)
Closing net book value	9,524,474	74,521,167	4,629,311	9,313,446	6,042,045	104,030,443
As at June 30, 2012						
Cost	23,869,121	80,800,000	8,687,177	14,551,268	8,616,063	136,523,629
Accumulated depreciation	(14,344,647)	(6,278,833)	(4,057,866)	(5,237,822)	(2,574,018)	(32,493,186)
Net book value	9,524,474	74,521,167	4,629,311	9,313,446	6,042,045	104,030,443
Depreciation rates (% per annum)	25%	5%	20%	10%	25%	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	Note	Unaudited March 31, 2013	Audited June 30, 2012
4.2 Capital work-in-progress		----- Rupees -----	
Updation of computer software	4.2.1	<u>10,439,308</u>	<u>5,000,000</u>

4.2.1 This represents amount paid for upgradation of computer software to a consultant.

	Note	Unaudited March 31, 2013	Audited June 30, 2012
5 INTANGIBLE ASSETS		----- Rupees -----	
Intangible assets	5.1	<u>279,446,820</u>	<u>279,241,002</u>

5.1 Following is a statement of intangible assets:

	Computer software	Goodwill	Management rights	Total
	----- Rupees -----			
Nine months ended March 31, 2013				
Opening net book value	5,114,069	82,126,933	192,000,000	279,241,002
Additions during the period	1,744,777	-	-	1,744,777
Amortisation for the period	(1,538,959)	-	-	(1,538,959)
Closing net book value	<u>5,319,887</u>	<u>82,126,933</u>	<u>192,000,000</u>	<u>279,446,820</u>
Amortisation rates (% per annum)	25%	-	-	
Year ended June 30, 2012				
Opening net book value	6,713,884	82,126,933	192,000,000	280,840,817
Additions during the period	515,000	-	-	515,000
Disposals during the period	(102,500)	-	-	(102,500)
Amortisation for the year	(2,012,315)	-	-	(2,012,315)
Closing net book value	<u>5,114,069</u>	<u>82,126,933</u>	<u>192,000,000</u>	<u>279,241,002</u>
Amortisation rates (% per annum)	25%	-	-	

	Note	March 31, 2013	June 30, 2012
6 LONG TERM INVESTMENTS		----- (Rupees) -----	
In Collective Investment Schemes - related parties			
Available-for-sale investments	6.1	<u>285,528,000</u>	<u>326,549,333</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013

6.1 Available-for-sale investments

		As at March 31, 2013			As at June 30, 2012					
Name of the investee / fund	Note	As at July 01, 2012	Additions (Disposals)	As at March 31, 2013	Unrealized gain / (loss) on revaluation of investments					
					Cost	Market value	Unrealized gain / (loss) on revaluation of investments			
Units										
(Rupees)										
Open end mutual funds										
Pakistan Pension Fund	6.1.1	900,000	-	900,000	113,328,000	144,756,000	31,428,000	113,328,000	126,426,000	13,098,000
Pakistan Islamic Pension Fund	6.1.1	900,000	-	900,000	111,534,000	140,772,000	29,238,000	111,534,000	125,682,000	14,148,000
AH Dow Jones SAFE Pakistan Titans 15 Index Fund (AHDJPF)	1.4.1	423,942	(423,942)	-	-	-	-	23,164,667	24,376,683	1,212,016
MCB Islamic Income Fund	6.1.1	500,000	(500,000)	-	-	-	-	50,000,000	50,064,650	64,650
					224,862,000	285,528,000	60,666,000	298,026,667	326,549,333	28,522,666

6.1.1 This represents investment in seed capital of the Fund.

7. SHORT TERM INVESTMENTS

In Collective Investment Schemes - related parties

At fair value through profit or loss

Available-for-sale investments

Note	Un-audited March 31, 2013	Audited June 30, 2012
	(Rupees)	
7.1	525,969,252	465,242,143
7.2	-	2,417,385
	<u>525,969,252</u>	<u>467,659,528</u>

7.1 At fair value through profit or loss

Name of the investee Fund	As at March 31, 2013				As at June 30, 2012		
	As at July 01, 2012	Additions (Disposals)	As at March 31, 2013	Units	Cost	Market value	Market value
Open end mutual funds							
MCB Dynamic Cash Fund	3,716,139	661,222	4,377,361		418,117,035	444,494,298	376,907,202
MCB Cash Management Optimizer	145,512	(145,512)	-		-	-	14,567,804
MCB Islamic Income Fund	605,733	(605,733)	-		-	-	60,651,585
MCB Dynamic Allocation Fund	-	753,686	753,686		53,547,336	61,419,906	-
Pakistan Cash Management Fund	262,009	138,220	400,229		20,000,000	20,055,048	13,115,552
					<u>491,664,371</u>	<u>525,969,252</u>	<u>465,242,143</u>
Available-for-sale investments							
	As at March 31, 2013				As at June 30, 2012		

7.2

Name of the investee Fund	As at July 01, 2012	Additions (Disposals)	As at March 31, 2013	Cost	Market value	Unrealized gain on revaluation of investments	Cost	Market value	Unrealized gain on revaluation of investments
Open end mutual funds									
Metro Bank-Pakistan Sovereign Fund	19,536	-	-	-	-	-	839,515	942,002	102,487
Pakistan Capital Protected Fund - Fixed Income Securities (FIS) (Note 1.4.2)	144,363	(144,363)	-	-	-	-	1,339,657	1,475,383	135,726
							<u>2,179,172</u>	<u>2,417,385</u>	<u>238,213</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

8. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

(Unaudited) March 31, 2013	(Audited) June 30, 2012		(Unaudited) March 31, 2013	(Audited) June 30, 2012
----- Number of Shares -----			----- Rupees -----	
5,000,000	5,000,000	Ordinary shares of Rupees 10 each fully paid in cash	50,000,000	50,000,000
31,000,000	31,000,000	Issued as fully paid bonus shares of Rupees 10 each	310,000,000	310,000,000
36,000,000	36,000,000	Ordinary shares of Rupees 10 each issued for consideration other than cash	360,000,000	360,000,000
72,000,000	72,000,000		720,000,000	720,000,000

8.1 At March 31, 2013 MCB Bank Limited, the holding company, held 36,956,768 (June 30, 2012 : 36,956,768) ordinary shares of Rupees 10 each representing 51.33% of Shares Capital.

Note	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	-----Rupees-----		-----Rupees-----	

9 MANAGEMENT FEE / INVESTMENT ADVISORY FEE

From Collective Investment Schemes - related parties	9.1	400,358,082	391,978,241	126,903,760	135,372,563
From Discretionary Portfolio		4,559,764	1,468,092	1,869,354	827,707
		404,917,846	393,446,333	128,773,114	136,200,270
Less : Sindh Sales Tax	9.2	(55,850,810)	(54,270,214)	(17,761,805)	(18,860,720)
		349,067,036	339,176,119	111,011,309	117,339,550

9.1 From Collective Investment Schemes - related parties

MCB Cash Management Optimizer	95,613,840	122,086,579	25,293,375	41,893,635
MCB Dynamic Allocation Fund	2,863,116	4,126,558	1,003,081	1,286,154
MCB Dynamic Cash Fund	112,010,041	72,274,881	45,879,665	26,233,341
MCB Dynamic Stock Fund	13,108,807	17,353,800	3,978,415	5,681,154
MCB Islamic Income Fund	21,460,005	5,182,108	8,045,135	2,765,188
AH Dow Jones SAFE Pakistan Titans 15 Index Fund	542,257	1,008,853	17,398	336,775
Metro - Bank Pakistan Sovereign Fund	52,950,971	51,713,399	12,387,428	20,466,963
Pakistan Capital Market Fund	6,488,420	6,256,927	2,169,172	2,018,209
Pakistan Capital Protected Fund - Fixed Income Securities	523,164	3,111,130	-	1,033,032
Pakistan Cash Management Fund	24,690,458	22,328,836	5,497,592	7,054,772
Pakistan Income Enhancement Fund	10,132,409	18,292,571	3,300,511	5,711,733
Pakistan Income Fund	16,792,961	21,925,452	5,411,889	6,808,840
Pakistan International Element Islamic Asset Allocation Fund	4,196,261	4,569,050	1,209,709	1,432,026
Pakistan Islamic Pension Fund	2,312,697	1,706,416	794,060	577,979
Pakistan Pension Fund	4,076,314	2,789,333	1,409,134	933,166
Pakistan Premier Fund	8,649,301	9,887,848	2,870,551	2,875,653
Pakistan Stock Market Fund	18,171,990	17,961,085	5,892,947	5,641,415
Pakistan Strategic Allocation Fund	5,775,070	9,403,415	1,743,698	2,622,528
	400,358,082	391,978,241	126,903,760	135,372,563

9.2 The Provincial Government of Sindh levied Sindh sales tax at the rate of 16% on the remuneration of the Management Company through 'Sindh Sales Tax on Services Act, 2011' effective from July 1, 2011.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

10. ADMINISTRATIVE AND OPERATING EXPENSES

	Nine months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	-----Rupees-----		-----Rupees-----	
Salaries, allowances and other benefits	118,422,555	98,077,572	38,893,674	35,618,616
Marketing and advertising expenses	3,220,818	2,618,456	956,342	315,031
Legal and professional charges	9,443,700	11,076,751	2,242,277	3,648,839
Traveling and conveyance charges	2,484,570	2,458,963	694,267	1,006,196
Repairs and maintenance	16,122,941	17,957,184	5,271,984	4,911,347
Office supplies	334,400	339,161	102,093	82,296
Auditors' remuneration	765,000	375,000	260,000	125,000
Directors' meeting fee	625,000	925,000	175,000	300,000
Insurance	432,910	911,139	135,666	222,533
Depreciation	9,041,000	9,653,925	3,070,040	3,120,222
Amortisation	1,538,858	1,593,840	536,406	519,246
Stamp duty and taxes	213,988	283,273	169,544	179,509
Registrar fee	551,016	2,684,103	185,807	495,184
Printing and stationery	2,581,881	3,182,480	738,014	1,156,773
Utilities	2,338,717	4,847,575	660,751	1,620,256
Telephone expenses	4,147,571	4,065,078	1,243,978	1,217,135
Entertainment expenses	1,309,870	1,552,311	261,651	887,756
Books, periodicals and subscription	6,390,435	5,507,508	2,335,755	1,897,729
Miscellaneous expenses	3,567,496	3,148,920	1,151,210	1,168,704
	<u>183,532,726</u>	<u>171,258,239</u>	<u>59,084,459</u>	<u>58,492,372</u>

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as on March 31, 2013 and June 30, 2012.

12 TRANSACTIONS WITH RELATED PARTIES

MCB Bank Limited (MCB) holds 51.33% ordinary shares of the Company as the period end. Therefore, all its subsidiaries and associated undertakings of MCB are related parties of the Company. Other related parties comprise of collective investment schemes managed by the Company, directors, key management personnel and their close family members and retirement benefit plan. Transactions and Balances with related parties / associated undertakings during the period were as follows. Transactions with related parties are in the normal course of business and carried out at contracted rates and terms. Details of such transaction are as follows:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	Nine months ended	
	Un-audited March 31, 2013	Un-audited March 31, 2012
	-----Rupees-----	
12.1 Transactions with related parties during the period		
MCB BANK LIMITED		
Profit on bank deposits	1,100,674	610,469
Dividend paid	110,870,304	83,152,728
Reimbursement of expenses	8,248,000	10,254,325
Commission on distribution of units	21,487,624	52,262,091
Bank charges	4,129	16,097
ADAMJEE LIFE ASSURANCE COMPANY LIMITED		
Advisory income	3,169,707	355,126
Amount paid against life insurance	4,071,482	4,145,620
ADAMJEE INSURANCE COMPANY LIMITED		
Amount paid against vehicles' insurance	376,366	65,167
MCB FINANCIAL SERVICES LIMITED		
Reimbursement of expenses	1,322,390	715,390
SUMMIT BANK LIMITED		
Expense against differential of guaranteed return	1,596,264	2,293,000
Profit on bank deposits	190,427	900,495
Bank charges	-	13,716
ROTOCAST ENGINEERING (PVT) LIMITED		
Disposal of non current assets	-	77,970,426
Amount received against disposal of non current assets	37,970,426	-
ARIF HABIB CORPORATION LIMITED		
Dividend paid	64,992,500	48,744,375
MCB DYNAMIC CASH FUND		
Remuneration income	112,010,041	72,274,881
Share of sale load	187,002	869,827
Investment made	158,000,000	242,000,000
Investments realised	122,500,880	216,459,571
MCB DYNAMIC STOCK FUND		
Remuneration income	13,108,807	17,353,800
Share of sale load	96,508	2,063
MCB DYNAMIC ALLOCATION FUND		
Remuneration income	2,863,116	4,126,561
Share of sale load	37,636	-
Investments in units	100,000,000	-
Redemption of units	49,641,060	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	Nine months ended	
	Un-audited	Un-audited
	March 31 2013	March 31 2012
	-----Rupees-----	
MCB CASH MANAGEMENT OPTIMIZER		
Remuneration income	95,613,840	122,086,579
Share of sale load	11,866	-
Redemption of units	14,693,792	-
MCB ISLAMIC INCOME FUND		
Remuneration income	21,437,693	5,182,108
Share of sale load	97,806	507,243
Formation cost received	-	1,000,000
Redemption of units	111,821,346	-
PAKISTAN STOCK MARKET FUND		
Remuneration income	18,171,990	17,961,085
Share of sale load	33,106	21,969
PAKISTAN INCOME FUND		
Remuneration income	16,792,961	21,925,452
Share of sale load	25,784	6,228
PAKISTAN PREMIER FUND		
Remuneration income	8,649,301	9,887,848
Amount received against conversion cost	1,726,885	-
METRO BANK-PAKISTAN SOVERIGN FUND		
Remuneration income	52,950,971	51,713,399
Share of sale load	35,479	21,328
Investments in units	32,427,037	-
Redemption of units	34,778,810	-
PAKISTAN CAPITAL MARKET FUND		
Remuneration income	6,488,420	6,256,927
Share of sale load	882	-
PAKISTAN STRATEGIC ALLOCATION FUND		
Remuneration income	5,775,070	9,403,415
Amount received against conversion cost	2,477,330	-
PAKISTAN PENSION FUND		
Remuneration income	4,076,314	2,789,333
Share of sale load	8,669	286,389
PAKISTAN INTERNATIONAL ELEMENT ISLAMIC ASSET ALLOCATION FUND		
Remuneration income	4,196,261	4,569,050
Share of sale load	4,407	3,900
PAKISTAN ISLAMIC PENSION FUND		
Remuneration income	2,312,697	1,706,416
Share of sale load	42,613	46,550

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	Nine months ended	
	Un-audited March 31, 2013	Un-audited March 31, 2012
	-----Rupees-----	
PAKISTAN CAPITAL PROTECTED FUND - FIS		
Remuneration income	523,164	3,111,130
PAKISTAN CASH MANAGEMENT FUND		
Remuneration income	24,690,458	22,328,836
Investments in units	20,000,000	-
PAKISTAN INCOME ENHANCEMENT FUND		
Remuneration income	10,132,409	18,290,537
Share of sale load	27,640	687,734
AH DOW JONES SAFE PAKISTAN TITANS 15 INDEX FUND		
Remuneration income	542,257	1,008,853
Share of sale load	35	5,114
MCB AMC Staff Provident Fund		
Contribution made to provident fund	3,265,508	3,298,315
	(Unaudited) March 31, 2013	(Audited) June 30, 2012
Amount outstanding as at period end	-----Rupees-----	
MCB BANK LIMITED		
Bank balance	2,214,953	7,182,164
Other receivable	206,162	206,162
Mark up receivable	156,429	156,429
Commission payable	18,748,251	7,284,308
Other payable	4,607,439	5,986,500
ADAMJEE LIFE ASSURANCE COMPANY LIMITED		
Advisory fee	1,414,961	357,407
SUMMIT BANK LIMITED		
Bank balance	2,789,977	3,401,460
Payable against differential of guaranteed return	-	6,679,017
MCB FINANCIALS SERVICES LIMITED		
Payable against monthly reimbursement	133,410	100,500
MCB DYNAMIC CASH FUND		
Remuneration receivable	16,839,809	9,529,989
Share of load receivable	1,053,075	450,789
Closing balance of investment in units	444,494,298	376,907,202

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	(Unaudited) March 31, 2013	(Audited) June 30, 2012
	-----Rupees-----	
MCB DYNAMIC STOCK FUND		
Remuneration receivable	1,261,491	1,361,400
Share of load receivable	244,426	323,062
MCB DYNAMIC ALLOCATION FUND		
Remuneration receivable	364,823	143,502
Share of load receivable	79,791	18,000
Closing balance of investment in units	61,419,906	-
MCB CASH MANAGEMENT OPTIMIZER		
Remuneration receivable	8,341,826	21,715,351
Share of load receivable	10,877	-
Closing balance of investment in units	-	14,567,804
MCB ISLAMIC INCOME FUND		
Remuneration receivable	2,944,026	1,455,141
Share of load receivable	253,781	787,608
Closing balance of investment in units	-	110,716,235
PAKISTAN STOCK MARKET FUND		
Remuneration receivable	2,038,634	1,754,585
Share of load receivable	344,595	298,321
Other receivable	12,425	-
PAKISTAN INCOME FUND		
Remuneration receivable	1,857,540	18,562,877
Share of load receivable	156,128	147,101
PAKISTAN PREMIER FUND		
Remuneration receivable	1,005,227	889,264
Share of load receivable	700	-
Other receivable	70,250	-
Conversion cost receivable	3,952,675	5,679,560
METRO BANK - PAKISTAN SOVERIGN FUND		
Remuneration receivable	3,805,459	6,636,069
Share of load receivable	90,159	446
Closing balance of investment in units	-	942,002
PAKISTAN CAPITAL MARKET FUND		
Remuneration receivable	750,474	672,963
Other receivable	67,500	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	(Unaudited) March 31, 2013	(Audited) June 30, 2012
	-----Rupees-----	
PAKISTAN STRATEGIC ALLOCATION FUND		
Remuneration receivable	594,264	667,909
Other receivable	400	-
Conversion cost receivable	5,122,826	7,600,157
PAKISTAN PENSION FUND		
Remuneration receivable	502,817	357,743
Share of load receivable	5,295	2,787
Closing balance of investment	144,756,000	126,426,000
PAKISTAN INTERNATIONAL ELEMENT ISLAMIC ASSET ALLOCATION FUND		
Remuneration receivable	353,185	492,829
Share of load receivable	-	38,828
PAKISTAN ISLAMIC PENSION FUND		
Remuneration receivable	276,161	221,353
Share of load receivable	36,350	-
Closing balance of investment	140,772,000	125,682,000
PAKISTAN CAPITAL PROTECTED FUND - FIXED INCOME SECURITIES		
Remuneration receivable	-	341,426
Others receivable	840,474	-
Closing balance of investment in units	-	1,475,383
PAKISTAN CASH MANAGEMENT FUND		
Remuneration receivable	2,076,103	4,633,730
Others receivable	3,059	50,029
Closing balance of investment	20,055,048	13,115,552
PAKISTAN INCOME ENHANCEMENT FUND		
Remuneration receivable	1,137,918	1,469,726
Share of load receivable	54,205	135,034
Others receivable	3,530	7,575
AH DOW JONES SAFE PAKISTAN TITANS 15 INDEX FUND		
Remuneration receivable	-	93,320
Others receivable	20,587,576	-
Closing balance of investment	-	24,376,683
ROTOCAST ENGINEERING (PRIVATE) LIMITED		
Receivable against sale of non-current assets	20,000,000	57,970,426
Payable against utilities expenses of Arif Habib Centre	-	5,184,592

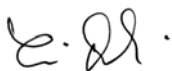
13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved and authorized for issue by the Board of Directors of the company in their meeting held on April 24, 2013.

14 GENERAL

14.1 Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison or better presentation. No significant reclassification was made in this condensed interim financial information during the current year.

14.2 Figures have been rounded off to the nearest of Rupee.



Chief Executive Officer



Director

Please find us on



by typing: **Bachat Ka Doosra Naam**

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