



Bachat ka Doosra Naam

Half Year Report

December 31, 2012
(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 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	Noble Computer Services (Private) Limited First Floor, House of Habib Building (Siddiqsons Tower), 3-Jinnah Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi, Pakistan Tel: (021) 34325482-87 Fax: (021) 34325442 Website: www.noble-computers.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 HALF YEAR ENDED DECEMBER 31, 2012

The board of Directors of Arif Habib Investment Limited (AHI) is pleased to present the Half Yearly Report on the affairs of AHI for the period ended December 31, 2012.

Company's Performance Review

The Company recorded a gross income of Rs. 277.78 million, which includes management/investment advisory fee and other operating income. After accounting of administrative, operating & financial expenses and income sharing of Rs. 159.40 million, the company earned a profit before tax of Rs. 118.38 million. The net profit after tax for the for the period amounts to Rs. 84.20 million, as compared to net profit of Rs. 61.55 million for the corresponding period ended December 31, 2011. 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, CPI inflation continued to maintain its downward trajectory amid lower food inflation and downward adjustments in gas prices with 1H FY13 CPI inflation averaging at 8.3%. Although current account balance remained comfortable during 1H FY13 with a decent surplus of US\$ 250 million courtesy release of two tranches of Coalition Support Fund proceeds by the US worth around US\$ 1.9 billion, weaker financial account coupled with sizeable repayments (including IMF) continued to put significant pressure on the FX reserves, which eventually came down to a level of around US\$ 13.5 billion. On the fiscal front, the government has continued to rely on domestic sources of funding with YTD GoP borrowing from banking system has risen to PKR 644 billion by Dec'28 2012. Despite highlighting 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.

In the money market, short term market rates remained largely on the higher side amid tight liquidity scenario in the system with few exceptions where the market witnessed floors also. The SBP continued to inject significant amount of liquidity in the system through OMOs during the period. Given a downward trajectory in YoY CPI inflation coupled with SBP monetary easing stance, the yield curve has adjusted significantly downwards during the period. 1 year PKRV adjusted

DIRECTOR'S REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2012

downwards by 267 bps to 9.3%, while longer tenure 10 year PKRV adjusted downwards by 180 bps to 11.5% during the period under review.

Equities Market Review

The KSE-100 index made an impressive start in FY13 as well and posted a return of 22.5% during the first half of FY13, outperforming most of the regional players. Although the market remained strong as far as returns are concerned, activity remained dull in terms of both volumes and turnover. Foreigners, however, made a strong return to the local market with a cumulative net inflow of around US\$ 157 million during the period under review.

Major interest during the period remained in Construction & Materials, Consumer 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. Strong corporate results as well as healthy payouts by key companies served to keep the positive momentum intact in the market.

MARKET & ECONOMY - FUTURE OUTLOOK

Despite receiving another tranche of CSF as well as continued lower range of CPI inflation, we believe that further rate cut would be difficult given deteriorating fiscal and external accounts, significant IMF repayments ahead and alarming monetary growth - while the potential return to the IMF would result in a cycle of monetary tightening by 2Q CY13 in our opinion. The 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 inactive or relatively less active with the anticipation of no rate cut and possible rate hikes in the next 4-6 months. In this backdrop, the activities are expected to be concentrated at short-end papers going forward.

On the equities front, investors are pinning hopes on Dec-end results, expecting strong payout from Commercial Banks, Electricity, Chemicals, and Oil & Gas sectors. However, on the account of mounting political uncertainty and precarious macroeconomic position especially on the external front reflected through depleting FX reserves and steady depreciation of Pak Rupee, the market could correct itself in the shorter term. We therefore prefer to remain vigilant of fading triggers on macro front and potential opportunities arising out of micro dynamics in stock and sector allocation.

DIRECTOR'S REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2012

MUTUAL FUND INDUSTRY REVIEW

The Net Assets of the open end mutual fund industry declined by 14% during the period under review and ended the period at a size of around Rs.306 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 31% in Income funds segment during the period. In addition, money market funds also witnessed a decline of 18% during 1H FY13 followed by Islamic Money Market funds with a 3% decline. Islamic Income funds, on the other hand, remained better performers by posting an increase of around 13% to close the period at a size of around PKR 35 billion.


Unlike previous year, 1st half of this fiscal year turned out to be relatively better for equity funds as they posted an increase of 2% to reach to a size of around Rs. 56 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 40%, followed by conventional Income funds 21%, Equity funds 18% and Islamic Income funds at 11%.

MUTUAL FUND INDUSTRY OUTLOOK

Due to the continued prevalence of risk aversion, a robust growth in mutual funds has been contributed by fixed income funds, especially money market and Shariah compliant funds. This trend is not likely to be changed much going forward with interest rates outlook still supporting fixed income funds growth. In addition, voluntary pension schemes (due to enhanced tax-advantage) and Shariah compliant funds (stable returns due to Ijarah Sukuk) should also perform better in the next couple of years. Similarly, given the attractive valuation multiples of Pakistan equities market coupled with significant decline in interest rates, stock fund still appears to be the right choice for longer term savings and investments.

For and on behalf of the board



Yasir Qadri
Chief Executive
Karachi: February 4, 2013

INDEPENDENT AUDITOR'S REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Arif Habib Investments Limited** (the Company) as at December 31, 2012 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2012 and December 31, 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

We draw attention to note 1.2 to the condensed interim financial information which describes the matter relating to the order of the Securities and Exchange Commission of Pakistan against the amalgamation of the Company with MCB Asset Management Company Limited. The Company has filed a constitutional petition before the High Court of Sindh against the said order which is pending adjudication. Our conclusion is not qualified in respect of this matter.

Other matter

The financial statements for the year ended June 30, 2012 and the condensed interim financial information for the half year ended December 31, 2011 were audited and reviewed respectively by another firm of Chartered Accountants who had expressed an unmodified opinion/conclusion on these financial statements / condensed interim financial information in their reports dated August 15, 2012 and January 27, 2012 respectively. However, these reports included an emphasis of matter paragraph in respect of the aforementioned matter.



Chartered Accountants

Engagement Partner: **Rashid A. Jafer**

Dated: February 6, 2013

Karachi

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2012

		(Unaudited) December 31, 2012	(Audited) June 30, 2012
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property and equipment	4	111,170,138	109,030,443
Intangible assets	5	279,797,327	279,241,002
Long-term investments	6	278,598,000	326,549,333
Long-term loans and receivables		4,356,345	6,547,002
Long-term deposits		849,700	849,700
Total non-current assets		674,771,510	722,217,480
Current assets			
Loans and advances	7	1,013,420	1,282,238
Deposits, prepayments and other receivables	8	6,444,552	10,193,757
Receivable from related parties	9	99,610,752	120,913,283
Short-term investments	10	565,182,763	467,659,528
Accrued return on bank deposits		156,429	184,225
Taxation - net	11	63,918,648	75,983,220
Cash and bank balances		4,393,805	11,590,602
Total current assets		740,720,369	687,806,853
Total assets		1,415,491,879	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		720,000,000	720,000,000
Reserves		556,167,801	551,591,327
		1,276,167,801	1,271,591,327
Surplus on revaluation of property, plant and equipment - net of deferred tax		10,085,320	10,335,783
LIABILITIES			
Non-current liabilities			
Deferred tax		38,603,106	40,287,243
Current liabilities			
Trade and other payables	12	90,635,652	87,809,980
		1,415,491,879	1,410,024,333

CONTINGENCIES AND COMMITMENTS

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


Chief Executive Officer


Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2012

Note	Half year ended		Quarter ended		
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011	
	-----Rupees-----		-----Rupees-----		
Revenue					
Management fee / investment advisory fee	13	238,055,727	221,836,569	114,936,317	111,221,551
Processing and other related income		404,690	2,041,880	252,757	-
Profit on bank deposits		974,101	1,441,346	469,797	209,945
Capital gain on sale of investments - net		8,438,070	3,816,476	5,881,396	3,161,309
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	10.1	28,670,942	16,616,358	9,102,432	6,180,404
Other income		1,239,843	2,742,707	608,292	2,184,480
Total income		277,783,373	248,495,336	131,250,991	122,957,689
Expenses					
Administrative and operating expenses	14	124,448,267	112,765,867	69,100,890	57,282,107
Management / investment advisory / processing fee and other related income sharing		34,948,256	42,399,674	20,514,030	27,251,701
Financial charges		4,943	37,751	2,082	29,283
Total expenses		(159,401,466)	(155,203,292)	(89,617,002)	(84,563,091)
Profit for the period before taxation		118,381,907	93,292,044	41,633,989	38,394,598
Taxation					
- Current		(25,722,449)	(2,672,763)	(10,809,838)	5,022,983
- Prior		(10,137,654)	84,339	(10,137,654)	84,339
- Deferred		1,684,137	(29,151,836)	6,943,060	(9,723,084)
		(34,175,966)	(31,740,260)	(14,004,432)	(4,615,762)
Profit for the period after taxation		84,205,941	61,551,784	27,629,557	33,778,836
Earnings per share - basic and diluted (Rupees)		1.17	0.85	0.38	0.47

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


Chief Executive Officer


Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

	Half year ended		Quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	-----Rupees-----		-----Rupees-----	
Profit for the period after taxation	84,205,941	61,551,784	27,629,557	33,778,836
Other comprehensive income for the period				
Net unrealised appreciation / (diminution) on re-measurement of available for sale' investments less reclassification adjustment for gain included in the income statement - net of deferred tax	28,120,070	3,936,765	11,695,123	(1,783,358)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	250,463	263,710	125,077	127,828
	28,370,533	4,200,475	11,820,200	(1,655,530)
Total comprehensive income for the period	<u>112,576,474</u>	<u>65,752,259</u>	<u>39,449,757</u>	<u>32,123,306</u>

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



Chief Executive Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2012

	Half year ended	
	December 31, 2012	December 31, 2011
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	118,381,907	93,292,044
Adjustments for non-cash and other items:		
Depreciation	5,970,960	6,533,703
Amortisation	1,002,452	1,074,594
Financial charges	4,943	37,751
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(28,670,942)	(16,616,358)
Capital gain on sale of investments - net	(8,438,070)	(3,816,476)
Loss / (gain) on disposal of fixed assets	50,154	(263,154)
	<u>(30,080,503)</u>	<u>(13,049,940)</u>
Operating cash flows before working capital changes	88,301,404	80,242,104
Movement in working capital		
(Increase) / decrease in current assets		
Loans and advances	268,818	2,052,991
Deposits, prepayments and other receivables	3,749,205	5,055,593
Receivable from related parties	21,302,531	31,220,293
Accrued return on bank deposits	27,796	359,973
	<u>25,348,350</u>	<u>38,688,850</u>
Increase / (decrease) in current liabilities		
Trade and other payables	2,825,672	(10,628,365)
Cash generated from operations	116,475,426	108,302,589
Taxes paid	(23,795,531)	(13,333,267)
Financial charges paid	(4,943)	(37,751)
Dividends paid	(108,000,000)	(108,000,000)
	<u>(131,800,474)</u>	<u>(121,371,018)</u>
NET CASH USED IN OPERATING ACTIVITIES	(15,325,048)	(13,068,429)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(10,487,933)	(2,180,878)
Repayment of long-term loan by employees	2,190,657	1,523,716
Long-term deposits kept	-	(225,000)
Proceeds from disposal of fixed assets	768,347	603,619
Proceeds against redemption of investments	15,657,180	(36,000,000)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	8,128,251	(36,278,543)
Net decrease in cash and cash equivalents	(7,196,797)	(49,346,972)
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	4,393,805	8,432,798

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


Chief Executive Officer


Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

	Issued, subscribed and paid-up capital	Share premium	Deficit arising on amalgamation	Unappropriate d profit	Unrealised appreciation on re- measurement of 'available for sale' financial assets	Total
Rupees						
Balance as at July 1, 2011	720,000,000	396,000,000	(60,000,000)	203,716,256	(986,262)	1,258,729,994
Total comprehensive income for the half year ended December 31, 2011	-	-	-	61,815,494	3,936,765	65,752,259
Final dividend for the year ended June 30, 2011 @ 15% declared subsequent to the year end	-	-	-	(108,000,000)	-	(108,000,000)
Balance as at December 31, 2011	720,000,000	396,000,000	(60,000,000)	157,531,750	3,936,765	(42,247,741)
Balance as at July 1, 2012	720,000,000	396,000,000	(60,000,000)	186,830,448	28,760,879	1,271,591,327
Total comprehensive income for the half year ended December 31, 2012	-	-	-	84,456,404	28,120,070	112,576,474
Final dividend for the year ended June 30, 2012 @ 15% declared subsequent to the year end	-	-	-	(108,000,000)	-	(108,000,000)
Balance as at December 31, 2012	720,000,000	396,000,000	(60,000,000)	163,286,852	56,880,949	1,276,167,801

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



Chief Executive Officer



Director

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 the 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 AHI/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 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, the management strongly believes that the outcome of the petition would be in favour of the Company.

- 1.3** The Company is registered as a Pension Fund Manager under the 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:

	Net assets value as at	
	December 31, 2012	June 30, 2012
	----- Rupees in million -----	
Open-end mutual funds		
AH Dow Jones SAFE Pakistan Titans 15 Index Fund	24	101
MCB Cash Management Optimizer	8,487	18,971
MCB Dynamic Allocation Fund	218	100
MCB Dynamic Cash Fund	9,400	6,696
MCB Dynamic Stock Fund	834	726
MCB Islamic Income Fund	2,916	1,507
Metro Bank - Pakistan Sovereign Fund	6,864	6,245
Pakistan Capital Protected Fund - Fixed Income Securities	-	240
Pakistan Capital Market Fund	374	354
Pakistan Cash Management Fund	2,216	3,836
Pakistan Income Enhancement Fund	614	991
Pakistan Income Fund	1,275	1,301
Pakistan International Element Islamic Asset Allocation Fund	279	294
Pakistan Premier Fund	494	468
Pakistan Stock Market Fund	1,062	921
Pakistan Strategic Allocation Fund	303	352

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

	Net assets value as at December 31, 2012	June 30, 2012
	----- Rupees in million -----	
Pension Funds		
Pakistan Islamic Pension Fund	182	157
Pakistan Pension Fund	319	260
Discretionary portfolio	2,546	1,604

2 BASIS OF PRESENTATION

2.1 Statement of compliance

- a) 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.
- b) 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.
- c) This condensed interim financial information is unaudited. However, a review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. Accordingly, the Board of Directors of the Company declares that this condensed interim financial information gives a true and fair view of the state of the Company's affairs.

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:

- Amendments to IAS 1, 'Presentation of financial statements' (effective July 1, 2012). 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

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.

4 PROPERTY AND EQUIPMENT

		Unaudited December 31, 2012	Audited June 30, 2012
	Note	Rupees	
Operating fixed assets	4.1	101,432,280	104,030,443
Capital work-in-progress	4.2	9,737,858	5,000,000
		111,170,138	109,030,443

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	<u>9,524,474</u>	<u>74,521,167</u>	<u>4,629,311</u>	<u>9,313,446</u>	<u>6,042,045</u>	<u>104,030,443</u>
Half year ended December 31, 2012						
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	456,770	-	3,429,188	305,340	-	4,191,298
Disposals / transfers						
Cost	(681,216)	-	(176,211)	(45,820)	(953,796)	(1,857,043)
Accumulated depreciation	636,516	-	150,976	12,601	238,449	1,038,542
	(44,700)	-	(25,235)	(33,219)	(715,347)	(818,501)
Depreciation for the period	(1,671,647)	(1,863,033)	(817,162)	(731,334)	(887,784)	(5,970,960)
Closing net book value	<u>8,264,897</u>	<u>72,658,134</u>	<u>7,216,102</u>	<u>8,854,233</u>	<u>4,438,914</u>	<u>101,432,280</u>
As at December 31, 2012						
Cost	23,644,675	80,800,000	11,940,154	14,810,788	7,662,267	138,857,844
Accumulated depreciation	(15,379,778)	(8,141,866)	(4,724,052)	(5,956,555)	(3,223,353)	(37,425,604)
Net book value	<u>8,264,897</u>	<u>72,658,134</u>	<u>7,216,102</u>	<u>8,854,233</u>	<u>4,438,914</u>	<u>101,432,280</u>
Depreciation rates (% per annum)	<u>25%</u>	<u>5%</u>	<u>20%</u>	<u>10%</u>	<u>25%</u>	
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	<u>13,006,299</u>	<u>78,443,331</u>	<u>5,512,709</u>	<u>8,804,854</u>	<u>8,137,928</u>	<u>113,905,121</u>

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	Computers	Building	Office equipment	Furniture and fixtures	Vehicles	Total
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%	

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
4.2 Capital work-in-progress			
Updation of computer software	4.2.1	9,737,858	5,000,000

4.2.1 This includes advance paid for upgradation of computer software to a consultant.

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
5 INTANGIBLE ASSETS			
Intangible assets	5.1	279,797,327	279,241,002

5.1 The following is a statement of intangible assets:

	Computer software	Goodwill	Management rights	Total
Half year ended December 31, 2012				
Opening net book value	5,114,069	82,126,933	192,000,000	279,241,002
Additions during the period	1,558,777	-	-	1,558,777
Amortisation for the period	(1,002,452)	-	-	(1,002,452)
Closing net book value	5,670,394	82,126,933	192,000,000	279,797,327

Amortisation rates (% per annum)

25% - -

	Computer software	Goodwill	Management rights	Total
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	5,114,069	82,126,933	192,000,000	279,241,002

Amortisation rates (% per annum)

25% - -

	(Unaudited) December 31, 2012	(Audited) June 30, 2012
Note		
		Rupees
6 LONG-TERM INVESTMENTS		
Investments in units of mutual funds		
Available-for-sale investments		
6.1	278,598,000	326,549,333

6.1 Available-for-sale

Name of the Investee fund	As at July 01, 2012	Purchases during the period	Bonus units issued during the period	Redemptions/reclassifications during the period*	As at December 31, 2012	As at December 31, 2012			As at June 30, 2012		
						Cost	Market value	Unrealised appreciation on re-measurement of investments	Cost	Market value	Unrealised appreciation on re-measurement of investments
						Rupees					
Number of units											
Pakistan Pension Fund	900,000	-	-	-	900,000	113,328,000	140,646,000	27,318,000	113,328,000	126,426,000	13,098,000
Pakistan Islamic Pension Fund	900,000	-	-	-	900,000	111,534,000	137,952,000	26,418,000	111,534,000	125,682,000	14,148,000
AH Dow Jones SAFE Pakistan Titans 15 Index Fund* (note 10.2.2)	423,942	-	-	423,942	-	-	-	-	23,164,667	24,376,683	1,212,016
MCB Islamic Income Fund	500,000	-	-	500,000	-	-	-	-	50,000,000	50,064,650	64,650
						224,862,000	278,598,000	53,736,000	298,026,667	326,549,333	28,522,666

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	(Unaudited) December 31, 2012	(Audited) June 30, 2012
6.1.1 Net unrealised appreciation / (diminution) in value of investments classified as 'available-for-sale'	----- Rupees -----	
Market value of investments	278,598,000	326,549,333
Less: Cost of investments	(224,862,000)	(298,026,667)
	53,736,000	28,522,666
Less: Net unrealised appreciation in fair value of investments at the beginning of the year adjusted for amount realised on disposal	(28,522,666)	1,097,475
	25,213,334	29,620,141
7 LOANS AND ADVANCES		
Current portion of long-term loans to employees	660,964	795,275
Advance to employees	10,681	32,023
Advances to suppliers	341,775	454,940
	1,013,420	1,282,238
8 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Deposits	554,614	449,614
Prepayments	5,598,867	8,470,282
Other receivables	291,071	1,273,861
	6,444,552	10,193,757
9 RECEIVABLE FROM RELATED PARTIES		
Unsecured - considered good		
AH Dow Jones SAFE Pakistan Titans 15 Index Fund	32,247	93,320
MCB Cash Management Optimizer	9,033,269	21,715,351
MCB Dynamic Allocation Fund	351,035	161,502
MCB Dynamic Cash Fund	14,920,093	9,980,785
MCB Dynamic Stock Fund	1,930,356	1,684,462
MCB Islamic Income Fund	4,651,682	2,242,749
MCB Sarmaya Mehfooz Fund I	-	721,399
Metro Bank - Pakistan Sovereign Fund	7,599,148	6,636,515
Pakistan Capital Market Fund	807,806	672,963
Pakistan Capital Protected Fund - Fixed Income Securities	1,010,027	341,426
Pakistan Cash Management Fund	2,548,865	4,683,759
Pakistan Income Enhancement Fund	969,689	1,612,335
Pakistan Income Fund	2,015,402	2,003,378
Pakistan International Element Islamic Asset Allocation Fund	461,248	531,657
Pakistan Islamic Pension Fund	264,894	221,353
Pakistan Pension Fund	475,396	360,530
Pakistan Premier Fund	4,452,202	3,161,088
Pakistan Stock Market Fund	2,436,231	2,052,906
Pakistan Strategic Allocation Fund	4,680,279	3,707,972
	58,639,869	62,585,450
MCB Bank Limited	206,162	-
Advisory fee against management of discretionary portfolio	764,721	357,407
Rotocast Engineering (Private) Limited	40,000,000	57,970,426
	99,610,752	120,913,283
10 SHORT-TERM INVESTMENTS		
Investments in units of mutual funds		
At fair value through profit or loss	10.1 544,967,595	465,242,143
Available-for-sale	10.2 20,215,168	2,417,385
	565,182,763	467,659,528

10.1 At fair value through profit or loss

Name of the Investee Fund	As at December 31, 2012					As at June 30, 2012		
	As at July 01, 2012	Purchases during the period	Bonus units issued during the period	Redemptions during the period	As at December 31, 2012	Carrying Value	Market value	Unrealised appreciation on re-measurement of investments
Rupees								
Number of units								
MCB Dynamic Cash Fund	3,716,139	1,020,951	234,332	190,641	4,780,781	462,749,309	485,523,175	22,773,866
MCB Cash Management Optimizer	145,512	-	-	145,512	-	-	-	-
MCB Islamic Income Fund	605,733	-	-	605,733	-	-	-	-
MCB Dynamic Allocation Fund	-	1,406,839	-	653,153	753,686	53,547,344	59,444,420	5,897,076
Pakistan Cash Management Fund	262,009	1,025,031	16,072	1,303,112	-	-	-	-
Metro Bank-Perpetual Scheme	-	642,005	27,806	669,811	-	-	-	-
						316,296,653	544,967,595	28,670,942
						430,243,695	465,242,143	34,998,448

10.2 Available-for-sale investments

Name of the Investee Fund	As at December 31, 2012					As at June 30, 2012		
	As at July 01, 2012	Reclassifications during the period	Bonus units issued during the period	Redemptions during the period	As at December 31, 2012	Cost	Market value	Unrealised appreciation on re-measurement of investments
Rupees								
Number of Units								
AH Dow Jones SAFE Pakistan Titans 15 Index Fund (note 10.2.2)	-	423,942	-	111,536	312,406	17,070,219	20,215,168	3,144,949
Metro Bank-Pakistan Sovereign Fund	19,536	-	478	20,014	-	-	-	-
Pakistan Capital Protected Fund - Fixed Income Securities (note 10.2.3)	144,363	-	-	144,363	-	-	-	-
						17,070,219	20,215,168	3,144,949
						2,179,172	2,417,385	238,213

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	(Unaudited) December 31, 2012	(Audited) June 30, 2012
	----- Rupees -----	
10.2.1 Net unrealised appreciation / (diminution) in value of investments classified as 'available-for-sale'		
Market value of investments	20,215,168	2,417,385
Less: Cost of investments	<u>(17,070,219)</u>	<u>(2,179,172)</u>
	3,144,949	238,213
Less: Net unrealised appreciation in fair value of investments at the beginning of the year adjusted for amount realised on disposal	<u>(238,213)</u> <u>2,906,736</u>	<u>(144,649)</u> <u>93,564</u>

- 10.2.2** 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 contained 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.

The realisable value may differ from the value disclosed above. However, the final adjustment would be made once the winding up proceedings of the Fund are complete.

- 10.2.3** 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.

11 TAXATION - NET

Income tax refundable includes assessed refunds for the tax years 2008, 2009, 2010, 2011 and 2012. The income tax returns upto the tax year 2012 have been filed under the self assessment scheme and are deemed to be finalised under section 120 of the Income Tax Ordinance, 2001.

	(Unaudited) December 31, 2012	(Audited) June 30, 2012
	----- Rupees -----	
12 TRADE AND OTHER PAYABLES		
Accrued expenses	33,004,535	45,604,023
Withholding tax payable	-	38,424
Sales tax payable	6,871,044	7,823,129
Payable to facilitators/distributors	48,839,150	33,107,248
Unclaimed dividend	1,713,732	1,213,760
Others	207,191	23,396
	<u>90,635,652</u>	<u>87,809,980</u>

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13 MANAGEMENT FEE / INVESTMENT ADVISORY FEE

	Note	Half year ended		Quarter ended	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
		-----Rupees-----		-----Rupees-----	
From Collective Investment Schemes - related parties	13.1	273,454,322	256,605,678	131,766,014	128,649,358
From Discretionary Portfolio		2,690,410	640,385	1,560,206	333,404
		276,144,732	257,246,063	133,326,220	128,982,762
Less: Sindh Sales Tax	13.2	(38,089,005)	(35,409,494)	(18,389,903)	(17,761,211)
		238,055,727	221,836,569	114,936,317	111,221,551

13.1 From Collective Investment Schemes - related parties

AH Dow Jones SAFE Pakistan Titans 15 Index Fund	524,859	672,078	217,276	332,957
MCB Cash Management Optimizer	70,320,465	80,192,944	28,344,823	37,702,215
MCB Dynamic Allocation Fund	1,860,035	2,840,404	948,427	1,416,184
MCB Dynamic Cash Fund	66,130,376	46,041,540	37,128,700	23,585,786
MCB Dynamic Stock Fund	9,130,392	11,672,646	4,702,549	6,088,628
MCB Islamic Income Fund	13,414,870	2,416,920	7,360,211	1,587,928
Metro-Bank Pakistan Sovereign Fund	40,563,543	31,246,436	18,945,178	19,220,782
Pakistan Capital Market Fund	4,319,248	4,238,718	2,182,758	2,058,612
Pakistan Capital Protected Fund - Fixed Income Securities	523,164	2,078,098	-	1,044,312
Pakistan Cash Management Fund	19,192,866	15,274,064	8,662,460	6,860,941
Pakistan Income Enhancement Fund	6,831,898	12,580,838	2,829,943	5,807,314
Pakistan Income Fund	11,381,072	15,116,612	5,655,698	7,430,837
Pakistan International Element Islamic Asset Allocation Fund	2,986,552	3,137,024	1,442,873	1,520,528
Pakistan Islamic Pension Fund	1,518,637	1,128,437	776,659	570,393
Pakistan Pension Fund	2,667,180	1,856,167	1,363,594	921,532
Pakistan Premier Fund	5,778,750	7,012,195	2,891,189	3,303,486
Pakistan Stock Market Fund	12,279,043	12,319,670	6,342,853	5,836,146
Pakistan Strategic Allocation Fund	4,031,372	6,780,887	1,970,823	3,360,777
	273,454,322	256,605,678	131,766,014	128,649,358

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

Half year ended		Quarter ended	
December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
-----Rupees-----		-----Rupees-----	

14 ADMINISTRATIVE AND OPERATING EXPENSES

Salaries, allowances and other benefits	79,528,881	62,458,956	45,203,834	31,606,930
Marketing and advertising expenses	2,264,476	2,303,425	1,407,613	911,764
Legal and professional charges	7,201,423	7,427,912	3,776,381	3,866,878
Travelling and conveyance charges	1,790,303	1,452,767	995,474	848,879
Repairs and maintenance	10,850,957	13,045,837	5,763,907	6,238,155
Office supplies	232,307	256,865	154,668	170,703
Auditors' remuneration	505,000	250,000	255,000	162,675
Directors' meeting fee	450,000	625,000	125,000	125,000
Insurance	297,244	688,606	152,560	300,244
Depreciation	5,970,960	6,533,703	2,975,605	3,225,491
Amortisation	1,002,452	1,074,594	527,204	533,067
Stamp duty and taxes	44,444	103,764	30,544	32,850
Registrar fee	365,209	2,188,919	190,762	1,061,463
Printing and stationery	1,843,867	2,025,707	1,207,369	908,985
Utilities	1,677,966	3,227,319	823,702	2,160,329
Telephone expenses	2,903,593	2,847,943	1,782,405	1,360,018
Entertainment expenses	1,048,219	664,555	682,818	346,239
Books, periodicals and subscription	4,054,680	3,609,779	2,196,044	2,630,833
Miscellaneous expenses	2,416,286	1,980,216	850,000	791,604
	124,448,267	112,765,867	69,100,890	57,282,107

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15 CONTINGENCIES AND COMMITMENTS

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

16 TRANSACTIONS WITH RELATED PARTIES

MCB Bank Limited (MCB) holds 51.33% ordinary shares of the Company as at the period end. Therefore, all subsidiaries and associated undertakings of MCB are related parties of the Company. Other related parties comprise of collective schemes managed by the Company, directors, key management personnel and their close family members and retirement benefit plan. 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:

	Half year ended	
	December 31, 2012	December 31, 2011
	Rupees	
Transactions with related parties during the period		
CONTRIBUTIONS TO PROVIDENT FUND	2,168,851	2,329,208
MCB BANK LIMITED		
Profit on bank deposits	833,805	610,469
Dividend paid	55,435,152	55,435,152
Branch sharing expenses	1,375,384	1,116,388
Reimbursement of expenses	5,500,000	7,754,325
Commission on distribution of units	14,688,279	8,528,671
Bank charges	4,054	9,153
ADAMJEE LIFE ASSURANCE COMPANY LIMITED		
Advisory income	1,754,742	92,198
Amount paid against life assurance	1,094,230	353,316
ADAMJEE INSURANCE COMPANY LIMITED		
Amount paid against vehicles' insurance	376,366	60,000
SUMMIT BANK LIMITED		
Expense against differential of guaranteed return	1,596,264	1,793,000
Profit on bank deposits	140,295	814,872
Bank charges	-	13,716
MCB FINANCIAL SERVICES LIMITED		
Reimbursement of expenses	929,452	442,590
MCB DYNAMIC CASH FUND		
Management fee	66,130,376	46,041,540
Share of sales load	96,529	683,632
Investments in units	105,000,000	168,000,000
Redemption of units	19,500,880	132,000,000
MCB DYNAMIC STOCK FUND		
Management fee	9,130,392	11,672,646
Share of sales load	60,066	-
MCB DYNAMIC ALLOCATION FUND		
Management fee	1,860,035	2,840,404
Share of sales load	9,736	-
Investments in units	100,000,000	-
Redemption of units	49,641,060	-
MCB CASH MANAGEMENT OPTIMIZER		
Management fee	70,320,465	80,192,944
Redemption of units	14,693,792	-
MCB ISLAMIC INCOME FUND		
Management fee	13,414,870	2,416,920
Share of sales load	74,960	494,730
Formation cost received	-	1,000,000
Redemption of units	111,821,346	-
PAKISTAN STOCK MARKET FUND		
Management fee	12,279,043	12,319,670
Share of sales load	29,732	21,241

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	Half year ended	
	December 31, 2012	December 31, 2011
	Rupees	
PAKISTAN INCOME FUND		
Management fee	11,381,072	15,116,612
Share of sales load	23,504	4,306
PAKISTAN PREMIER FUND		
Management fee	5,778,750	7,012,195
METRO BANK-PAKISTAN SOVEREIGN FUND		
Management fee	40,563,543	31,246,436
Share of sales load	35,067	6,500
Investments in units	32,427,037	-
Redemption of units	34,778,810	-
PAKISTAN CAPITAL MARKET FUND		
Management fee	4,319,248	4,238,718
Share of sales load	10	-
PAKISTAN STRATEGIC ALLOCATION FUND		
Management fee	4,031,372	6,780,887
Amount received against conversion cost	957,300	-
PAKISTAN PENSION FUND		
Management fee	2,667,180	1,856,167
Share of sales load	8,238	156,953
PAKISTAN INTERNATIONAL ELEMENT ISLAMIC ASSET ALLOCATION FUND		
Management fee	2,986,552	3,137,024
Share of sales load	1,195	3,900
PAKISTAN ISLAMIC PENSION FUND		
Management fee	1,518,637	1,128,437
Share of sales load	37,849	23,245
PAKISTAN CAPITAL PROTECTED FUND - FIXED INCOME SECURITIES		
Management fee	523,164	2,078,098
Redemption of units	1,447,918	-
PAKISTAN CASH MANAGEMENT FUND		
Management fee	19,192,866	15,274,064
Investments in units	51,821,346	-
Redemption of units	65,615,706	-
PAKISTAN INCOME ENHANCEMENT FUND		
Management fee	6,831,898	12,580,838
Share of sales load	18,068	642,359
AH DOW JONES SAFE PAKISTAN TITANS 15 INDEX FUND		
Management fee	524,859	672,078
Share of sales load	35	5,014
Redemption of units	7,000,000	-
ARIF HABIB CORPORATION LIMITED		
Dividend paid	32,496,250	32,496,250
	(Unaudited) December 31, 2012	(Audited) June 30, 2012
Amount outstanding as at period end	Rupees	
MCB BANK LIMITED		
Bank balance	1,682,630	7,182,164
Other receivable	206,162	206,162
Mark up receivable	156,428	156,429
Commission payable	9,825,799	7,284,308
Other payable	6,551,752	5,986,500
ADAMJEE LIFE ASSURANCE COMPANY LIMITED		
Advisory fee	764,711	357,407

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

	(Unaudited) December 31, 2012	(Audited) June 30, 2012
	----- Rupees -----	
SUMMIT BANK LIMITED		
Bank balance	2,685,396	3,401,460
Payable against differential of guaranteed return	-	6,679,017
MCB FINANCIAL SERVICES LIMITED		
Payable against monthly reimbursement of expenses	132,500	-
MCB DYNAMIC CASH FUND		
Remuneration receivable	13,529,412	9,529,989
Share of load receivable	1,390,681	450,789
Closing balance of investments in units	485,523,175	376,907,202
MCB DYNAMIC STOCK FUND		
Remuneration receivable	1,620,932	1,361,400
Share of load receivable	309,424	323,062
MCB DYNAMIC ALLOCATION FUND		
Remuneration receivable	318,043	143,502
Share of load receivable	32,992	18,000
Closing balance of investments in units	59,444,420	-
MCB CASH MANAGEMENT OPTIMIZER		
Remuneration receivable	8,874,979	21,715,351
Share of load receivable	158,290	-
Closing balance of investments in units	-	14,567,804
MCB ISLAMIC INCOME FUND		
Remuneration receivable	2,623,616	1,455,141
Share of load receivable	2,028,066	787,608
Closing balance of investments in units	-	110,716,235
PAKISTAN STOCK MARKET FUND		
Remuneration receivable	2,094,586	1,754,585
Share of load receivable	338,896	298,321
Other receivable	2,750	-
PAKISTAN INCOME FUND		
Remuneration receivable	1,889,531	18,562,877
Share of load receivable	125,871	147,101
PAKISTAN PREMIER FUND		
Remuneration receivable	974,116	889,264
Share of load receivable	100	-
Other receivable	70,250	-
Conversion cost receivable	5,679,560	5,679,560
METRO BANK - PAKISTAN SOVEREIGN FUND		
Remuneration receivable	6,524,163	6,636,069
Share of load receivable	88,099	446
Other receivable	986,886	-
Closing balance of investments in units	-	942,002
PAKISTAN CAPITAL MARKET FUND		
Remuneration receivable	740,306	672,963
Other receivable	67,500	-
PAKISTAN STRATEGIC ALLOCATION FUND		
Remuneration receivable	627,065	667,909
Other receivable	67,500	-
Conversion cost receivable	6,642,857	7,600,157

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

	(Unaudited) December 31, 2012	(Audited) June 30, 2012
Amount outstanding as at period end	----- Rupees -----	
PAKISTAN PENSION FUND		
Remuneration receivable	475,396	357,743
Share of load receivable	-	2,787
Closing balance of investments in units	140,646,000	126,426,000
PAKISTAN INTERNATIONAL ELEMENT ISLAMIC ASSET ALLOCATION FUND		
Remuneration receivable	454,920	492,829
Share of load receivable	6,328	38,828
PAKISTAN ISLAMIC PENSION FUND		
Remuneration receivable	264,894	221,353
Closing balance of investments in units	137,952,000	125,682,000
PAKISTAN CAPITAL PROTECTED FUND - FIXED INCOME SECURITIES		
Remuneration receivable	169,553	341,426
Others receivable	840,474	-
Closing balance of investments in units	-	1,475,383
PAKISTAN CASH MANAGEMENT FUND		
Remuneration receivable	2,477,716	4,633,730
Others receivable	71,149	50,029
PAKISTAN INCOME ENHANCEMENT FUND		
Remuneration receivable	907,905	1,469,726
Share of load receivable	58,254	135,034
Others receivable	3,530	7,575
AH DOW JONES SAFE PAKISTAN TITANS 15 INDEX FUND		
Remuneration receivable	31,545	93,320
Closing balance of investments in units	20,690,668	24,376,683
Others receivable	702	-
ROTOCAST ENGINEERING (PRIVATE) LIMITED		
Receivable against sale of non-current assets	40,000,000	57,970,426
Payable against utilities expenses of Arif Habib Centre	-	5,184,592

17 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

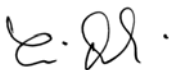
The Board of Directors in its meeting held on February 4, 2013 has declared an interim cash dividend of Rs 1.50 per share (Rs 0.75 per share declared on January 27, 2012) for the year ending June 30, 2013.

18 DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on February 04, 2013 by the Board of Directors of the Company.

19 GENERAL

- 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 period.
- Figures have been rounded off to the nearest Rupee unless otherwise stated.



Chief Executive Officer



Director

Please find us on



by typing: **Bachat Ka Doosra Naam**

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