



Bachat ka Doosra Naam

Quarterly Report

March 31, 2014
(Unaudited)



MCB-Arif Habib Savings and Investments Limited
(formerly: Arif Habib Investments Ltd.)

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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 Executive Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mr. Haroun Rashid Mr. Ahmed Jahangir 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	
Share Registrar	Central Depository Company of Pakistan Limited. CDC House, 99-B, Block B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi. Tel: (021) 111-111-500 Fax: (021) 34326053 Web: www.cdcPakistan.com	
Bankers	MCB Bank Limited Summit Bank Limited Bank Al Habib Limited	
Auditors	A.F. Ferguson & Co. Chartered Accountants (a member firm of PwC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Akhund Forbes D-21, Block 4, Scheme 5, Clifton, Karachi. Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
Registered Office	MCB-Arif Habib Savings and Investments Limited (Formerly: Arif Habib Investments Limited) 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Rating	Asset Manager AM2 (PACRA)	

DIRECTOR'S REPORT

FOR THE NINE MONTHS ENDED MARCH 31, 2014

The Board of Directors of MCB-Arif Habib Savings and Investments Limited (formerly Arif Habib Investment Limited) (MCBAH) is pleased to present the affairs of MCBAH for the nine months period ended March 31, 2014.

Company's Performance Review

The Company recorded a gross income of Rs. 421.838 million, which includes management/investment advisory fee and other operating income. After accounting of administrative, operating & financial expenses and income sharing of Rs. 259.816 million, the company earned a profit before tax of Rs. 162.022 million. The net profit after tax for the period amounts to Rs. 124.812 million, as compared to net profit of Rs. 119.889 million for the corresponding period ended March 31, 2014. The company is expected to deliver better results going forward on the back of increasing trend of funds under management and improvement in the performance of the equity market.

MARKET & ECONOMIC REVIEW

Economy & Money Market Review

Despite implementation of fiscal reforms, inflation managed to remain in the single digit with CPI averaging around 8.64% during the first nine months of current fiscal year. The Current Account balance remained in pressure posting a deficit of \$2.02 billion during the 8MFY14 as opposed to deficit of USD \$0.83 billion reported in corresponding period last year. Last year's saving grace came in the form of proceeds under Coalition Support Funds (CSF) where the country received \$1.806bn in 1HFY13 as opposed to inflows of \$675 million received during the first nine months of the current fiscal year.

During the year, the country successfully managed to enter into a three-year \$6.6 billion loan program with IMF. Out of total financing of around \$2.2 billion scheduled for FY14 under IMF Extended Fund Facility (EFF), the country received three tranches of around \$540 million each during 9MFY14. While out of total \$3 billion repayments to IMF due in FY14, the government repaid around \$2.52 billion to IMF during 9MFY14.

The reserves remained under pressure given that the country was scheduled to repay \$4.524 billion to foreign donors during 9MFY14. However, generosity on the part of multilateral agencies and close allies helped improve reserve balance to \$9.86 billion as on 28-March-2014 from the nine-month low of \$7.59

DIRECTOR'S REPORT

FOR THE NINE MONTHS ENDED MARCH 31, 2014

billion touched on 7-February-2014. Not to mention, the country received \$1.5 billion from a friendly country in March 2014. Hence, the local currency managed to appreciate to Rs. 98 against dollar towards the end of the 3QFY14 after touching a record low of Rs108.6 against dollar on 5-December-2013.

Although the government had twice announced 50 bps hikes in the discount rate in the monetary policy held in September and November, decrease in inflationary pressures and improvement in foreign reserve balance during 3QFY14 point towards monetary easing down the line.

The Money Market was moderately short of liquidity during FY14 where on numerous occasions financial institutions utilized ceiling in order to manage liquidity efficiently. The yield curve adjusted significantly upwards during the ongoing fiscal year, with 6-month PKRV at around 10% as on 31- March 2014 as opposed to 8.92% as on 30-June- 2013.

PKRV for PIBs remained volatile during the year. Despite stable to declining interest rate outlook on account of increase in foreign reserves balance, which resulted in Rupee appreciation and appeased inflationary pressures, interest rate on PIB increased towards the end of the 3QFY14 on the back of the government's growing appetite to raise money through longer tenure papers. This can be gauged from the fact that the Government managed to raise a total of Rs 974bn through PIB auction in 3QFY14 as opposed to the target of Rs 180 billion.

M2 has expanded by 5.14% during the 9MFY14 (till 28th March) as opposed to expansion of 8.83% during the same period last year. At the same time, the net borrowing from the banking system increased by Rs 502.7 billion as opposed to Rs 856.5 billion raised during the same period last year.

Equities Market Review

Stock market started FY14 on a positive note on the back of smooth political transition. Though steep rupee depreciation had kept stock market under pressure during August and September, recovery in foreign reserve balance towards the end of 3QFY14 lifted the benchmark index to 27,159.91 by the end of March, 2014, marking a growth of 29.3% since the start of the current fiscal year.

A combination of improving economic indicators, strong inherent bottom line growth and healthy payouts helped keep the investors' interest alive in the stock market. The rally remained broad based, but interest largely remained in Textile,

DIRECTOR'S REPORT

FOR THE NINE MONTHS ENDED MARCH 31, 2014

Construction & Materials, Oil & Gas, Pharmaceuticals and Power Sectors on the heels of success in getting GSP+ status, increase in margins of cement companies, increase in oil production and significant rupee depreciation during the 1HFY14.

Foreigners remained net buyers during the period with a cumulative net inflow of \$ 22.8 million, while the average turnover stood at around 214 million shares during the 9MFY14 as opposed to 170 million shares during the same period last year.

MARKET & ECONOMY - FUTURE OUTLOOK

The government expects reserve position to improve further towards the end of the ongoing fiscal year on the back of significant improvement in foreign direct investments and pledges made by multilateral agencies. The country is scheduled to pay more than \$1.2 billion to external official creditors in the last quarter, while the government is eyeing to raise foreign inflows through Euro bonds, 3G auction, and outstanding payments from Etisalat.

Earnings growth is expected to continue in E&P, Power and Cement sector, while the rupee appreciation bodes well for pharmaceutical and chemical companies. Rupee strengthening after a long slide has contributed towards a change in the outlook. The budgeted implications of a stronger rupee will unfold in the next few months. Going forward, fixed income funds are expected to strengthen on the back of widening gaps between short and mid-term yields.

MUTUAL FUND INDUSTRY REVIEW

The Net Assets of the Open end mutual fund industry improved by 12.4% during the first eight months of FY14 and ended the period at a size of around Rs 378.18 billion. The decline in Income Fund was countered by increase in Equity Funds and Money Market Funds.

The strong equity markets performance benefited Equity Funds, while the Money market funds remained in the limelight on the back of declining interest rate outlook.

In terms of the segment share, Money Market funds continued to be the leader with a share of around 39.0%, followed by Equity funds 21.3%, Income funds 13%, and Islamic Income funds at 10.5%.

DIRECTOR'S REPORT

FOR THE NINE MONTHS ENDED MARCH 31, 2014

The double impact of FED and Sales tax on management fees of the fund continues to exert pressure on return of funds, specially fixed income funds. However, improved distribution through brick and mortar network and technology contributes towards growth.

MUTUAL FUND INDUSTRY OUTLOOK

With the stock market up and running and all cards stacking in favor of monetary easing, we expect growth in AUMs to continue. With mutual funds offering competitive returns and unique advantages over other fixed income avenues, Money Market Funds will continue to remain favorable among investors. While Equity Funds are expected to continue to track asset price growth.

Voluntary Pension Schemes (due to enhanced tax-advantage) and Shariah compliant funds (stable return due to Ijarah Sukuk) are expected to register steady growth.

For and on behalf of the Board



Yasir Qadri
Chief Executive Officer
Karachi: April 21, 2014

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2014

		(Unaudited) March 31, 2014	(Audited) June 30, 2013
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Fixed assets	4	394,569,108	387,027,596
Long-term investments	5	340,165,127	303,075,000
Long-term loans and receivables		5,017,427	5,742,592
Long-term deposits		1,519,736	1,519,736
Total non-current assets		741,271,398	697,364,924
Current assets			
Loans and advances		1,004,752	874,249
Deposits, prepayments and other receivables		12,520,201	10,246,491
Receivable from related parties		149,313,176	69,732,326
Short-term investments	6	536,810,478	571,417,927
Accrued return on bank deposits		156,443	156,443
Taxation - net		57,127,355	56,949,201
Cash and bank balances		7,439,812	4,794,987
Total current assets		764,372,217	714,171,624
Total assets		<u>1,505,643,615</u>	<u>1,411,536,548</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
72,000,000 (June 30, 2013: 72,000,000) ordinary shares of Rs 10 each		<u>720,000,000</u>	<u>720,000,000</u>
Issued, subscribed and paid-up share capital		<u>720,000,000</u>	<u>720,000,000</u>
Reserves		<u>547,377,601</u>	<u>543,201,779</u>
Total equity		1,267,377,601	1,263,201,779
Surplus on revaluation of property and equipment - net of deferred tax		<u>11,888,455</u>	<u>9,827,150</u>
		1,279,266,056	1,273,028,929
LIABILITIES			
Non-current liabilities			
Deferred tax		<u>46,964,408</u>	<u>41,090,231</u>
Current liabilities			
Trade and other payables	7	<u>179,413,151</u>	<u>97,417,388</u>
Total liabilities		226,377,559	138,507,619
Total equity and liabilities		<u>1,505,643,615</u>	<u>1,411,536,548</u>

CONTINGENCIES AND COMMITMENTS

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



Chief Executive Officer

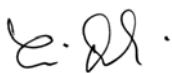


Director

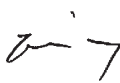
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2014

	Note	Nine months ended		Quarter ended	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
-----Rupees-----					
Revenue					
Management fee / investment advisory fee	8	371,144,514	349,067,036	130,266,574	111,011,309
Processing and other related income		722,283	609,433	256,664	204,743
Profit on bank deposits		1,612,587	1,291,101	533,913	317,000
Capital gain on sale of investments - net		23,493,465	17,323,158	15,197,611	8,885,088
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		24,050,191	34,304,890	4,588,244	5,633,948
Other income		815,200	1,585,541	130,636	345,698
Total income		421,838,240	404,181,159	150,973,642	126,397,786
Expenses					
Administrative and operating expenses	9	(201,179,552)	(183,532,726)	(68,914,615)	(59,084,459)
Management / investment advisory / processing fee and other related income sharing		(58,405,584)	(51,857,925)	(19,302,612)	(16,909,669)
Financial charges		(231,038)	(5,018)	(230,588)	(75)
Total expenses		(259,816,174)	(235,395,669)	(88,447,815)	(75,994,203)
Profit for the period before taxation		162,022,066	168,785,490	62,525,827	50,403,583
Taxation					
- Current		(35,010,674)	(38,700,035)	(13,905,186)	(12,977,586)
- Prior		2,418,418	(10,137,654)	-	-
- Deferred		(4,617,991)	(58,280)	(498,221)	(1,742,417)
		(37,210,247)	(48,895,969)	(14,403,407)	(14,720,003)
Profit for the period after taxation		124,811,819	119,889,521	48,122,420	35,683,580
Earnings per share - basic and diluted (Rupees)		1.73	1.67	0.67	0.50

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



Chief Executive Officer

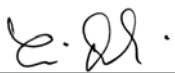


Director

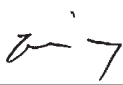
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2014**

	Nine months ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	-----Rupees-----			
Profit for the period after taxation	124,811,819	119,889,521	48,122,420	35,683,580
Other comprehensive income for the period				
<i>Items that will be reclassified to profit or loss</i>				
Net unrealised appreciation / (diminution) on re-measurement of 'available for sale' less reclassification adjustment for gain included in the income statement	40,986,829	31,905,122	15,034,702	3,785,052
<i>Items that will not be reclassified to profit or loss</i>				
Gain arising on revaluation of fixed assets - net of deferred tax	2,438,479	-	-	-
	43,425,308	31,905,122	15,034,702	3,785,052
Total comprehensive income for the period	<u>168,237,127</u>	<u>151,794,643</u>	<u>63,157,122</u>	<u>39,468,632</u>

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Chief Executive Officer

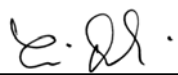


Director


CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2014

	Nine months ended	
	March 31, 2014	March 31, 2013
	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period before taxation	162,022,066	168,785,490
Adjustments for non cash items:		
Depreciation	9,871,101	9,041,000
Amortisation	2,248,311	1,538,858
Loss / (Gain) on sale of fixed assets	80,870	50,154
Capital gain on sale of marketable securities	(23,493,465)	(17,323,158)
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(24,050,191)	(34,304,890)
Financial charges	231,038	5,018
	(35,112,336)	(40,993,018)
CASH FLOW FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	126,909,730	127,792,472
WORKING CAPITAL CHANGES (Increase) / decrease in current assets		
Receivable from related parties	(79,580,850)	27,493,772
Deposits, prepayments and other receivables	(2,273,710)	3,856,664
Investments made-net	86,047,807	66,244,756
Formation cost	-	-
Mark-up accrued	-	27,796
Loans and advances	(130,503)	(255,490)
	4,062,744	97,367,498
Increase / (decrease) in current liabilities		
Trade and other payables	81,995,763	28,874,563
NET CASH USED IN WORKING CAPITAL CHANGES	86,058,507	126,242,061
CASH FLOW FROM OPERATING ACTIVITIES	212,968,237	254,034,533
Income tax paid	(32,770,524)	(34,282,939)
Finance cost paid	(231,038)	(5,018)
Dividend paid	(162,000,000)	(216,000,000)
NET CASH FLOW FROM OPERATING ACTIVITIES	17,966,675	3,746,576
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(16,112,015)	(11,908,916)
Proceeds from sale of property plant and equipment	65,000	768,347
Long term loans and receivables	725,165	1,081,177
Long term deposits	-	(227,772)
NET CASH USED IN INVESTING ACTIVITIES	(15,321,850)	(10,287,164)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	2,644,825	(6,540,588)
Cash and cash equivalents at the beginning of the period	4,794,987	11,590,602
Cash and cash equivalents at the end of the period	7,439,812	5,050,014

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



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2014

	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	Surplus on revaluation of property and equipment - net of deferred tax	Total
Rupees							
Balance as at July 1, 2012	720,000,000	396,000,000	(60,000,000)	186,830,448	28,760,879	10,335,783	1,281,927,110
	-	-	-	(108,000,000)			(108,000,000)
	-	-	-	119,889,521	31,905,122	-	151,794,643
	-	-	-	375,679	-	(375,679)	-
	-	-	-	(108,000,000)	-	-	(108,000,000)
Interim dividend @ 15% (Rupee 1.5 per share)	-	-	-	(95,734,800)	31,905,122	(375,679)	(64,205,357)
Balance as at March 31, 2013	720,000,000	396,000,000	(60,000,000)	91,095,648	60,666,001	9,960,104	1,217,721,753
Balance as at July 1, 2013	720,000,000	396,000,000	(60,000,000)	128,988,779	78,213,000	9,827,150	1,273,028,929
Final dividend for the year ended June 30, 2013 @ 10% declared subsequent to the year end	-	-	-	(72,000,000)			(72,000,000)
Total comprehensive income for the nine months ended March 31, 2014	-	-	-	124,811,819	40,986,829	2,438,479	168,237,127
fixed assets - net of tax	-	-	-	377,174		(377,174)	-
Interim dividend @ 12.5% (Rupee 1.25 per share)	-	-	-	(90,000,000)	-	-	(90,000,000)
	-	-	-	(36,811,007)	40,986,829	2,061,305	6,237,127
	720,000,000	396,000,000	(60,000,000)	92,177,772	119,199,829	11,888,455	1,279,266,056

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, 2014**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 MCB-Arif Habib Savings and Investments Limited ("the Company") was incorporated in the name of Arif Habib Investment Management Limited (AHIML) 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 its existing shareholders 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" (AHIL).

1.2 On January 19, 2011 a transfer agreement was signed 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). In accordance with the terms contained in the scheme of amalgamation, the Company became a subsidiary of MCB Bank Limited from the end of the year ended June 30, 2011 which continues to own 51.33% ordinary shares in the Company till date.

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). However, on the request of the Company, the SECP reviewed its aforementioned order and through letter no. SCD/AMCW/Mis/540/2013 dated May 17, 2013 issued a revised order under section 484(2) of the Companies Ordinance, 1984 to affirm the effective date of merger of MCB-AMC with AHIL as June 27, 2011. The latest order also endorsed the steps/actions taken by Company from June 27, 2011 to date.

Pursuant to the approval of merger, the name of the Company has been changed from Arif Habib Investments Limited to MCB-Arif Habib Savings and Investments Limited with effect from May 23, 2013.

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, 2014	June 30, 2013
	----- Rupees in million -----	
Open-end Collective Investment Scheme (CISs)		
MCB Cash Management Optimizer	14,288	11,075
MCB Dynamic Allocation Fund	780	433
MCB Dynamic Cash Fund	11,056	11,320
MCB Dynamic Stock Fund	1,110	887
MCB Islamic Income Fund	2,189	2,946
Metro Bank - Pakistan Sovereign Fund	1,488	1,270
Pakistan Capital Market Fund	329	401
Pakistan Cash Management Fund	3,501	2,557
Pakistan Income Enhancement Fund	1,093	1,319
Pakistan Income Fund	1,004	1,092
Pakistan International Element Islamic Asset Allocation Fund	313	204
Pakistan Premier Fund	772	552
Pakistan Stock Market Fund	1,315	1,179
Pakistan Strategic Allocation Fund	367	306
Pension Funds		
Pakistan Islamic Pension Fund	278	218
Pakistan Pension Fund	493	411
Discretionary portfolio	6,848	3,991

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2014**

The Company is also managing investors under discretionary portfolio management agreements, the details of which are given below:

Number of accounts	25	15
Cost of the portfolio - Rupees in million	6,454	3,800
Market value of portfolio - Rupees in million	6,516	3,886
Management fee earned - Rupees in million	9	11

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 audited financial statements of the Company for the year ended June 30, 2013.
- c) This condensed interim financial information is unaudited. 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 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 and building has been stated at revalued amount.

2.3 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 AND RISK MANAGEMENT POLICIES, ESTIMATES, ASSUMPTIONS AND CHANGES THEREIN

3.1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published audited financial statements of the Company for the year ended June 30, 2013 except disclosed below.

3.1.1 Subsequent measurement of financial instruments

Subsequent to initial recognition, financial assets are valued as follows:

a) Financial assets at fair value through profit or loss' and 'available-for-sale financial assets'

The investment in Collective Investment Schemes are marked to market using the closing Net Asset Value of such Collective Investment Schemes and are carried on the balance sheet at fair values.

Government securities are valued on the basis of rates announced by the Financial Market Association of Pakistan on Reuters and are carried on the balance sheet at fair values.

Net gains and losses arising on changes in the fair value of financial assets carried at fair value through profit or loss are taken to the profit and loss account.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
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Net gains and losses arising on changes in fair value of 'available-for-sale financial assets' are taken to other comprehensive income until these are derecognised. At this time, the cumulative gain or loss previously shown under other comprehensive income is transferred to profit and loss account as capital gain / (loss).

b) Loans and receivables' and held-to-maturity investments

Loans and receivables and held-to-maturity investments are carried at amortised cost.

3.1.2 Revenue recognition

3.1.2.1 Income from Government Securities

Income from government securities is recognized using the effective interest method.

3.2 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended June 30, 2013

3.4 The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Company for the year ended June 30, 2013

3.5 Certain amendments to approved accounting standards have been published and are mandatory for the Company's accounting period beginning on or after July 1, 2013. None of those amendments are expected to have a significant effect on this condensed interim financial information.

		(Unaudited) March 31, 2014	(Audited) June 30, 2013
		----- Rupees -----	
4	FIXED ASSETS	Note	
	Property and equipment	4.1	101,226,595
	Capital work-in-progress	4.2	12,585,349
	Intangible assets	4.3	280,757,164
			<u>394,569,108</u>
			<u>387,027,596</u>

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4.1 Property and equipment

Following is a statement of property and equipment:

	Computers	Building	Office equipment	Furniture and fixtures	Vehicles	Total
Rupees						
As at July 1, 2013						
Cost / revaluation	24,364,812	80,800,000	12,090,889	15,511,950	7,662,267	140,429,918
Accumulated depreciation	(17,095,059)	(10,005,115)	(5,661,852)	(6,703,194)	(4,111,134)	(43,576,354)
Net book value	7,269,753	70,794,885	6,429,037	8,808,756	3,551,133	96,853,564
Nine months ended March 31, 2014						
Opening net book value	7,269,753	70,794,885	6,429,037	8,808,756	3,551,133	96,853,564
Revaluations during the period	-	3,694,665	-	-	-	3,694,665
Additions during the period	6,244,893	-	1,635,243	2,815,087	-	10,695,223
Disposals / transfers						
Cost / revaluation	(229,513)	-	(611,250)	-	-	(840,763)
Accumulated depreciation	129,659	-	565,348	-	-	695,007
	(99,854)	-	(45,902)	-	-	(145,756)
Depreciation for the period	(3,060,498)	(2,700,991)	(1,526,689)	(1,251,248)	(1,331,675)	(9,871,101)
Closing net book value	10,354,294	71,788,559	6,491,689	10,372,595	2,219,458	101,226,595
As at March 31, 2014						
Cost / revaluation	30,380,192	84,494,665	13,114,882	18,327,037	7,662,267	153,979,043
Accumulated depreciation	(20,025,898)	(12,706,106)	(6,623,193)	(7,954,442)	(5,442,809)	(52,752,448)
Net book value	10,354,294	71,788,559	6,491,689	10,372,595	2,219,458	101,226,595
Depreciation rates (% per annum)	25%	5%	20%	10%	25%	
	Computers	Building	Office equipment	Furniture and fixtures	Vehicles	Total
Rupees						
As at July 1, 2012						
Cost / revaluation	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
Year ended June 30, 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 year	1,176,906	-	3,579,923	1,006,502	-	5,763,331
Disposals / transfers						
Cost / revaluation	(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 year	(3,386,927)	(3,726,282)	(1,754,962)	(1,477,973)	(1,775,565)	(12,121,709)
Closing net book value	7,269,753	70,794,885	6,429,037	8,808,756	3,551,133	96,853,564
As at June 30, 2013						
Cost / revaluation	24,364,812	80,800,000	12,090,889	15,511,950	7,662,267	140,429,918
Accumulated depreciation	(17,095,059)	(10,005,115)	(5,661,852)	(6,703,194)	(4,111,134)	(43,576,354)
Net book value	7,269,753	70,794,885	6,429,037	8,808,756	3,551,133	96,853,564
Depreciation rates (% per annum)	25%	5%	20%	10%	25%	

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4.1.1 The office premises of the Company was originally revalued by an independent professional valuer on November 20, 2007. The revaluation was carried out by M/s Pee Dee and Associates on the basis of professional assessment of present market values and resulted in a surplus of Rs 1.623 million. The Company revalued its office premises using the same independent professional valuer as on October 1, 2010. The said revaluation was based on market values prevailing at that time and resulted in a further surplus of Rs 15.260 million.

During the period, office premises of the Company was again revalued on December 31, 2013 by an independent / professional valuer Sardar Enterprises on the basis of professional assessments of the market values. The revaluation resulted in a further surplus of Rs. 3.695 million. Had there been no revaluation, the carrying amount of the office premises as at March 31, 2014 would have been Rs. 54.05 million (June 30, 2013: Rs. 56.15 million).

4.2 Capital work-in-progress

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

4.3 Intangible assets

The following is a statement of intangible assets:

	Computer software	Goodwill	Management rights	Total
	Rupees			
Nine months ended March 31, 2014 (Unaudited)				
Opening net book value	4,720,900	82,126,933	192,000,000	278,847,833
Additions during the period	4,157,642	-	-	4,157,642
Amortisation for the period	(2,248,311)	-	-	(2,248,311)
Closing net book value	6,630,231	82,126,933	192,000,000	280,757,164

Amortisation rates (% per annum)

25% - -

	Computer software	Goodwill	Management rights	Total
	Rupees			
Year ended June 30, 2013 (Audited)				
Opening net book value	5,114,069	82,126,933	192,000,000	279,241,002
Additions during the year	1,744,777	-	-	1,744,777
Disposals during the year	-	-	-	-
Amortisation for the year	(2,137,946)	-	-	(2,137,946)
Closing net book value	4,720,900	82,126,933	192,000,000	278,847,833

Amortisation rates (% per annum)

25% - -

Note (Unaudited) (Audited)
March 31, June 30,
2014 2013
Rupees

5 LONG-TERM INVESTMENTS

Investments in units of mutual funds

Available-for-sale investments 5.1 340,165,127 303,075,000

5.1 Available-for-sale

Name of the Investee fund	As at July 01, 2013	Purchases during the period	Bonus units issued during the period	Redemptions/ reclassifications during the period	As at March 31, 2014	As at March 31, 2014			As at June 30, 2013		
						Cost	Market value	Unrealised appreciation on re-measurement of investments	Cost	Market value	Unrealised appreciation on re-measurement of investments
Number of units						Rupees					
Pakistan Pension Fund	900,000	-	-	47,804	852,196	108,396,061	166,867,682	58,471,621	113,328,000	154,218,000	40,890,000
Pakistan Islamic Pension Fund	900,000	5,160	-	-	905,160	112,534,000	173,297,445	60,763,445	111,534,000	148,857,000	37,323,000
						220,930,061	340,165,127	119,235,066	224,862,000	303,075,000	78,213,000

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	Note	(Unaudited) March 31, 2014	(Audited) June 30, 2013
		----- Rupees -----	
6 SHORT-TERM INVESTMENTS			
Investment in Pakistan Investment Bond			
Available-for-sale investments	6.1	98,549,063	-
Investments in units of mutual funds			
At fair value through profit or loss	6.2	438,261,415	571,417,927
		<u>536,810,478</u>	<u>571,417,927</u>

6.1 Available-for-sale investments

Particulars	Face Value in Rupees				Carrying Value	Market value	Unrealised diminution on remeasurement of investments
	As at July 1, 2013	Purchased during the year	Disposed during the year	As at March 31 2014			
Pakistan Investment Bonds - 03 years	-	100,000,000	-	100,000,000	98,584,300	98,549,063	(35,237)

6.2 At fair value through profit or loss

Name of the Investee Fund	As at July 01, 2013	Purchases during the period	Bonus units issued during the period	Redemptions during the period	As at March 31, 2014	As at March 31, 2014			As at June 30, 2013		
						Carrying value	Market value	Unrealised appreciation on re-measurement of investments	Carrying value	Market value	Unrealised appreciation on re-measurement of investments
						----- Rupees -----			----- Rupees -----		
MCB Dynamic Cash Fund	4,171,479	975,009	346,364	3,074,202	2,418,650	231,341,625	244,444,935	13,103,310	400,722,214	432,384,581	31,662,367
MCB Dynamic Allocation Fund	1,166,918	1,299,133	211,148	550,040	2,127,159	153,624,292	163,342,438	9,718,146	88,547,336	98,348,399	9,801,063
Metrobank-Pakistan Sovereign Fund - perpetual scheme	791,844	488,091	51,312	823,262	508,005	25,000,000	25,415,474	415,474	40,000,000	40,684,947	684,947
MCB Cash Management Optimizer	-	40,886	665	-	50,551	5,000,000	5,028,568	28,568	-	-	-
MCB Dynamic Stock Fund	-	264,676	-	264,676	-	-	-	-	-	-	-
						<u>414,965,917</u>	<u>438,261,415</u>	<u>23,295,498</u>	<u>529,269,550</u>	<u>571,417,927</u>	<u>42,148,377</u>

The above mentioned investee funds are related parties of MCB - Arif Habib Savings and Investments Limited.

	Note	(Unaudited) March 31, 2014	(Audited) June 30, 2013
		----- Rupees -----	
7 TRADE AND OTHER PAYABLES			
Accrued expenses		52,827,327	47,745,929
Withholding tax payable		1,022,867	702,155
Indirect taxes and duties payable	7.1	83,471,637	12,927,125
Worker's welfare fund	7.2	12,879,101	9,571,900
Payable to facilitators/distributors		25,719,387	24,822,171
Unclaimed dividend		3,339,591	1,544,690
Others		153,241	103,418
		<u>179,413,151</u>	<u>97,417,388</u>

- 7.1 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of law.

The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies together with their respective Collective Investment Schemes through their trustees, through a Constitutional Petition filed in the Honorable Sindh High Court (SHC) on September 4, 2013 challenging the levy of FED. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending.

Pending decision of the SHC, the Funds have stopped making payments for FED and other related tax to their respective management companies. However, full provision in respect of FED and related tax effective June 13, 2013 is being made in the books of accounts.

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

During the year ended 30 June 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 has declared the said amendments as unlawful and unconstitutional and struck them down. In March 2013 a larger bench of the Sindh High Court (SHC) in various constitutional petitions filed by companies declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, do not suffer from any constitutional or legal infirmity.

The company filed constitutional petition on levy of WWF on the basis of decision by full bench of Sindh High Court. The company have been granted a stay against the notices received for deposit of WWF.

As the matter relating to levy of WWF is currently pending in the SHC, the Company has decided to retain and continue with the provision for WWF in its books of account and financial statements aggregating to Rs. 12.88 million as at March 31, 2014.

8 MANAGEMENT FEE / INVESTMENT ADVISORY FEE

	Note	Nine months ended		Quarter ended	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
		-----Rupees-----		-----Rupees-----	
From Collective Investment Schemes - related parties	8.1	486,688,693	400,358,082	170,144,650	126,903,760
From Discretionary Portfolio		12,723,367	4,559,764	5,142,053	1,869,354
		499,412,060	404,917,846	175,286,703	128,773,114
Less: Indirect taxes and duties on management fees		(128,267,546)	(55,850,810)	(45,020,129)	(17,761,805)
		371,144,514	349,067,036	130,266,574	111,011,309

8.1 From Collective Investment Schemes - related parties

MCB Cash Management Optimizer	127,147,349	95,613,840	48,414,801	25,293,375
MCB Dynamic Allocation Fund	12,270,353	2,863,116	4,505,510	1,003,081
MCB Dynamic Cash Fund	164,197,018	112,010,041	55,520,186	45,879,665
MCB Dynamic Stock Fund	19,664,740	13,108,807	6,655,342	3,978,415
MCB Islamic Income Fund	25,622,756	21,460,005	8,183,090	8,045,135
AH Dow Jones SAFE Pakistan Titans 15 Index Fund	-	542,257	-	17,398
Metro - Bank Pakistan Sovereign Fund	7,691,680	52,950,971	2,493,417	12,387,428
Pakistan Capital Market Fund	7,284,135	6,488,420	2,223,899	2,169,172
Pakistan Capital Protected Fund - Fixed Income Securities	-	523,164	-	-
Pakistan Cash Management Fund	31,825,065	24,690,458	11,905,208	5,497,592
Pakistan Income Enhancement Fund	15,841,013	10,132,409	4,375,402	3,300,511
Pakistan Income Fund	15,313,415	16,792,961	4,872,432	5,411,889
Pakistan International Element Islamic Asset Allocation Fund	4,801,305	4,196,261	1,681,397	1,209,709
Pakistan Islamic Pension Fund	3,676,992	2,312,697	1,306,357	794,060
Pakistan Pension Fund	6,839,704	4,076,314	2,354,332	1,409,134
Pakistan Premier Fund	12,710,318	8,649,301	4,797,559	2,870,551
Pakistan Stock Market Fund	24,900,331	18,171,990	8,459,222	5,892,947
Pakistan Strategic Allocation Fund	6,902,519	5,775,070	2,396,496	1,743,698
	486,688,693	400,358,082	170,144,650	126,903,760

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9 ADMINISTRATIVE AND OPERATING EXPENSES

	Nine months ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	-----Rupees-----		-----Rupees-----	
Salaries, allowances and other benefits	127,788,502	118,422,555	43,934,486	38,893,674
Marketing and advertising expenses	3,269,054	3,220,818	486,292	956,342
Legal and professional charges	10,240,734	9,443,700	4,078,761	2,242,277
Traveling and conveyance charges	2,020,093	2,484,570	433,100	694,267
Repairs and maintenance	18,641,438	16,122,941	6,037,625	5,271,984
Office supplies	441,638	334,400	264,757	102,093
Auditors' remuneration	1,350,000	765,000	450,000	260,000
Directors' meeting fee	800,000	625,000	250,000	175,000
Insurance	1,023,028	432,910	270,073	135,666
Depreciation	9,871,101	9,041,000	3,476,436	3,070,040
Amortisation	2,248,311	1,538,858	816,438	536,406
Stamp duty and taxes	897,729	213,988	749,363	169,544
Registrar fee	551,122	551,016	181,357	185,807
Printing and stationery	3,749,131	2,581,881	1,074,034	738,014
Utilities	2,836,613	2,338,717	1,176,622	660,751
Telephone expenses	4,586,485	4,147,571	1,665,211	1,243,978
Entertainment expenses	1,627,002	1,309,870	614,519	261,651
Books, periodicals and subscription	5,926,870	6,390,435	1,653,711	2,335,755
Miscellaneous expenses	3,310,701	3,567,496	1,301,830	1,151,210
	<u>201,179,552</u>	<u>183,532,726</u>	<u>68,914,615</u>	<u>59,084,459</u>

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as on March 31, 2014 and June 30, 2013.

11 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 Arif Habib Corporation Limited with a holding percentage of 30%, Arif Habib Limited and collective investment 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:

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	Nine months ended	
	March 31,	March 31,
	2014	2013
	-----Rupees-----	-----Rupees-----
	-----Un-audited-----	-----Un-audited-----
11.1 Transactions with related parties during the period		
CONTRIBUTIONS TO PENSION FUND	3,606,341	-
CONTRIBUTIONS TO PROVIDENT FUND	-	3,265,508
MCB BANK LIMITED		
Profit on bank deposits	1,457,494	1,100,674
Dividend paid	83,152,728	110,870,304
Branch sharing expenses	1,844,763	1,945,222
Reimbursement of expenses	8,250,000	8,248,000
Commission on distribution of units	28,491,685	21,487,624
Bank charges	231,038	4,129
ADAMJEE LIFE ASSURANCE COMPANY LIMITED		
Advisory income	7,591,907	3,169,707
Amount paid against life insurance	908,392	3,973,802
ADAMJEE INSURANCE COMPANY LIMITED		
Amount paid against vehicles' and other insurance	831,272	474,046
MCB FINANCIAL SERVICES LIMITED		
Reimbursement of expenses	1,539,285	1,322,390
SUMMIT BANK LIMITED		
Expense against differential of guaranteed return	-	1,596,264
Profit on bank deposits	155,093	190,427
ROTOCAST ENGINEERING (PVT) LIMITED		
Amount received against disposal of non current assets	-	37,970,426
ARIF HABIB CORPORATION LIMITED		
Dividend paid	48,744,376	64,992,500
ARIF HABIB LIMITED		
Dividend paid	4,213,722	4,018,332
KEY MANAGEMENT PERSONNEL	37,946,250	26,126,386
EXECUTIVE DIRECTORS	19,025,019	17,044,804
MCB DYNAMIC CASH FUND		
Remuneration income	122,025,132	112,010,041
Sales load	42,473	187,002
Investment made	99,202,641	158,000,000
Investments realised	313,000,000	122,500,880
MCB DYNAMIC STOCK FUND		
Remuneration income	14,614,105	13,108,807
Sales load	47,527	96,508
Investment made	31,000,000	-
Investments realised	31,194,034	-
MCB DYNAMIC ALLOCATION FUND		
Remuneration income	9,118,871	2,863,116
Sales load	155,868	37,636
Investments in units	95,000,000	100,000,000
Redemption of units	42,000,000	49,641,060

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FOR THE NINE MONTHS ENDED MARCH 31, 2014**

	Un-audited March 31, 2014	Un-audited March 31, 2013
	-----Rupees-----	
MCB CASH MANAGEMENT OPTIMIZER		
Remuneration income	94,491,193	95,613,840
Sales load	124,263	11,866
Investments in units	5,000,000	-
Redemption of units	-	14,693,792
MCB ISLAMIC INCOME FUND		
Remuneration income	19,041,882	21,437,693
Sales load	178,480	97,806
Redemption of units	-	111,821,346
PAKISTAN STOCK MARKET FUND		
Remuneration income	18,505,002	18,171,990
Sales load	37,385	33,106
PAKISTAN INCOME FUND		
Remuneration income	11,380,362	16,792,961
Sales load	4,494	25,784
PAKISTAN PREMIER FUND		
Remuneration income	9,445,837	8,649,301
Amount received against conversion cost	1,135,912	1,726,885
METRO BANK-PAKISTAN SOVERIGN FUND		
Remuneration income	5,716,171	52,950,971
Sales load	-	35,479
Investments in units	16,491,060	32,427,037
Redemption of units	50,000,000	34,778,810
PAKISTAN CAPITAL MARKET FUND		
Remuneration income	5,413,299	6,488,420
Sales load	2,860	882
PAKISTAN STRATEGIC ALLOCATION FUND		
Remuneration income	5,129,696	5,775,070
Sales load	5,918	-
Amount received against conversion cost	1,520,031	2,477,330
PAKISTAN PENSION FUND		
Remuneration income	5,083,014	4,076,314
Sales load	22,989	8,669
Redemption of units	11,100,000	-
PAKISTAN INTERNATIONAL ELEMENT ISLAMIC ASSET ALLOCATION FUND		
Remuneration income	3,568,152	4,196,261
Sales load	40,321	4,407
PAKISTAN ISLAMIC PENSION FUND		
Remuneration income	2,732,604	2,312,697
Sales load	13,313	42,613
Investments in units	1,000,000	-
PAKISTAN CAPITAL PROTECTED FUND - FIS		
Remuneration income	-	523,164
PAKISTAN CASH MANAGEMENT FUND		
Remuneration income	23,651,208	24,690,458
Investments in units		20,000,000
PAKISTAN INCOME ENHANCEMENT FUND		
Remuneration income	11,772,453	10,132,409
Sales load	46,392	27,640
AH DOW JONES SAFE PAKISTAN TITANS 15 INDEX FUND		
Remuneration income	-	542,257
Sales load	-	35

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2014**

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
	----- Rupees -----	
Amount outstanding as at period end		
MCB BANK LIMITED		
Bank balance	4,483,938	1,975,281
Receivable as share of expense	206,162	206,162
Other payable	9,792,757	6,853,105
Commission payable	7,487,679	13,014,516
Mark up receivable	156,429	156,429
ADAMJEE LIFE ASSURANCE COMPANY LIMITED		
Advisory fee receivable	5,123,430	1,321,628
MCB FINANCIAL SERVICES LIMITED		
Payable against monthly reimbursement	300,000	151,632
SUMMIT BANK LIMITED		
Bank balance	2,921,996	2,791,898
MCB DYNAMIC CASH FUND		
Remuneration receivable	40,645,303	17,918,046
Sales load receivable	9,174,050	197,983
Closing balance of investment in units	244,444,935	432,384,581
MCB DYNAMIC STOCK FUND		
Remuneration receivable	4,953,428	1,855,602
Sales load receivable	508,998	524,706
MCB DYNAMIC ALLOCATION FUND		
Remuneration receivable	3,116,811	638,057
Sales load receivable	827,105	616,795
Closing balance of investment in units	163,342,438	98,348,399
MCB CASH MANAGEMENT OPTIMIZER		
Remuneration receivable	32,957,220	12,073,240
Sales load receivable	140,853	96,724
Closing balance of investment in units	5,058,568	-
MCB ISLAMIC INCOME FUND		
Remuneration receivable	6,525,482	2,819,564
Sales load receivable	2,372,721	4,581,973
PAKISTAN STOCK MARKET FUND		
Remuneration receivable	5,526,611	2,522,056
Sales load receivable	156,561	405,132
Other receivable	5,552	8,855
PAKISTAN INCOME FUND		
Remuneration receivable	3,721,358	1,898,723
Sales load receivable	41,205	946,370

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2014**

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
	----- Rupees -----	
PAKISTAN PREMIER FUND		
Remuneration receivable	3,386,732	1,184,745
Sales load receivable	5,469	4,308
Other receivable	3,966	2,750
Conversion cost receivable	2,816,763	3,952,675
METRO BANK-PAKISTAN SOVEREIGN FUND		
Remuneration receivable	2,608,217	2,702,281
Sales load receivable	358,212	124,531
Closing balance of investment in units	25,415,474	40,684,947
PAKISTAN CAPITAL MARKET FUND		
Remuneration receivable	1,738,623	850,897
Sales load receivable	44,841	5,197
PAKISTAN STRATEGIC ALLOCATION FUND		
Remuneration receivable	2,442,643	665,929
Sales load receivable	3,969	400
Conversion cost receivable	3,602,795	5,122,826
PAKISTAN PENSION FUND		
Remuneration receivable	1,738,908	629,710
Closing balance of investment in units	166,867,682	154,218,000
Sales load receivable	-	36,438
Receivable against redemption of units	3,600,000	-
PAKISTAN INTERNATIONAL ELEMENT ISLAMIC ASSET ALLOCATION FUND		
Remuneration receivable	1,209,524	412,539
Sales load receivable	341,198	201,131
PAKISTAN ISLAMIC PENSION FUND		
Remuneration receivable	936,314	329,489
Closing balance of investment in units	173,297,445	148,857,000
Sales load receivable	105,289	59,864
PAKISTAN CAPITAL PROTECTED FUND - FIXED INCOME SECURITIES		
Others receivable	-	840,478
PAKISTAN CASH MANAGEMENT FUND		
Remuneration receivable	7,736,421	2,584,464
Closing balance of investment in units	-	-
Other payable	95,306	985
Others receivable	-	35,029
PAKISTAN INCOME ENHANCEMENT FUND		
Remuneration receivable	4,856,631	1,799,004
Sales load receivable	53,560	5,602,829
Others receivable	-	3,530

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2014**

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
	----- Rupees -----	
KEY MANAGEMENT PERSONNEL		
Loan and advances	1,046,433	1,245,138

12 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 21, 2014.

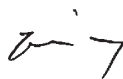
13 GENERAL

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



Chief Executive Officer



Director

Please find us on



by typing: **Badal Kalbessa Nam**

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(Formerly: Arif Habib Investments Limited)

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