



Bachat ka Doosra Naam

Half Year Report
December 31, 2013
(Unaudited)



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

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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
Audit Committee	Mr. Haroun Rashid Mr. Nasim Beg Mr. Samad A. Habib	Chairman Member Member
Human Resource & Remuneration Committee	Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Yasir Qadri	Chairman Member Member Member Member
Company Secretary & Chief Operating Officer	Mr. Muhammad Saqib Saleem	
Chief Financial Officer	Mr. Umair Ahmed	
Share Registrar	Central Depository Company of Pakistan Limited. CDC House, 99-B, Block B, S.M.C.H.S, Main Shakra-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)	

DIRECTORS REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2013

The Board of Directors of MCB-Arif Habib Savings and Investments Limited (formerly Arif Habib Investment Limited) (MCBAH) is pleased to present the Half Yearly Report on the affairs of MCBAH for the period ended December 31, 2013.

Company's Performance Review

The Company recorded a gross income of Rs. 270.86 million, which includes management/investment advisory fee and other operating income. After accounting of administrative, operating & financial expenses and income sharing of Rs. 171.37 million, the company earned a profit before tax of Rs. 99.50 million. The net profit after tax for the period amounts to Rs. 76.69 million, as compared to net profit of Rs. 84.20 million for the corresponding period ended December 31, 2012. With the increasing trend of funds under management and higher interest rates, the company is expected to deliver better results going forward. The management company launched its Bachat Sahulat initiative and has offered ground breaking services to execute transactions through internet and telephone.

MARKET & ECONOMIC REVIEW

Economy & Money Market Review

Amid implementation of fiscal reforms and volatile food prices, inflation remained volatile with CPI averaging around 8.9% during the 1HFY13. The current account balance remained in pressure posting a deficit of \$1.58 billion during 1HY14 as opposed to deficit of \$0.083 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 USD 1.806bn in 1HFY13.

During the period under review, 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 two tranches of around \$540 million each in 1HFY14. While out of total \$3 billion repayments to IMF due in FY14, the government repaid around \$1.89 billion to IMF in the 1HFY14.

DIRECTORS REPORT

FOR THE HALF YEAR ENDED DECEMBER 31, 2013

In the face of inflows from IMF under EFF program and the multilateral agencies, loan repayments and trade deficit have reduced reserve balance to around \$ 8.3 billion as on 10-Jan-13, from \$11 billion at the start of the FY14. The country also received \$322 million under umbrella of CSF during 1HFY14.

Consequently, the local currency remained under pressure and volatile with the currency touching a record low Rs108.6 against dollar in the interbank market during 2QFY14. However, later SBP intervened in the market and as a result local currency recovered by closing at around Rs105.45 as on 31-Dec-13.

Keeping in view higher inflationary and vulnerable foreign reserves position, the government had twice announced 50 bps hike in the discount rate in the monetary policy held in September and November, bringing the discount rate to 10% from 9% at the start of the fiscal year. A combination of higher power tariffs and gas prices will likely keep inflationary pressure on the higher side during the year.

The money market started on a liquid note, with short term rates remaining on the lower side during the first three months of FY14, mainly due to lower participation rate in T-bill auctions. However, later market started experiencing liquidity crunch, causing market to witness significant number of ceilings in the month of December.

Given an upward trajectory in YOY CPI inflation coupled with SBP tightening stance, the yield curve has adjusted significantly upwards during the period. 1 year PKRV adjusted upwards by 128 bps to 10.22%.

M2 has expanded by 5.47% during the 1HFY14 (till 27th December) as opposed to expansion of 7.01% during the same period last year. While borrowing from SBP increased by Rs 590.9 billion as opposed to net retirement of around Rs 134.4 billion during the same period last year.

Equities Market Review

Stock market started FY14 on a positive note on the back of smooth political transition. Steep rupee depreciation kept stock market under pressure in the months of August and September. However material recovery in Rupee and Pakistan's success of getting GSP+ status brought market on rails again and KSE100 index

DIRECTORS REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2013

touched its all time high of 25,579.33 on 20th Decmenber 2013. KSE100 index closed half year with an index on 25,261.14 which translates into 20% return for HY14. Foreigners remained net sellers during the period with a cumulative net outflow of US\$ 9.3 million. In terms of sectors interest remained concentrated in Textile, Construction & Materials, Oil & Gas, Pharmaceuticals and Power Sectors on the heels of strong inherent bottom line growth and healthy payouts.

MARKET & ECONOMY - FUTURE OUTLOOK

Foreign reserves are expected to remain under pressure as Pakistan is scheduled to pay more than \$2.1 billion to external official creditors during the next two quarters. However, the government expects reserve position to improve towards the end of the ongoing fiscal year on the back of significant improvement in foreign direct investments and pledges made by multilateral agencies.

While the economic environment continues to be challenging, corporate earnings are largely expected to continue to improve. Earnings growth is expected to continue in E&P, Textile, Power and Cement sector. The rupee depreciation bodes well for Textile, E&P and Power sector, while higher allocation in PSDP will increase demand for cement.

MUTUAL FUND INDUSTRY REVIEW

The Net Assets of the open end mutual fund industry improved by 7.7% during the period under review and ended the period at a size of around at around Rs 362.9 billion. The decline in Income Fund, Islamic Income fund and Islamic Money Market Fund was countered by increase in Equity Funds and Money Market Funds.

In terms of the segment share, Money Market funds continued to be the leader with a share of around 39.4%, followed by Equity funds 21.8%, Income funds 13.2%, and Islamic Income funds at 9.7%.

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.

DIRECTORS REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2013

MUTUAL FUND INDUSTRY OUTLOOK

With the stock market up and running and interest rates on the higher side, 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: February 6, 2014

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



A. F. FERGUSON & CO.

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of **MCB - Arif Habib Savings and Investments Limited** (formerly *Arif Habib Investments Limited* - the Company) as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and 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, 2013 and December 31, 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2013.

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, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement Partner: **Rashid A. Jafer**

Dated: February 21, 2014

Karachi

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Islamabad: PIA Building, 3rd Floor, 49 Blue Area, Fazi-ul-Haq Road, P.O. Box 3021, Islamabad-44000, Pakistan; Tel: +92 (51) 2273457-60; Fax: +92 (51) 2277924
Kabul: Apartment No. 3, 3rd Floor, Dost Tower, Haji Yaqub Square, Sher-e-Nau, Kabul, Afghanistan; Tel: +93 (799) 315320, +93 (799) 315320

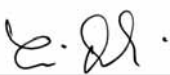
CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2013

		(Unaudited) December 31, 2013	(Audited) June 30, 2013
		-----Rupees-----	
ASSETS			
Non-current assets			
Fixed assets	4	397,763,385	387,027,596
Long-term investments	5	326,607,883	303,075,000
Long-term loans and receivables		4,972,095	5,742,592
Long-term deposits		1,519,736	1,519,736
Total non-current assets		730,863,099	697,364,924
Current assets			
Loans and advances	6	794,522	874,249
Deposits, prepayments and other receivables	7	8,967,708	10,246,491
Receivable from related parties	8	131,491,808	69,732,326
Short-term investments	9	567,732,352	571,417,927
Accrued return on bank deposits		156,429	156,443
Taxation - net	10	56,218,835	56,949,201
Cash and bank balances		8,521,295	4,794,987
Total current assets		773,882,949	714,171,624
Total assets		<u>1,504,746,048</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		720,000,000	720,000,000
Reserves		574,084,902	543,201,779
Total equity		1,294,084,902	1,263,201,779
Surplus on revaluation of property and equipment - net of deferred tax		12,024,032	9,827,150
LIABILITIES			
Non-current liabilities			
Deferred tax		46,466,187	41,090,231
Current liabilities			
Trade and other payables	11	152,170,927	97,417,388
Total liabilities		198,637,114	138,507,619
Total equity and liabilities		<u>1,504,746,048</u>	<u>1,411,536,548</u>

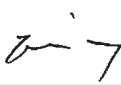
CONTINGENCIES AND COMMITMENTS

14

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Chief Executive Officer



Director

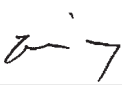
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013

Note	Half year ended		Quarter ended		
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	
	-----Rupees-----		-----Rupees-----		
Revenue					
Management fee / investment advisory fee	12	240,877,940	238,055,727	122,135,166	114,936,317
Processing and other related income		465,619	404,690	154,323	252,757
Profit on bank deposits		1,078,674	974,101	691,617	469,797
Capital gain on sale of investments - net		8,295,854	8,438,070	6,706,007	5,881,396
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	9.1	19,461,947	28,670,942	10,397,162	9,102,432
Other income		684,564	1,239,843	682,529	608,292
Total income		270,864,598	277,783,373	140,766,804	131,250,991
Expenses					
Administrative and operating expenses	13	132,264,937	124,448,267	69,665,581	69,100,890
Management / investment advisory / processing fee and other related income sharing		39,102,972	34,948,256	18,701,521	20,514,030
Financial charges		450	4,943	450	2,082
Total expenses		(171,368,359)	(159,401,466)	(88,367,552)	(89,617,002)
Profit for the period before taxation		99,496,239	118,381,907	52,399,252	41,633,989
Taxation					
- Current period		(21,105,488)	(25,722,449)	(9,942,427)	(10,809,838)
- Prior period		2,418,418	(10,137,654)	2,418,418	(10,137,654)
- Deferred		(4,119,770)	1,684,137	(2,560,640)	6,943,060
		(22,806,840)	(34,175,966)	(10,084,649)	(14,004,432)
Profit for the period after taxation		76,689,399	84,205,941	42,314,603	27,629,557
Earnings per share - basic and diluted (Rupees)		1.07	1.17	0.59	0.38

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Chief Executive Officer



Director

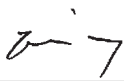
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013**

	Half year ended		Quarter ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	-----Rupees-----		-----Rupees-----	
Profit for the period after taxation	76,689,399	84,205,941	42,314,603	27,629,557
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' investments less reclassification adjustment for gain included in the income statement	25,952,127	28,120,070	19,682,127	11,695,123
<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	-	2,438,479	-
	28,390,606	28,120,070	22,120,606	11,695,123
Total comprehensive income for the period	<u>105,080,005</u>	<u>112,326,011</u>	<u>64,435,209</u>	<u>39,324,680</u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Chief Executive Officer

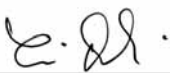


Director

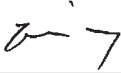
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Half year ended	
	December 31, 2013	December 31, 2012
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	99,496,239	118,381,907
Adjustments for non-cash and other items:		
Depreciation	6,394,665	5,970,960
Amortisation	1,431,873	1,002,452
Financial charges	450	4,943
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(19,461,947)	(28,670,942)
Capital gain on sale of investments - net	(8,295,854)	(8,438,070)
Loss on disposal of fixed assets	-	50,154
	(19,930,813)	(30,080,503)
Operating cash flows before working capital changes	79,565,426	88,301,404
Movement in working capital		
(Increase) / decrease in current assets		
Loans and advances	79,727	268,818
Deposits, prepayments and other receivables	1,278,783	3,749,205
Receivable from related parties	(61,759,482)	21,302,531
Accrued return on bank deposits	14	27,796
	(60,400,958)	25,348,350
Increase / (decrease) in current liabilities		
Trade and other payables	54,753,539	2,825,672
Cash generated from operations	73,918,007	116,475,426
Taxes paid	(17,956,704)	(23,795,531)
Financial charges paid	(450)	(4,943)
Dividends paid	(72,000,000)	(108,000,000)
	(89,957,154)	(131,800,474)
Net cash used in operating activities	(16,039,147)	(15,325,048)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(14,867,662)	(10,487,933)
Long-term loans and receivables	770,497	2,190,657
Net proceeds from disposal of fixed assets	-	768,347
Net Investments	33,862,620	15,657,180
Net cash generated from investing activities	19,765,455	8,128,251
Net increase / (decrease) in cash and cash equivalents	3,726,308	(7,196,797)
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	8,521,295	4,393,805

The annexed notes 1 to 18 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, 2013**

	Issued, subscribed and paid-up capital	Share premium	Deficit arising on amalgamation	Unappropriated profit	Unrealised appreciation on re- measurement of 'available for sale' financial assets	Surplus on revaluation of property and equipment - net of deferred tax	Total
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
Total comprehensive income for the half year ended December 31, 2012	-	-	-	84,205,941	28,120,070	-	112,326,011
Transferred from surplus on revaluation of fixed assets - net of tax	-	-	-	250,463	-	(250,463)	-
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	10,085,320	1,286,253,121
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
Total comprehensive income for the half year ended December 31, 2013	-	-	-	76,689,399	25,952,127	2,438,479	105,080,005
Transferred from surplus on revaluation of fixed assets - net of tax	-	-	-	241,597	-	(241,597)	-
Final dividend for the year ended June 30, 2013 @ 10% declared subsequent to the year end	-	-	-	(72,000,000)	-	-	(72,000,000)
Balance as at December 31, 2013	720,000,000	396,000,000	(60,000,000)	133,919,775	104,165,127	12,024,032	1,306,108,934

The annexed notes 1 to 18 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013**

1 STATUS AND NATURE OF BUSINESS

1.1 MCB Arif Habib Savings 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 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, Molana 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, 2013	June 30, 2013
	----- Rupees in million -----	
Open-end Collective Investment Scheme (CISs)		
MCB Cash Management Optimizer	14,332	11,075
MCB Dynamic Allocation Fund	703	433
MCB Dynamic Cash Fund	11,034	11,320
MCB Dynamic Stock Fund	906	887
MCB Islamic Income Fund	2,358	2,946
Metro Bank - Pakistan Sovereign Fund	534	1,270
Pakistan Capital Market Fund	319	401
Pakistan Cash Management Fund	3,884	2,557
Pakistan Income Enhancement Fund	881	1,319
Pakistan Income Fund	992	1,092
Pakistan International Element Islamic Asset Allocation Fund	250	204
Pakistan Premier Fund	612	552
Pakistan Stock Market Fund	1,214	1,179
Pakistan Strategic Allocation Fund	346	306
Pension Funds		
Pakistan Islamic Pension Fund	254	218
Pakistan Pension Fund	461	411
Discretionary portfolio	5,787	3,991

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013**

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. However, a review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. 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

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.

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.

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

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

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.

	Note	(Unaudited)	(Audited)
		December 31, 2013	June 30, 2013
4 FIXED ASSETS			
Property and equipment	4.1	104,472,833	96,853,564
Capital work-in-progress	4.2	11,716,949	11,326,199
Intangible assets	4.3	281,573,603	278,847,833
		<u>397,763,385</u>	<u>387,027,596</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013**

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
Half year ended December 31, 2013						
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	6,059,748	-	1,570,243	2,689,278	-	10,319,269
Disposals / transfers						
Cost / revaluation	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Depreciation for the period	(1,869,167)	(1,792,050)	(1,072,675)	(773,166)	(887,607)	(6,394,665)
Closing net book value	11,460,334	72,697,500	6,926,605	10,724,868	2,663,526	104,472,833
As at December 31, 2013						
Cost / revaluation	30,424,560	84,494,665	13,661,132	18,201,228	7,662,267	154,443,852
Accumulated depreciation	(18,964,226)	(11,797,165)	(6,734,527)	(7,476,360)	(4,998,741)	(49,971,019)
Net book value	11,460,334	72,697,500	6,926,605	10,724,868	2,663,526	104,472,833
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%	

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013

	(Unaudited) December 31, 2013	(Audited) June 30, 2013
	----- Rupees -----	
5.1.1 Net unrealised appreciation / (diminution) in value of investments classified as 'available-for-sale'		
Market value of investments	326,607,883	303,075,000
Less: Cost of investments	<u>(222,442,756)</u>	<u>(224,862,000)</u>
	104,165,127	78,213,000
Less: Net unrealised appreciation in fair value of investments at the beginning of the period adjusted for amount realised on disposal	<u>78,213,000</u>	<u>28,522,666</u>
	<u>25,952,127</u>	<u>49,690,334</u>
6 LOANS AND ADVANCES		
Considered good - Unsecured		
Current portion of long-term loans to employees	351,790	396,020
Advances to employees	29,015	95,159
Advances to suppliers	<u>413,717</u>	<u>383,070</u>
	<u>794,522</u>	<u>874,249</u>
7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Deposits	418,198	418,198
Prepayments		
Registration fee	2,463,712	434,547
Maintenance	1,011,001	163,587
Insurance	611,814	2,323,537
Others	<u>1,451,348</u>	<u>1,896,850</u>
	5,537,875	4,818,521
Other receivables		
Advisory fee receivable on account of Discretionary Portfolio management	2,587,667	4,697,819
Others	<u>423,968</u>	<u>311,953</u>
	3,011,635	5,009,772
	<u>8,967,708</u>	<u>10,246,491</u>
8 RECEIVABLE FROM RELATED PARTIES		
Unsecured - considered good		
Pakistan Income Fund	3,117,571	2,845,093
Pakistan Stock Market Fund	5,041,877	2,936,043
Metro Bank - Pakistan Sovereign Fund	1,562,804	2,826,812
Pakistan Premier Fund	3,353,252	2,509,361
Pakistan Capital Market Fund	1,432,015	856,094
Pakistan Strategic Allocation Fund	2,558,229	2,373,938
Pakistan International Element Islamic Asset Allocation Fund	992,390	613,670
Pakistan Pension Fund	8,913,981	666,148
Pakistan Islamic Pension Fund	833,800	389,353
Pakistan Cash Management Fund	6,495,418	2,619,493
Pakistan Income Enhancement Fund	3,635,543	7,405,363
Pakistan Capital Protected Fund - Fixed Income Securities	-	840,478
MCB Islamic Income Fund	9,379,952	7,401,537
MCB Dynamic Allocation Fund	3,933,040	1,254,852
MCB Dynamic Stock Fund	4,008,917	2,380,308
MCB Cash Management Optimizer	25,595,316	12,169,964
MCB Dynamic Cash Fund	<u>46,610,846</u>	<u>18,116,029</u>
	8.1 127,464,951	68,204,536
MCB Bank Limited	206,162	206,162
Adamjee Life Assurance Company Limited	<u>3,820,695</u>	<u>1,321,628</u>
	<u>131,491,808</u>	<u>69,732,326</u>

8.1 The above amount represents receivable on account of management fee, sales load, redemption of units, current portion of long term receivables and other expenses paid on behalf of related parties.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013**

(Unaudited) (Audited)
December 31, June 30,
2013 2013
----- Rupees -----

9 SHORT-TERM INVESTMENTS

Investments in units of mutual funds

At fair value through profit or loss

9.1 567,732,352 571,417,927
567,732,352 571,417,927

9.1 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 December 31, 2013	As at December 31, 2013			As at June 30, 2013		
						Carrying value	Market value	Unrealised appreciation on re-measurement of investment	Carrying value	Market value	Unrealised appreciation on re-measurement of investment
						Number of units					
MCB Dynamic Cash Fund	4,171,479	287,049	258,674	1,037,667	3,679,536	358,984,635	371,905,358	12,920,723	400,722,214	432,384,581	31,662,367
MCB Dynamic Allocation Fund	1,166,918	1,034,095	211,148	-	2,412,161	173,348,399	179,401,596	6,053,197	88,547,336	98,348,399	9,801,063
MetroBank-Pakistan Sovereign Fund - perpetual scheme	791,844	-	31,418	494,951	328,311	15,937,371	16,425,398	488,027	40,000,000	40,684,947	684,947
						<u>548,270,405</u>	<u>567,732,352</u>	<u>19,461,947</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.

10 TAXATION - NET

Income tax refundable includes assessed refunds for the tax years 2008, 2009, 2010 and 2011. The income tax returns upto the tax year 2013 have been filed under the self assessment scheme and are deemed to be finalised under section 120 of the Income Tax Ordinance, 2001.

Note (Unaudited) (Audited)
December 31, June 30,
2013 2013
----- Rupees -----

11 TRADE AND OTHER PAYABLES

Accrued expenses		49,862,503	57,317,829
Withholding tax payable		1,520,742	702,155
Indirect taxes and duties payable	11.1	55,662,498	12,927,125
Payable to facilitators/distributors		43,077,318	24,822,171
Unclaimed dividend		1,679,913	1,544,690
Others		<u>367,953</u>	<u>103,418</u>
		<u>152,170,927</u>	<u>97,417,388</u>

11.1 FEDERAL EXCISE DUTY PAYABLE ON REMUNERATION OF MANAGEMENT COMPANY

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 to their respective management companies. However, full provision in respect of FED effective June 13, 2013 is being made in the books of accounts.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013**

12 MANAGEMENT FEE / INVESTMENT ADVISORY FEE

	Note	Half year ended		Quarter ended	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
		-----Rupees-----		-----Rupees-----	
From Collective Investment Schemes - related parties	12.1	316,544,043	273,454,322	160,133,655	131,766,014
From Discretionary Portfolio		7,581,314	2,690,410	4,211,424	1,560,206
		324,125,357	276,144,732	164,345,079	133,326,220
Less: Indirect taxes and duties on management fees		(83,247,417)	(38,089,005)	(42,209,913)	(18,389,903)
		<u>240,877,940</u>	<u>238,055,727</u>	<u>122,135,166</u>	<u>114,936,317</u>

12.1 From Collective Investment Schemes - related parties

AH Dow Jones SAFE Pakistan Titans 15 Index Fund	-	524,859	-	217,276
MCB Cash Management Optimizer	78,732,548	70,320,465	42,039,781	28,344,823
MCB Dynamic Allocation Fund	7,764,843	1,860,035	4,511,477	948,427
MCB Dynamic Cash Fund	108,676,832	66,130,376	53,906,494	37,128,700
MCB Dynamic Stock Fund	13,009,398	9,130,392	6,272,740	4,702,549
MCB Islamic Income Fund	17,439,666	13,414,870	8,940,091	7,360,211
Metro-Bank Pakistan Sovereign Fund	5,198,263	40,563,543	2,243,660	18,945,178
Pakistan Capital Market Fund	5,060,236	4,319,248	2,181,149	2,182,758
Pakistan Capital Protected Fund - Fixed Income Securities	-	523,164	-	-
Pakistan Cash Management Fund	19,919,857	19,192,866	10,828,040	8,662,460
Pakistan Income Enhancement Fund	11,465,611	6,831,898	4,968,107	2,829,943
Pakistan Income Fund	10,440,983	11,381,072	5,109,139	5,655,698
Pakistan International Element Islamic Asset Allocation Fund	3,119,908	2,986,552	1,577,147	1,442,873
Pakistan Islamic Pension Fund	2,370,635	1,518,637	1,211,493	776,659
Pakistan Pension Fund	4,485,372	2,667,180	2,281,256	1,363,594
Pakistan Premier Fund	7,912,759	5,778,750	3,928,410	2,891,189
Pakistan Stock Market Fund	16,441,109	12,279,043	7,877,960	6,342,853
Pakistan Strategic Allocation Fund	4,506,023	4,031,372	2,256,711	1,970,823
	<u>316,544,043</u>	<u>273,454,322</u>	<u>160,133,655</u>	<u>131,766,014</u>

Half year ended		Quarter ended	
December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
-----Rupees-----		-----Rupees-----	

13 ADMINISTRATIVE AND OPERATING EXPENSES

Salaries, allowances and other benefits	83,854,016	79,528,881	43,208,411	45,203,834
Marketing and advertising expenses	2,782,762	2,264,476	2,054,445	1,407,613
Legal and professional charges	6,161,973	7,201,423	3,231,660	3,776,381
Travelling and conveyance charges	1,586,993	1,790,303	1,399,399	995,474
Repairs and maintenance	12,603,813	10,850,957	6,519,958	5,763,907
Office supplies	176,881	232,307	73,608	154,668
Auditors' remuneration	900,000	505,000	450,000	255,000
Directors' meeting fee	550,000	450,000	250,000	125,000
Insurance	752,955	297,244	162,526	152,560
Depreciation	6,394,665	5,970,960	3,669,258	2,975,605
Amortisation	1,431,873	1,002,452	982,169	527,204
Stamp duty and taxes	148,366	44,444	112,958	30,544
Registrar fee	369,765	365,209	369,765	190,762
Printing and stationery	2,675,097	1,843,867	1,416,415	1,207,369
Utilities	1,659,991	1,677,966	383,627	823,702
Telephone expenses	2,921,274	2,903,593	1,823,194	1,782,405
Entertainment expenses	1,012,483	1,048,219	554,349	682,818
Books, periodicals and subscription	4,273,159	4,054,680	2,111,003	2,196,044
Miscellaneous expenses	2,008,871	2,416,286	892,836	850,000
	<u>132,264,937</u>	<u>124,448,267</u>	<u>69,665,581</u>	<u>69,100,890</u>

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as on December 31, 2013.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013**

15 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 Arif Habib Corporation Limited with a holding percentage of 30%, Arif Habib Limited, 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, 2013	December 31, 2012
	----- Rupees -----	
Transactions with related parties during the period		
CONTRIBUTIONS TO PENSION FUND	2,411,552	-
CONTRIBUTIONS TO PROVIDENT FUND	-	2,168,851
MCB BANK LIMITED		
Profit on bank deposits	961,377	833,805
Dividend paid	36,956,768	55,435,152
Branch sharing expenses	1,184,763	1,375,384
Reimbursement of expenses	5,500,000	5,500,000
Commission on distribution of units	19,584,032	14,688,279
Bank charges	450	4,054
ADAMJEE LIFE ASSURANCE COMPANY LIMITED		
Advisory income	4,625,723	1,754,742
Amount paid against life assurance	752,069	1,094,230
ADAMJEE INSURANCE COMPANY LIMITED		
Amount paid against vehicles' insurance	258,751	376,366
Dividend paid	3,396,340	3,466,260
SUMMIT BANK LIMITED		
Expense against differential of guaranteed return	-	1,596,264
Profit on bank deposits	117,297	140,295
MCB FINANCIAL SERVICES LIMITED		
Reimbursement of expenses	930,303	929,452
MCB DYNAMIC CASH FUND		
Management Fee	108,676,832	66,130,376
Sales load	20,925	96,529
Investments in units	30,000,000	105,000,000
Redemption of units	106,000,000	19,500,880
Bonus units issued	25,528,877	23,772,340
MCB DYNAMIC STOCK FUND		
Management fee	13,009,398	9,130,392
Sales load	35,714	60,066
MCB DYNAMIC ALLOCATION FUND		
Management fee	7,764,843	1,860,035
Sales load	115,278	9,736
Investments in units	75,000,000	100,000,000
Redemption of units	-	49,641,060
Bonus units issued	15,069,001	-
MCB CASH MANAGEMENT OPTIMIZER		
Management fee	78,732,548	70,320,465
Sales load	18,710	-
Redemption of units	-	14,693,792

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013

	Half year ended	
	December 31, 2013	December 31, 2012
	Rupees	
MCB ISLAMIC INCOME FUND		
Management Fee	17,439,666	13,414,870
Sales load	157,751	74,960
Redemption of units	-	111,821,346
PAKISTAN STOCK MARKET FUND		
Management fee	16,441,109	12,279,043
Sales load	23,145	29,732
PAKISTAN INCOME FUND		
Management fee	10,440,983	11,381,072
Sales load	1,017	23,504
PAKISTAN PREMIER FUND		
Management fee	7,912,759	5,778,750
Amount received against conversion cost	1,135,912	-
METRO BANK-PAKISTAN SOVEREIGN FUND		
Management fee	5,198,263	40,563,543
Sales load	-	35,067
Investments in units	-	32,427,037
Redemption of units	25,000,000	986,886
Bonus units issued	1,570,922	1,415,277
PAKISTAN CAPITAL MARKET FUND		
Management fee	5,060,236	4,319,248
Sales load	2,537	10
PAKISTAN STRATEGIC ALLOCATION FUND		
Management fee	4,506,023	4,031,372
Sales load	909	-
Amount received against conversion cost	1,520,031	957,300
PAKISTAN PENSION FUND		
Management fee	4,485,372	2,667,180
Sales load	16,137	8,238
Redemption of units	7,500,000	-
PAKISTAN INTERNATIONAL ELEMENT ISLAMIC ASSET ALLOCATION FUND		
Management fee	3,119,908	2,986,552
Sales load	32,719	1,195
PAKISTAN ISLAMIC PENSION FUND		
Management fee	2,370,635	1,518,637
Sales load	4,372	37,849
Investments in units	1,000,000	-
PAKISTAN CAPITAL PROTECTED FUND - FIXED INCOME SECURITIES		
Management fee	-	523,164
Redemption of units	-	1,447,918
PAKISTAN CASH MANAGEMENT FUND		
Management fee	19,919,857	19,192,866
Investments in units	-	51,821,346
Redemption of units	-	65,615,706
Bonus units issued	-	804,893
PAKISTAN INCOME ENHANCEMENT FUND		
Management fee	11,465,611	6,831,898
Sales load	36,405	18,068

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013

	Half year ended	
	December 31, 2013	December 31, 2012
	----- Rupees -----	
AH DOW JONES SAFE PAKISTAN TITANS 15 INDEX FUND		
Management fee	-	524,859
Sales load	-	35
Redemption of units	-	7,000,000
ARIF HABIB CORPORATION LIMITED		
Dividend paid	21,664,167	32,496,250
ARIF HABIB LIMITED		
Dividend paid	3,373,977	1,758,291
KEY MANAGEMENT PERSONNEL		
Remuneration and other benefits	17,157,750	11,631,859
EXECUTIVE DIRECTORS		
Remuneration and other benefits	19,404,198	16,646,618
	(Unaudited) December 31, 2013	(Audited) June 30, 2013
	----- Rupees -----	
Amount outstanding as at period end		
MCB BANK LIMITED		
Bank balance	5,634,502	1,975,281
Receivable as share of expense	206,162	206,162
Other payable	7,380,793	6,853,105
Commission payable	25,181,120	13,014,516
Mark up receivable	156,429	156,429
ADAMJEE LIFE ASSURANCE COMPANY LIMITED		
Advisory fee receivable	3,820,695	1,321,628
MCB FINANCIAL SERVICES LIMITED		
Payable against monthly reimbursement	150,000	151,632
SUMMIT BANK LIMITED		
Bank balance	2,885,633	2,791,898
MCB DYNAMIC CASH FUND		
Remuneration receivable	32,403,153	17,918,046
Sales load receivable	14,207,693	197,983
Closing balance of investment in units	371,905,358	432,384,581
MCB DYNAMIC STOCK FUND		
Remuneration receivable	3,725,847	1,855,602
Sales load receivable	283,070	524,706
MCB DYNAMIC ALLOCATION FUND		
Remuneration receivable	2,486,145	638,057
Sales load receivable	1,446,895	616,795
Closing balance of investment in units	179,401,596	98,348,399
MCB CASH MANAGEMENT OPTIMIZER FUND		
Remuneration receivable	25,558,175	12,073,240
Sales load receivable	37,141	96,724
MCB ISLAMIC INCOME FUND		
Remuneration receivable	5,334,626	2,819,564
Sales load receivable	4,045,326	4,581,973

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013

	(Unaudited) December 31, 2013	(Audited) June 30, 2013
	----- Rupees -----	
PAKISTAN STOCK MARKET FUND		
Remuneration receivable	4,848,293	2,522,056
Sales load receivable	166,344	405,132
Other receivable	27,240	8,855
PAKISTAN INCOME FUND		
Remuneration receivable	3,080,844	1,898,723
Sales load receivable	29,204	946,370
Other receivable	7,523	-
PAKISTAN PREMIER FUND		
Remuneration receivable	2,387,211	1,184,745
Sales load receivable	23,154	4,308
Other receivable	3,966	2,750
Conversion cost receivable	2,816,763	3,952,675
METRO BANK-PAKISTAN SOVEREIGN FUND		
Remuneration receivable	1,548,327	2,702,281
Sales load receivable	14,477	124,531
Closing balance of investment in units	16,425,398	40,684,947
PAKISTAN CAPITAL MARKET FUND		
Remuneration receivable	1,396,709	850,897
Sales load receivable	35,306	5,197
PAKISTAN STRATEGIC ALLOCATION FUND		
Remuneration receivable	1,356,019	665,929
Sales load receivable	1,278	400
Conversion cost receivable	3,602,795	5,122,826
PAKISTAN PENSION FUND		
Remuneration receivable	1,377,543	629,710
Closing balance of investment in units	162,546,000	154,218,000
Sales load receivable	36,438	36,438
Receivable against redemption of units	7,500,000	-
PAKISTAN INTERNATIONAL ELEMENT ISLAMIC ASSET ALLOCATION FUND		
Remuneration receivable	906,280	412,539
Sales load receivable	86,110	201,131
PAKISTAN ISLAMIC PENSION FUND		
Remuneration receivable	728,511	329,489
Closing balance of investment in units	164,061,883	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	6,487,389	2,584,464
Other payable	64,753	985
Others receivable	8,029	35,029
PAKISTAN INCOME ENHANCEMENT FUND		
Remuneration receivable	3,087,191	1,799,004
Sales load receivable	543,291	5,602,829
Others receivable	5,061	3,530
KEY MANAGEMENT PERSONNEL		
Loan and advances	1,272,338	1,103,588
EXECUTIVE DIRECTORS		
Loan and advances	73,570	141,550

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2013**

16 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

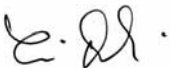
The Board of Directors in its meeting held on February 06, 2014 has declared an interim cash dividend of Rs. 1.25 per share (Rs. 1.50 per share declared on February 4, 2013) for the year ending June 30, 2014.

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 06, 2014 by the Board of Directors of the Company.

18 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.
- Amounts 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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(formerly: Arif Habib Investments Limited)

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