MCB-ARIF HABIB
Savings and Investments Limited

CERTIFICATE

We certify to the Board of Directors (BOD) of MCB-Arif Habib Savings and Investments Limited that we have reviewed all non-compliances reported by Compliance Department during the period from January 01, 2022 to March 31, 2022 and no major non-compliance is observed that require BOD's attention. However, we would like to highlight two findings to the Board of Directors.

Muhammad Saqib Saleem
Chief Executive Officer

Muhammad Asif Mehdi Rizvi
Chief Operating & Financial Officer

<table>
<tr><th>S.No.</th><th>Name of Department</th><th>Heading</th><th>Non-compliance Detail</th><th>Management's Comments</th></tr>
<tr>
<td>1.</td>
<td>Investor Services</td>
<td>Non-Compliance of SECP's Circular No. 26 of 2015 and Directive No. 4 of 2015</td>
<td>
Paragraph No. (c) of SECP's Circular No. 26 dated July 27, 2015 states that the Asset Management Company shall issue to the unit holder, within 48 hours of the realization of funds, breakup of the total amount received from the unit holder, sales load charged and net amount invested in the fund on his behalf as per the following format:
<table>
<tr><th>Particulars</th><th>Amount/ Percentage</th></tr>
<tr><td>Investment Amount Received</td><td>Rs.:</td></tr>
<tr><td>Front End Load</td><td>Rs.: ____________________ (% of NAV per unit (at the time of investment))</td></tr>
<tr><td>Net Amount Invested</td><td>Rs.: ____________________ (Investment Amount Received – Amount of Front End Load)</td></tr>
<tr><td>Back End Load (to be charged)</td><td>Rs.: ____________________ (% of NAV per unit to be charged at the time of issuance or redemption)</td></tr>
</table>
Paragraph No. (c) of SECP's Directive No. 4 dated September 30, 2015 states that the Pension Fund Manager shall issue to a participant, within 48 hours of the realization of funds, breakup of total contribution, front-end fee charged and the net amount transferred into a pension fund on his/her behalf as per the following format:
<table>
<tr><th>Particulars</th><th>Amount/ Percentage</th></tr>
<tr><td>Gross contribution received</td><td>Rs.:</td></tr>
<tr><td>Front-end fee (sales load charged) deducted</td><td>Rs.: __________ (_____% of contribution)</td></tr>
<tr><td>Net contribution invested</td><td>Rs.:__________(gross contribution – amount of front-end fee)</td></tr>
<tr><td>Back-end or contingent fee (if any)</td><td>_____% of the amount to be redeemed</td></tr>
</table>
During our compliance review of investment transactions occurred during the period from December 01, 2022 to February 28, 2022, we noted thirteen (13) instances in selected twenty-four (24) transactions where the above-mentioned required details were not sent to the Unit Holders/Participants within 48 hours of the realization of funds. These instances have been shared with the Investor Services Department through Compliance Report.
</td>
<td>
Head of Investor Services and Quality Assurance's Comments:
We have looked into all the above cases individually and have found that the delay occurred due to late receipt of application forms from our authorized distributors. It is pertinent to mention here that no reservation/complaint was received from any of the above listed customers with respect to the details of their transactions which is a clear evidence that they were satisfied and agreed with the same. However, we will ensure that necessary steps are taken in order to ensure 100% compliance of SECP's above-mentioned directives in future.
</td>
</tr>
</table>

S.No.	Name of Department	Heading	Non-compliance Detail	Management's Comments
2.	Sales	Incomplete Required Documentation – New Investors	Regulation 9 of the Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2020 ("AML Regulations") states that the regulated person shall (a) *identify the customer; and (b) verify the identity of that customer using reliable and independent documents, data and information as set out in Annex 1.* Annex 1 of the AML Regulations specifies the minimum documents required for CDD according to the types of Customers. Annexure "A" of the AML/CFT and KYC/CDD Policy and Procedures Manual also specify the list of required documents for different types of Customers. During our compliance review of **New Accounts** opened during the period from **December 01, 2021** to **February 28, 2022**, we noted **eighteen (18) instances** in selected **thirty-nine (39) new accounts** where required documentation was still not available in the digital archiving folder and/or hard copy files. These instances have been shared with the Sales Department through Compliance Report.	***Head of Sales' Comments:*** *Most of the cases have been rectified and few are resolved. Relationship Managers are keenly working and following-up on rest of the cases which will be resolved soon.*