



**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

SEPTEMBER  
**2018**  
(UNAUDITED)

Funds Under Management of  
MCB-Arif Habib Savings and Investments Limited

# **MCB PAKISTAN ASSET ALLOCATION FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
<b>Board of Directors</b>	Mian Muhammad Mansha Mr. Nasim Beg Mr. Muhammad Saqib Saleem Dr. Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Qamar Beg	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mirza Qamar Beg Mr. Nasim Beg	Chairman Member Member Member
<b>Risk Management Committee</b>	Mr. Mirza Qamar Beg Mr. Ahmed Jahangir Mr. Nasim Beg	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Company Secretary</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Chief Financial Officer</b>	Mr. Abdul Basit	
<b>Trustee</b>	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shakra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcPakistan.com	
<b>Bankers</b>	MCB Bank Limited Bank Al-Falah Limited Habib Bank Limited Faysal Bank Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited NRSP Micro Finance Bank Limited Mobilink Micro Finance Bank U Micro Finance Bank Khushali Micro Finance Bank Limited Tameer Micro Finance Bank Limited Finca Micro Finance Bank Limited JS Bank Limited Zarai Traqiati Bank Limited First Micro Finance Bank Limited National Bank of Pakistan Silk Bank Limited	
<b>Auditors</b>	<b>Deloitte Yousuf Adil</b> Chartered Accountant Cavish Court, A-35, Block-7 & 8, KCHSU, Shakra-e-Faisal, Karachi -75350.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> 24th Floor, Center point, off Shaheed-e-Millat Express Way Near K.P.T. Interchange, Karachi.	
<b>Rating</b>	<b>AM2++</b> Asset Manager Rating assigned by PACRA	

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2018

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**Dear Investor,**

On behalf of the Board of Directors, we are pleased to present **MCB Pakistan Asset Allocation Fund** accounts review for the quarter ended September 30, 2018.

## **MARKET & ECONOMIC REVIEW**

### **Economy and Money Market Review**

First quarter of FY19 has been a run of political uncertainty, external pressures and economic slowdown. Given the uptick in oil prices, increasing trend in inflation, continuity of external worries, The Monetary Policy Committee of State Bank of Pakistan opted for 100 bps increases in each of the two meetings conducted in this quarter. The major reason was due to the emergence of inflationary pressures with core inflation expected to creep up with the advent of higher oil and gas prices. Moreover, the MPC highlighted the precarious external account position and need for slowdown in GDP growth to arrest the dwindling foreign exchange reserves.

CPI for the 1QFY19 was registered at 5.6% as the impact of low base kicked in. Higher international oil prices, weaker currency and upward revision in domestic gas prices is expected to jack up overall inflation figure in FY19, which is expected to average ~8.1% compared to last year's inflation of 3.8%. Meanwhile, core inflation is expected to jump above 8.5%.

The external account position kept on highlighting worrisome position for the economy. Current account witnessed a deficit of USD 2.7 billion in first two months of FY19 compared to USD 2.5 billion in the same period last year. A surge in international oil prices is masking the improvement in non oil imports caused by remedial measures, thus causing the current account deficit to remain high. However, the lagged impacts of currency adjustments and monetary tightening are becoming visible as reflected by balance of trade (data of Pakistan Statistical Bureau) declining by 1.6% in the quarter led by decline in non-oil imports. Despite receiving inflows from China, foreign reserves declined by an average of ~USD 115 mn per week. State Bank's foreign exchange reserves stood at USD 8.41 billion reflecting import cover based on SBP's reserves has reached an alarming level of lesser than 2 months imports.

Rising interest rates, rupee adjustment and external pressures are having impact on growth trajectory of economy as reflected by large scale manufacturing index which posted a meager increase of 0.5% YoY in the month of July'18 broadly supported by production of petroleum products.

Subsequent to monetary tightening by State Bank, bond yield curve showed an upward trajectory where most of the activity took place in floater PIBs. During 1QFY19 State Bank of Pakistan conducted 3rd Floater PIB auction which witnessed a healthy participation of PKR 151 billion out of which bids worth PKR 108 billion were accepted at a rate of benchmark + 70 bps. Concerns over external front kept market participants shy away from longer tenor Treasury bills with persistence towards accumulation in papers having maturity below or equal to 3 months.

Liquidity remained comfortable throughout 1QFY19 owing to regular OMOs conducted by SBP, while scarcity of Shariah Compliant avenues continued in period under review as there was no fresh issuance of Ijara Sukuk despite ample liquidity in the market.

### **Equity Market Review**

The benchmark index lost ~2% during the quarter. Market witnessed a cameo, with KSE-100 Index bouncing back ~5.4%, just after 5 days of election. The rally was fueled by optimism related to strong central government rather than any tangible change in economic scorecard. Delays in taking required tangible actions by the incumbent government have fizzled out the optimism seen in the initial days after election. Foreigners kept offloading local equities, selling USD 189mn of stocks which was mainly absorbed by Insurance companies (~USD 102Mn) and Individuals (~USD 97Mn). Trading volumes during the quarter averaged around ~170mn shares depicting a meager increase of ~0.45%. Refineries, Autos, OMCs, Power & Cements were the major contributors towards index's decline posting a negative return of ~15%/12%/8%/5%/4% respectively. Refineries dragged the index down due to below-expected earnings. OMCs declined because of massive decline in sales volumes of petroleum products which came down by ~32% YoY for the quarter. Once again, Auto sector continued the declining trend due to continued ban on non-filers for vehicle purchase. Cement sector was yet another disappointment due to higher coal prices (+2% QoQ) and concerns on development projects (due to decrease in PSDP allocation) and economic growth going forward.

The sectors that outperformed market were Textiles, Fertilizers & Banks. Textiles surged (+2.4% QoQ) due to favorable stance of the newly-elected government geared towards input cost reduction and export promotion for the sector. Moreover,

## **REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

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better annual results supported the sector's rally. Fertilizers surged because of favorable sector dynamics (low levels of inventory and higher international prices) resulting in increase in local fertilizer prices. Banks garnered interest on the back of monetary tightening theme.

### **FUND PERFORMANCE**

The fund posted a negative return of 0.26% during the period compared to the benchmark return of 2.54%. The fund increased its exposure towards equities from 50.1% to 53.5% with changing equity market scenario. The fund has remained focused on maintaining a balance between defensive high yielding and growth stocks.

On the fixed income side, the exposure in TFCs was increased to 6.8%.

The Net Assets of the Fund as at September 30, 2018 stood at Rs. 3,093 million as compared to Rs.3,213 million as at June 30, 2018 registering a decrease of 3.73%.

The Net Asset Value (NAV) per unit as at September 30, 2018 was Rs. 78.7563 as compared to opening NAV of Rs. 78.9595 per unit as at June 30, 2018 registering a decrease of Rs.0.2032 per unit.

### **MARKET & ECONOMY - FUTURE OUTLOOK**

The government has announced to approach the IMF for an economic program to support the fragile external account situation. The program would lead to required remedial actions of rupee adjustment, monetary tightening, and expenditure curtailment to slow down growth, control the import bill and arrest foreign reserves decline.

For the next year, the economic growth is expected to slow down as currency adjustments and tighter monetary policy will rein on the consumption patterns. However, increased power supply along with the documentation of economy will provide a respite to the economic managers during this critical juncture. We share the optimism on better governance & long term prospects for economic revival amid more focused and sincere efforts to address chronic issues on economic front by the new government; however, the path is likely to be tough and with a number of potentially un-popular policy steps. Given initial plans of PTI, some sense of policy steps can be expected but given the precarious economic conditions, we think immediate term measures to address twin deficits are critical.

Fiscal side would be difficult to manage where we expect fiscal deficit to hover around 5.5% of GDP. Expenditure constraints would lead to public sector development program curtailments amid higher domestic debt servicing cost due to interest rate increase.

Given pressures on the external front along with rising inflation, State Bank is expected to further tighten the monetary policy by at least 100 bps already increased.

The equity market would follow developments on the economic front. Swift economic policy actions would be required to arrest the precarious economic standing and would guide market towards better multiples. In broader terms, we believe, the last two years market performance (down approx. 20% from peak levels) has reflected the concerns on political and economic direction & also reflected in performance of cyclical stocks where correction in stock prices is even sharper. We continue to reiterate our stance that current market multiples (~7.5x) offer little downside potential which puts in a lot of comfort for long term investors. We believe upside in stocks shall unveil only gradually as confidence reigns back and economic policies shape the outlook in the expected manner. Therefore, going forward, stocks offer long term investment opportunity with rewards for patient investors. We continue to track trends in the economic indicators of the country and adjust our portfolio accordingly. Our Top-Down analysis favors sectors that benefit from currency depreciation and higher interest rates; however, we cannot ignore the individual company dynamics along with their prices that can play an important role in security selection.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2018

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### ACKNOWLEDGMENT

The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



Muhammad Saqib Saleem  
Chief Executive Officer  
October 22, 2018



Nasim Beg  
Vice Chairman / Director

پہلے ہی اضافہ ہوا ہے۔

ایکویٹی مارکیٹ میں اقتصادی محاذ پر پیش رفت کرے گی۔ فوری معیشت کے اقدامات ناقابل اعتماد اقتصادی موقف کو روکنے کے لئے ضروری ہوگی اور مارکیٹ میں بہتر ملحقہ کی راہنمائی کرے گی۔ وسیع تر شرائط پر ہم یقین رکھتے ہیں کہ گزشتہ دو سال میں مارکیٹ کی کارکردگی (چوٹی کی سطح سے تقریباً 20 فی صد) نے سیاسی اور اقتصادی سمت پر خدشات کی عکاسی کی ہے اور یہ بھی سائیکل اسٹاک کی کارکردگی میں عکاسی کرتی ہے، جہاں اسٹاک کی قیمتوں میں اضافہ بھی تیز ہوگا۔ ہم اپنے موقف کا دوبارہ تسلسل جاری رکھیں گے کہ موجودہ مارکیٹ کے ملحقہات (تقریباً 7.5 اوقات) تھوڑی دیر میں ممکنہ پیشکش کرتے ہیں جو طویل مدتی سرمایہ کاروں کے لئے آرام دہ ہے۔ ہم یقین رکھتے ہیں کہ اسٹاک میں اسٹیٹس صرف آہستہ آہستہ انکشاف کریں گا جس سے اعتماد میں آئیں گے اور اقتصادی پالیسیوں کو متوقع طور پر نظر انداز کرتے ہیں۔ لہذا آگے آگے اسٹاک مریض سرمایہ کاروں کے لئے انعامات کے ساتھ طویل مدتی سرمایہ کاری کا موقع پیش کرتے ہیں۔ ہم ملک کے اقتصادی اشارے میں رجحانات کو ٹریک کرتے ہیں اور اس کے مطابق اپنے پورٹ فولیو کو ایڈجسٹ کرتے ہیں۔ ہمارے اوپر سے نیچے کا تجزیہ سے شعبوں نے فائدہ اٹھایا ہے جو کرنسی کی قیمتوں میں اضافے اور اعلیٰ سود کی شرح سے فائدہ اٹھایا۔ تاہم ہم انفرادی کمپنی کو متحرک نظر انداز نہیں کر سکتے، جو ان کی قیمتوں کے ساتھ سیکورٹی انتخاب میں اہم کردار ادا کر سکتا ہے۔

اظہار تشکر:

مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، ان کی مسلسل حمایت اور تعاون کے لئے پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کے شکر گزار ہیں۔ ڈائریکٹرز بھی کمپنی میں ان کے اعتماد کے لئے ان کے عزم اور لگن اور حصص یافتگان کے لیے کمپنی کے ملازمین کی کوششوں کی تعریف کرتے ہیں۔

منجانب ڈائریکٹرز،

سید احمد علی

محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

22 اکتوبر، 2018ء

نسیم بیگ

نسیم بیگ

ڈائریکٹر/نائب چیئر مین

22 اکتوبر، 2018ء



برآمد کے فروغ، نئی منتخب حکومت کے مناسب موقف کی وجہ سے علاقے کے لئے لگائی گئی لاگت میں کمی ہوئی۔ اس کے علاوہ، بہتر سالانہ نتائج نے سیکٹر کے مجموعہ کی حمایت کی۔ کھاد، مقامی شعبوں کی قیمتوں میں اضافہ (انویٹری کی کم سطح اور اعلیٰ بین الاقوامی قیمتیں) سے اور سردیوں میں اضافے سے مقامی کھاد کی قیمتوں میں اضافے ہوئے۔ بینکوں نے مالیاتی مرکزی خیال کے موضوع کے پیچھے دلچسپی ظاہر کی۔

**فنڈ کی کارکردگی:**

اس فنڈ نے 2.54 فیصد کی بینکوں کی واپسی کے مقابلے میں 0.26 فیصد کی منفی واپسی کی۔ اس فنڈ کو 50.1 فیصد سے 53.5 فیصد سے اکٹھا کرنے کے لئے اس کی نمائش میں اضافہ ہوا۔ فنڈ دفاعی اعلیٰ پیداوار اور ترقی اسٹاک کے درمیان ایک توازن کو برقرار رکھنے پر توجہ مرکوز رکھتا ہے۔ مقررہ آمدنی پر، TFCs میں نمائش 6.8 فیصد تک بڑھ گئی۔ ستمبر 2018ء کے طور پر فنڈ کے نیٹ اثاثے جون 2018ء میں 3.73 فیصد کی کمی کا رجحان 3,093 ملین کے مقابلے میں 3,133 ملین روپے تھا۔ ستمبر 2018ء کو فی یونٹ نیٹ اثاثہ قدر (NAV) فی یونٹ 78.7563 روپے کے مقابلے میں تھا۔ 30 جون 2018ء میں فی یونٹ 78.9595 فی یونٹ 0.2032 روپے فی یونٹ میں کمی آئی۔

## مارکیٹ اور اقتصادی - مستقبل کے حل:

حکومت نے بین الاقوامی مالیاتی فنڈ (IMF) سے متعلق معاشی پروگرام کے نازک بیرونی اکاؤنٹ کی صورتحال کی حمایت کرنے کا اعلان کیا ہے۔ پروگرام کو منی ایڈجسٹمنٹ، مالیاتی سختی، اور اخراجات میں کمی کی ضرورت ہوتی ہے، ترقی کو سست کرنے، درآمدات کے بل کو کنٹرول کرنے اور غیر ملکی ذخائر کو کم کرنے میں کمی کی ضرورت ہوتی ہے۔

اگلے سال کے لئے اقتصادی ترقی میں کمی کی توقع کی جاسکتی ہے کیونکہ کرنسی ایڈجسٹمنٹ اور مانیٹری پالیسی کی کھپت کے نمونے پر مل جائے گی۔ تاہم معیشت کی دستاویزات کے ساتھ ساتھ بجلی کی فراہمی میں اضافے کو اس اہم مرحلے کے دوران معاشی مینیجرز کو ایک مہلت فراہم ہوگی۔ ہم نئی حکومت کی طرف سے اقتصادی محاذ پر دائمی مسائل کو حل کرنے کے لئے زیادہ توجہ مرکوز کریں گے اور مخلص کوششوں کے درمیان اقتصادی اصلاح کے لئے بہتر حکومتی نظام اور طویل مدتی امکانات پر خوشگوار اشتراک کرتے ہیں۔ تاہم یہ راستہ سخت اور ممکنہ غیر مقبول پالیسی کے اقدامات میں امکانات کا امکان ہے۔ پاکستان تحریک انصاف کی ابتدائی منصوبہ بندی کو دیکھتے ہوئے کچھ پالیسیوں کی ترقی کی توقع کی جاسکتی ہے لیکن غیر معمولی معاشی حالات کو پورا کرنے کے لئے ہم سوچتے ہیں کہ دونوں خساروں کو حل کرنے کے لئے فوری طور پر اقدامات کیے جاتے ہیں۔

مالیاتی ادارے کے لئے یہ انتظام کرنا مشکل ہوگا کہ ہم مالی خسارے کے متوقع ہو سکتے ہیں یا مجموعی گھریلو مصنوعات (GDP) کی 5.5 فی صد کی کمی ہو رہی ہے۔ اخراجات میں اضافے، گھریلو قرضوں کی قیمتوں میں اضافے کی وجہ سے عوامی شعبے کی ترقی کے پروگرام میں کمی کا سبب بنے گا۔

بڑھتی ہوئی افراط زر کے ساتھ ساتھ بیرونی فرنٹ پر دیئے جانے والے دباؤ پر اسٹیٹ بینک سے کم از کم 100 بنیادی پوائنٹس (bps) میں

مینوفیکچرنگ انڈیکس کی طرف اشارہ کیا گیا جس سے پٹرولیم کی مصنوعات میں جولائی 2018 کے مہینے میں 0.5 فیصد اضافہ ہوا۔ اسٹیٹ بینک کی جانب سے مالیاتی تنصیبات کے بعد بانڈ کی پیداواری گراف نے ایک ایسی پیش رفت ظاہر کی، جہاں پاکستان کی سرمایہ کار بانڈز (PIB) میں زیادہ سے زیادہ سرگرمی ہوئی۔ مالی سال 2018-19 (1QFY19) کی پہلی سہ ماہی کے دوران، اسٹیٹ بینک آف پاکستان نے تیسرے فلوٹر پاکستان سرمایہ کاری بانڈ (PIB) کی نیلامی کا اہتمام کیا جس میں 151 ارب روپے کی بڑی شراکت کی۔ جس میں سے 108 بلین روپے کا معیار +70 بنیادی پوائنٹس (bps) کی قیمتوں میں منسلک کیا گیا تھا۔ خارجہ محاذ کے بارے میں خدشات نے مارکیٹ کے شرکاء کو طویل عرصے سے خزانہ بلوں سے لے کر رکھا ہے جس میں جمع ہونے والی کاغذات میں 3 مہینے کے برابر یا مساوی ہونے کے سلسلے میں مسلسل اضافہ ہوتا ہے۔

اسٹیٹ بینک آف پاکستان نے باقاعدہ اوپن مارکیٹ آپریشنز (OMOs) کے ذریعہ مالی سال 2018-19 (1QFY19) کی پہلی سہ ماہی میں آرام دہ اور پرسکون رہا، جبکہ شرعی مطابقت پذیر راستے کی کمی کا جائزہ لینے کے دوران جاری رہا کیونکہ بازار میں کافی ہالچل کے باوجود Ijara Sukuk کا کوئی تازہ اجراء نہیں ہوا تھا۔

## ایکویٹیز مارکیٹ کا جائزہ:

سہ ماہی کے دوران بیجنگ انڈیکس میں 2 فی صد کا نقصان ہوا۔ مارکیٹ میں آنے والے 5 دن کے بعد کے ایس ایس 100 انڈیکس نے 5.4 فی صد کم ہوا۔ اقتصادی سکور کارڈ میں کسی بھی زبردست تبدیلی کے بجائے ریلی کو مضبوط مرکزی حکومت سے متعلق امید سے آگاہ کیا گیا تھا۔ موجودہ حکمرانوں کی طرف سے ضروری ٹھوس اقدامات کرنے میں تاخیر، انتخابات کے بعد ابتدائی دنوں میں دیکھے جانے والی امید کا مظاہرہ کیا ہے۔ غیر ملکیوں نے مقامی اقوام متحدہ کو بند کر دیا، 18.9 ملین ڈالر کا اسٹاک فروخت کیا جو بنیادی طور پر انشورنس کمپنیاں کی طرف سے (تقریباً 102 ملین ڈالر) اور افراد (تقریباً 97 ملین امریکی ڈالر) کی طرف سے لیا گیا تھا۔ سہ ماہی کے دوران ٹریڈنگ کی مقدار تقریباً 170 ملین حصص میں تقریباً 0.45 فی صد کا معمولی اضافہ ہوا۔

ریفانسریریز، آٹو، اوپن مارکیٹ آپریشنز (OMOs)، پاور اور سیشنز انڈیکس کی کمی کے باعث اہم شراکت دار تھے۔ جس میں 15 فی صد/ 12 فی صد/ 8 فی صد/ 5 فی صد/ 4 فی صد کی منفی واپسی کی گئی تھی۔ ذیل میں متوقع آمدنی کی وجہ سے ریفانسریریز نے انڈیکس کو ڈرا دیا۔ تیل مارکیٹنگ کمپنیوں (OMCs) نے پٹرولیم مصنوعات کی فروخت کے حجم میں بڑے پیمانے پر کمی کی وجہ سے اس سہ ماہی میں تقریباً 32 فیصد سالانہ (YoY) نیچے آنے کی وجہ سے کم ہوا۔ ایک بار پھر گاڑی کی خریداری کے لئے نان فلوٹر مسلسل پابندیوں کی وجہ سے آٹو سیکٹر نے کمی کی رجحان کو جاری رکھا۔ کوئلہ کے شعبے میں اعلیٰ کونسلے کی قیمتوں کی وجہ سے ابھی تک ایک مایوسی ہوئی تھی (سہ ماہی میں +2% (QoQ)) اور ترقیاتی منصوبوں پر تشویش، پبلک سیکٹر ڈویلپمنٹ پروگرام (PSDP) مختص میں کمی کی وجہ سے اور اقتصادی ترقی آگے بڑھتی ہے۔

ٹیکسٹائل، فریٹلائزر اور بینک کے شعبے مارکیٹ سے باہر تھے۔ ٹیکسٹائل انڈسٹری میں (+2.4% سہ ماہی (QoQ)) کی وجہ سے اور

عزیز سرمایہ کار!

بورڈ آف ڈائریکٹرز کی طرف سے ہم 30 ستمبر، 2018 کو ختم نو ماہوں کے لئے ایم سی بی پاکستان کے اثاثہ مختص فاؤنڈیشن اکاؤنٹس کا جائزہ لیں گے۔

مارکیٹ اور اقتصادی جائزہ:

### معیشت اور منی مارکیٹ کی جائزہ:

مالی سال 2018-19 کی پہلی سہ ماہی میں (1QFY19) سیاسی غیر یقینی، بیرونی دباؤ اور اقتصادی کمی کا شکار ہو گیا ہے۔ تیل کی قیمتوں میں اضافہ، بیرونی افواج کی مسلسل تسلسل، بڑھتی ہوئی رجحان میں اضافہ، اسٹیٹ بینک آف پاکستان کے مونیٹری پالیسی کمیٹی (MPC) نے اس سہ ماہی میں منعقد ہونے والے دونوں اجلاسوں میں 100 بنیادی پوائنٹس (bps) کے اضافے کے لئے انتخاب کیا۔ اہم وجہ یہ تھی کہ انفراسٹرکچر کے دباؤ کے نتیجے میں بنیادی افراط زر کے ساتھ اعلیٰ تیل اور گیس کی قیمتوں کی آمد کے ساتھ پیدا ہونے کی امید ہے۔ اس کے علاوہ، مونیٹری پالیسی کمیٹی (MPC) نے غیر ملکی خارجہ اکاؤنٹ کی حیثیت کو کم کرنے کے لئے غیر ملکی ادارے کی حیثیت اور مجموعی گھریلو مصنوعات (GDP) کی ترقی میں کمی کی ضرورت پر زور دیا ہے۔

مالی سال 2018-19 کی پہلی سہ ماہی کے لئے صارفین کی قیمت انڈیکس (CPI) 5.6 فیصد کے اثرات کے طور پر رجسٹر کیا گیا تھا۔ عالمی بین الاقوامی قیمتوں میں اضافہ، گھریلو گیس کی قیمتوں میں کمزور کرنسی اور اوپر کی نظر ثانی کی امید ہے، مالی سال 2018-19 (مجموعی طور پر انفراسٹرکچر کے اعداد و شمار کو جبکہ)، جو گزشتہ سال کی شرح 3.8 فی صد کی شرح سے تقریباً 8.1 فیصد ہوا ہے۔ دریں اثنا، بنیادی افراط زر کی شرح 8.5 فیصد سے زائد ہے۔

معیشت کے لئے تشویشناک پوزیشن کو نمایاں کرنے پر بیرونی اکاؤنٹ کی حیثیت رکھتی ہے۔ موجودہ اکاؤنٹ نے مالی سال 2018-19 کے پہلے دو مہینوں میں 2.7 ارب امریکی ڈالر کا خسارہ دیکھا تھا جو گزشتہ سال اسی مدت میں 2.5 بلین ڈالر ہوا تھا۔ بین الاقوامی آئل کی قیمتوں میں اضافے کی وجہ سے نجی درآمدات کی وجہ سے غیر تیل کی درآمد میں بہتری آرہی ہے، اس وجہ سے موجودہ اکاؤنٹ کے خسارے کو زیادہ رہنے کا باعث بنتا ہے۔ تاہم، کرنسی کے ایڈجسٹمنٹ کے نقطہ نظر اور مالیاتی سختی کی وجہ سے تجارت کی توازن (پاکستان کے اعداد و شمار، بیورو کے اعداد و شمار) کے طور پر ظاہر ہوتا ہے کہ غیر تیل درآمد میں کمی کی وجہ سے سہ ماہی میں 1.6 فی صد کمی ہوئی۔ چین سے آمدنی حاصل کرنے کے باوجود، ہر ہفتے غیر ملکی ذخائر تقریباً 115 ملین امریکی ڈالر سے کم ہو گئے۔ اسٹیٹ بینک کے غیر ملکی کرنسی کے ذخائر 8.41 بلین ڈالر پر کھڑے ہوئے ہیں جو اسٹیٹ بینک کے ذخائر کی بنیاد پر درآمد کا احاطہ کرتا ہے، اس سے دو ماہ کے مقابلے میں زیادہ خطرناک حد تک پہنچ گئی ہے۔

بڑھتی ہوئی سود کی شرح، منی ایڈجسٹمنٹ اور بیرونی دباؤ معیشت کی ترقی کے اثرات پر اثر انداز کر رہی ہیں، جس میں بڑے پیمانے پر

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2018

	Note	Unaudited September 30, 2018 (Rupees in '000)	Audited June 30, 2018
<b>ASSETS</b>			
Bank balances	4	1,193,846	1,375,000
Investments	6	1,911,288	1,896,981
Dividend and profit receivable		24,514	9,542
Receivable against sale of investments		34,421	37,069
Receivable from National Clearing Company of Pakistan Limited		3,315	3,315
Advances, deposits and prepayments		4,509	4,519
<b>Total assets</b>		<b>3,171,893</b>	<b>3,326,426</b>
<b>LIABILITIES</b>			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company		11,722	11,168
Payable to Central Depository Company of Pakistan Limited - Trustee		382	385
Payable to Securities and Exchange Commission of Pakistan		770	3,065
Payable against redemption of units		41	41
Payable against purchase of investments		16,914	50,906
Accrued expenses and other liabilities	7	49,535	48,212
<b>Total liabilities</b>		<b>79,364</b>	<b>113,777</b>
<b>NET ASSETS</b>		<b>3,092,529</b>	<b>3,212,649</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>3,092,529</b>	<b>3,212,649</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
<b>(Number of units)</b>			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>39,267,069</b>	<b>40,687,318</b>
<b>(Rupees)</b>			
<b>NET ASSET VALUE PER UNIT</b>		<b>78.7563</b>	<b>78.9595</b>
<b>FACE VALUE PER UNIT</b>		<b>100.0000</b>	<b>100.0000</b>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

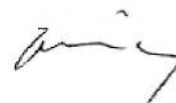
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



# CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE QUATER ENDED SEPTEMBER 30, 2018

	Note	September 30, 2018 (Rupees in '000)	September 30, 2017 (Rupees in '000)
<b>Income</b>			
Gain on sale of investments - net		22,650	(4,783)
Unrealised diminution on re-measurement of investments at fair value through profit or loss - net		(52,769)	(89,967)
Profit / mark-up on:			
- bank balances and term deposit receipts		12,888	19,611
- government securities		12,399	14,072
- term finance certificates		4,277	2,194
Dividend income		22,451	12,767
Other income		14	4
<b>Total income / (loss)</b>		<u>21,910</u>	<u>(46,102)</u>
<b>Expenses</b>			
Remuneration of the Management Company		16,205	17,025
Sindh sales tax on remuneration of the Management Company		2,107	2,213
Federal Excise Duty on remuneration of the Management Company		-	-
Remuneration of the Trustee		1,063	1,103
Sindh sales tax on remuneration of the Trustee		138	143
Annual fee to Securities and Exchange Commission of Pakistan		770	809
Allocated expenses and related taxes		916	962
Brokerage and settlement charges		3,602	5,297
Auditors' remuneration		199	340
Selling and marketing expenses		3,241	3,405
Other expenses		190	170
<b>Total operating expenses</b>		<u>28,431</u>	<u>31,467</u>
<b>Net loss for the period before taxation</b>		<u>(6,521)</u>	<u>(77,569)</u>
Taxation	9	-	-
<b>Net loss for the period after taxation</b>		<u>(6,521)</u>	<u>(77,569)</u>
<b>(Loss) / earnings per unit</b>			
<b>Allocation of net income for the period</b>			
Net income for the period after taxation		-	-
Income already paid on units redeemed		-	-
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	-
- Excluding capital gains		-	-

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

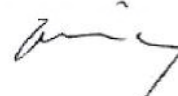
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



**Chief Executive Officer**



**Chief Financial Officer**



**Director**

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE QUATER ENDED SEPTEMBER 30, 2018

	Note	September 30, 2018	September 30, 2017
		(Rupees in '000)	
<b>Net loss for the period after taxation</b>		(6,521)	(77,569)
Other comprehensive income for the period			
- Unrealised (diminution) on re-measurement of investments previously classified as available-for-sale - net		-	(912)
<b>Total comprehensive (loss) for the period</b>		<u>(6,521)</u>	<u>(78,481)</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

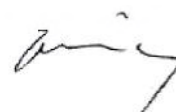
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE QUATER ENDED SEPTEMBER 30, 2018

	2018				2017
	Rupees				
	Capital Value	Undistributed income / (loss)	Unrealised appreciation / (diminution) on FVTOCI (Previously: AFS)	Total	Total
Net assets at beginning of the period	4,098,606	(886,757)	800	3,212,649	3,438,800
Issue of 3,227,682 units (2017: 5,466,140 units)					
- Capital value (at net asset value per unit at the beginning of the period)	254,856	-	-	254,856	
- Element of loss	(689)	-	-	(689)	
	254,167	-	-	254,167	438,587
Redemption of 4,647,931 units (2017: 7,569,367 units)					
- Capital value (at net asset value per unit at the beginning of the period)	366,998	-	-	366,998	
- Element of income	768	-	-	768	
	367,766	-	-	367,766	607,294
Total comprehensive loss for the period	-	(6,521)	-	(6,521)	(78,481)
Re-designation of Equity investment previously classified as Available for sale at the beginning of period	800	-	(800)	-	-
Distribution during the period	-	-	-	-	-
Net (loss) / income for the period less distribution	800	(6,521)	(800)	(6,521)	(78,481)
<b>Net assets at end of the period</b>	<b>3,985,807</b>	<b>(893,278)</b>	<b>-</b>	<b>3,092,529</b>	<b>3,191,612</b>
Undistributed income / (loss) brought forward					
- Realised		(668,329)			(705,678)
- Unrealised		(218,428)			(104,840)
		(886,757)			(810,518)
Accounting income available for distribution (after deducting income already paid on units redeemed):					
- Relating to capital gains	-				
- Excluding capital gains	-				
Net loss for the period after taxation		(6,521)			(77,569)
Distribution during the period		-			-
Undistributed income / (loss) carried forward		(893,278)			(888,087)
Undistributed income / (loss) carried forward					
- Realised income		(840,509)			(798,120)
- Unrealised income / (loss)		(52,769)			(89,967)
		(893,278)			(888,087)
				(Rupees)	(Rupees)
Net assets value per unit at beginning of the period				78.9595	81.0263
Net assets value per unit at end of the period				78.7563	79.1231

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

**For MCB-Arif Habib Savings and Investments Limited  
(Management Company)**

  
\_\_\_\_\_  
**Chief Executive Officer**

  
\_\_\_\_\_  
**Chief Financial Officer**

  
\_\_\_\_\_  
**Director**

# CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE QUATER ENDED SEPTEMBER 30, 2018

Note	September 30, 2018	September 30, 2017
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period before taxation	(6,521)	(77,569)
<b>Adjustments for:</b>		
Unrealised diminution on re-measurement of investments at fair value through profit or loss - net	52,769	89,967
Element (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed - net		
- arising from realised / unrealised gains / (losses)	-	-
- arising from other income	-	-
	<b>46,248</b>	<b>12,398</b>
<b>Decrease / (increase) in assets</b>		
Investments - net	(67,076)	549,965
Fair value of derivative asset	-	
Dividend and profit receivable	(14,972)	(1,742)
Receivable against sale of investments	2,648	199,213
Receivable from National Clearing Company of Pakistan Limited	-	1,176
Advances, deposits and prepayments	10	18,657
	<b>(79,390)</b>	<b>767,269</b>
<b>(Decrease) / increase in liabilities</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	554	3,866
Payable to Central Depository Company of Pakistan Limited - Trustee	(3)	9
Payable to the Securities and Exchange Commission of Pakistan	(2,295)	(1,475)
Payable against redemption of units	-	(41)
Payable against purchase of investments	(33,992)	(18,209)
Accrued expenses and other liabilities	1,323	(23,770)
	<b>(34,413)</b>	<b>(39,620)</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>(67,555)</b>	<b>740,047</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	254,167	438,587
Amount paid against redemption of units	(367,766)	(607,294)
<b>Net cash (used in) / generated from financing activities</b>	<b>(113,599)</b>	<b>(168,707)</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>(181,154)</b>	<b>571,340</b>
Cash and cash equivalents at beginning of the period	1,375,000	1,232,442
<b>Cash and cash equivalents at end of the period</b>	<b>1,193,846</b>	<b>1,803,782</b>

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The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

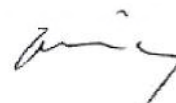
**For MCB-Arif Habib Savings and Investments Limited  
(Management Company)**



**Chief Executive Officer**



**Chief Financial Officer**



**Director**



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

## 1 LEGAL STATUS AND NATURE OF BUSINESS

MCB Pakistan Asset Allocation Fund ("the Fund") was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non Banking Finance Companies and Notified Entities Regulations, 2008 and was approved as an open end investment scheme by the Securities and Exchange Commission of Pakistan (SECP) on December 17, 2007. It was constituted under a Trust Deed dated November 22, 2007 between MCB-Arif Habib Savings and Investments Limited as the Management Company, a company incorporated under the Companies Ordinance, 1984 and the Central Depository Company of Pakistan Limited as the Trustee.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 24th Floor, Centre Point, Off. Shaheed-e-Millat Expressway, near KPT Interchange, Karachi, Pakistan.

The Fund has been categorised as an "Asset Allocation Scheme" in accordance with the requirements of circular no. 7 of 2009 dated March 6, 2009 issued by the SECP. The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units of the Fund can be transferred to / from the funds managed by the Management Company and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of 'AM2++' (2017: 'AM2++') dated October 08, 2018 to the Management Company, while the Fund has been assigned a Fund performance rating of 3-star on May 24, 2018.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

- 2.2 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 Fund for the year ended June 30, 2018.
- 2.3 In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at September 30, 2018.
- 2.4 These condensed interim financial statements are unaudited. Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

**2.5** The date of initial application" of IFRS 9 is the date when the entity first applies its requirements. Therefore, the beginning of an interim or annual reporting period i.e July 01, 2018 is the date of initial application and applied prospectively because it is not possible to do so without the use of hindsight and is impracticable, therefore comparative figures are not restated. The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial information as at September 30, 2018 have been extracted from the audited financial statements of the Fund for the year ended June 30, 2018, whereas the comparatives in the condensed interim income statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement have been extracted from the unaudited condensed interim financial information of the Fund for the quarter ended September 30, 2017.

### **3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN**

**3.1** The accounting policies, financial risk management objectives & policies, basis of accounting estimates applied & methods of computation adopted in the preparation of the condensed interim financial statement and all standards, interpretations and amendments to published approved accounting standards are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018, except with respect to adoption of IFRS- 9 as explained in detail in note 3.2.

**3.2** In July 2014 IASB issued a revised version of IFRS 9 'Financial Instruments' which supersedes all its previous versions and is mandatorily effective for periods beginning on or after January 1, 2018. The SECP has adopted the IFRS 9 effectively from July 1, 2018 and will be applicable for the Fund as well. Further, the SECP through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore the Fund will not be subject to the impairment provisions of IFRS 9. From July 01, 2018 the Fund has adopted IFRS-9 as per approved accounting and reporting standards as applicable in Pakistan.

#### **Key requirements of IFRS 9:**

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt and equity instruments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election at initial recognition to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. However, the SECP through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds.
- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

#### **Classification and measurement:**

Classification and Measurement of Financial Assets and Financial Liabilities after the adoption of IFRS-9 is discussed as under:

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

- Listed equity securities classified as 'at Fair value through Profit or Loss' investments carried at fair value will continue to be subsequently measured at Fair value through Profit or Loss upon the application of IFRS 9, and the fair value gains or losses and gains or losses on derecognition of such investments will be recognised in profit or loss;
- Listed equity securities classified as 'at Available for sale' investments carried at fair value have been re-designated & will be measured at Fair value through Profit or Loss upon the application of IFRS 9, and the fair value gains or losses and gains or losses on derecognition of such investments will be recognised in profit or loss;
- Debt securities (Listed / Unlisted) and government securities classified as 'at Fair value through Profit or Loss' investments carried at fair value will continue to be subsequently measured at Fair value through Profit or Loss upon the application of IFRS 9, and the fair value gains or losses and gains or losses on derecognition of such investments will be recognised in profit or loss;
- all financial assets classified as Loans and receivable as on June 30, 2018 have now been re-classified as Amortized cost. These assets under IFRS - 9 will continue to be measured on the same bases as was adopted under IAS 39.
- All other financial assets and financial liabilities under IFRS - 9 will continue to be measured on the same bases as was adopted under IAS 39.

	(Unaudited) September 30, 2018	(Audited) June 30, 2018
	(Rupees in '000)	
<b>4 BANK BALANCES</b>		
In saving accounts	1,187,638	1,374,993
In current accounts	6,208	7
	<u>1,193,846</u>	<u>1,375,000</u>

### 5 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended Sep 30, 2018 is 0.88% which includes 0.09% representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Asset Allocation scheme.

	Note	(Unaudited) September 30, 2018	(Audited) June 30, 2018
		(Rupees in '000)	
<b>6 INVESTMENTS</b>			
<b>Financial assets 'at fair value through profit or loss'</b>			
- Listed equity securities	6.1.1	1,695,870	1,650,953
- Listed debt securities - Term Finance Certificates	6.1.2	9,982	10,036
- Unlisted debt securities - Term Finance Certificates	6.1.3	105,500	105,900
- Unlisted debt securities - Sukuk Certificates	6.1.4	99,936	100,065
- Government securities - Market Treasury Bills	6.1.5	-	9,889
- Government securities - Pakistan Investment Bonds	6.1.6	-	-
		1,911,288	1,876,843
<b>Previously classified as "available for sale"</b>			
- Listed equity securities	6.1.7	-	17,131
- Government securities - Pakistan Investment Bonds		-	3,007
		-	20,138
		<u>1,911,288</u>	<u>1,896,981</u>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

## 6.1 At fair value through profit or loss

### 6.1.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of investee company	(Number of shares)						As at September 30, 2018						
	As at June 30, 2018	Re-Designated under IFRS 9	As at July 1, 2018	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at September 30, 2018	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as percentage of net assets	Market value as percentage of total investment	Par value as percentage of issued capital of the company
<b>Automobile Assembler</b>													
Honda Atlas Cars (Pakistan) Limited	8,850	-	8,850	-	-	8,850	-	-	-	-	0.00%	0.00%	0.00%
<b>Cable and Electrical Goods</b>													
Pak Elektron Limited	-	-	-	800,000	-	71,500	728,500	30,430	22,394	(8,036)	0.72%	1.17%	0.15%
<b>Cement</b>													
D.G. Khan Cement Company Limited*	432,500	-	432,500	140,000	-	572,500	-	-	-	-	0.00%	0.00%	0.00%
Fauji Cement Company Limited	1,211,000	-	1,211,000	-	-	1,200,000	11,000	251	246	(5)	0.01%	0.01%	0.00%
Maple Leaf Cement Factory	994,000	-	994,000	275,000	-	1,269,000	-	-	-	-	0.00%	0.00%	0.00%
Dewan Cement Limited	1,135,500	-	1,135,500	-	-	-	1,135,500	20,439	16,045	(4,394)	0.52%	0.84%	0.23%
Lucky Cement Limited	270,950	-	270,950	45,350	-	74,000	242,300	124,917	124,285	(632)	4.02%	6.50%	0.07%
<b>Commercial Banks</b>													
Askari Bank Limited	-	-	-	1,615,000	-	761,500	853,500	19,509	20,936	1,427	0.68%	1.10%	0.07%
Bank Alfalah Limited	1,427,000	-	1,427,000	1,087,500	251,450	-	2,765,950	134,323	137,302	2,979	4.44%	7.18%	0.16%
Bank Al Habib Limited	-	-	-	875,000	-	-	875,000	69,844	70,604	760	2.28%	3.69%	0.08%
Bank of Punjab	3,280,500	-	3,280,500	5,325,500	-	639,500	7,966,500	95,936	94,244	(1,692)	3.05%	4.93%	0.30%
Faysal Bank Limited	34,100	-	34,100	-	-	-	34,100	887	916	29	0.03%	0.05%	0.00%
Habib Bank Limited	1,156,500	-	1,156,500	-	-	90,000	1,066,500	177,508	161,436	(16,072)	5.22%	8.45%	0.07%
MCB Bank Limited*	307,900	-	307,900	353,500	-	218,700	442,700	87,019	89,076	2,057	2.88%	4.66%	0.04%
United Bank Limited	-	-	-	850,000	-	600,000	250,000	40,900	38,500	(2,400)	1.24%	2.02%	0.74%

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	(Number of shares)							As at September 30, 2018					
Name of investee company	As at June 30, 2018	Re-Designated under IFRS 9	As at July 1, 2018	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at September 30, 2018	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
				----- (Number of shares) -----				----- (Rupees in '000) -----					
<b>Engineering</b>													
Crescent Steel & Allied Products	125,800	-	125,800	-	-	-	125,800	11,469	9,626	(1,843)	0.31%	0.50%	0.16%
International Industries Limited	214,200	-	214,200	-	-	-	214,200	49,757	46,096	(3,661)	1.49%	2.41%	0.18%
								61,226	55,722	(5,504)	1.80%	2.91%	0.34%
<b>Fertilizer</b>													
Engro Fertilizer Limited	-	-	-	1,598,500	-	315,000	1,283,500	98,522	96,891	(1,631)	3.13%	5.07%	0.10%
Engro Corporation Limited	99,000	-	99,000	50,000	-	149,000	-	-	-	-	0.00%	0.00%	0.00%
								98,522	96,891	(1,631)	3.13%	5.07%	0.10%
<b>Insurance</b>													
Adamjee Insurance Company Limited *	295,000	-	295,000	-	-	-	295,000	14,375	13,263	(1,112)	0.43%	0.69%	0.08%
Pakistan Reinsurance Company Limited	472,500	-	472,500	-	-	-	472,500	15,536	14,411	(1,125)	0.47%	0.75%	0.16%
								29,911	27,674	(2,237)	0.90%	1.44%	0.24%
<b>Food &amp; Personal Care Products</b>													
National Foods Limited	-	-	-	60,000	-	-	60,000	17,100	17,400	300	0.56%	0.91%	0.06%
Shezan International Limited	-	4,650	4,650	-	-	-	4,650	2,651	3,023	372	0.10%	0.16%	0.06%
								19,751	20,423	672	0.66%	1.07%	0.12%
<b>Oil and Gas Exploration Companies</b>													
Mari Petroleum Company Limited	45,340	-	45,340	-	-	-	45,340	68,290	70,655	2,365	2.28%	3.70%	0.04%
Oil and Gas Development Company Limited	974,100	-	974,100	14,900	-	14,900	974,100	151,507	149,028	(2,479)	4.82%	7.80%	0.02%
Pakistan Oilfields Limited	99,400	-	99,400	128,500	37,780	83,900	181,780	99,153	99,830	677	3.23%	5.22%	0.06%
Pakistan Petroleum Limited	-	-	-	208,700	-	50,000	158,700	32,345	33,867	1,522	1.10%	1.77%	0.01%
								351,295	353,380	2,085	11.43%	18.49%	0.13%
<b>Oil and Gas Marketing Companies</b>													
Hi-Tech Lubricants Limited	180,400	-	180,400	-	-	68,500	111,900	11,338	9,338	(2,000)	0.30%	0.49%	0.10%
Pakistan State Oil Company Limited	-	-	-	119,200	-	-	119,200	40,703	38,006	(2,697)	1.23%	1.99%	0.04%
Sui Northern Gas Pipelines Limited	781,300	-	781,300	139,000	-	623,500	296,800	28,164	26,451	(1,713)	0.86%	1.38%	0.05%
								80,205	73,795	(6,410)	2.39%	3.86%	0.19%

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	As at September 30, 2018												
	(Number of shares)						(Rupees in '000)						
Name of investee company	As at June 30, 2018	Re-Designated under IFRS 9	As at July 1, 2018	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at September 30, 2018	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as percentage of net assets	Market value as percentage of total investment in the company	Par value as percentage of issued capital of the company
<b>Pharmaceuticals</b>													
AGP Limited	48	-	48	-	-	-	48	4	4	-	0.00%	0.00%	0.00%
The Seale Company Limited	-	1,790	1,790	-	-	-	1,790	608	566	(42)	0.02%	0.03%	0.00%
								612	570	(42)	0.02%	0.03%	0.00%
<b>Power Generation and Distribution</b>													
Hub Power Company Limited	175,000	-	175,000	-	-	175,000	-	-	-	-	0.00%	0.00%	0.00%
K-Electric Limited (face value of Rs 3.5 per share)	4,370,000	-	4,370,000	-	-	-	4,370,000	24,822	23,380	(1,442)	0.76%	1.22%	0.02%
								24,822	23,380	(1,442)	0.76%	1.22%	0.02%
<b>Technology and Communication</b>													
Hum Network	-	-	-	1,150,000	-	-	1,150,000	8,338	7,475	(863)	0.24%	0.39%	0.12%
Systems Limited	390,500	-	390,500	-	-	253,000	137,500	13,918	16,554	2,636	0.54%	0.87%	0.12%
Trg Pakistan	936,500	-	936,500	-	-	935,000	1,500	43	42	(1)	0.00%	0.00%	0.00%
								22,299	24,071	1,772	0.78%	1.26%	0.24%
<b>Textile Composite</b>													
Gul Ahmed Textile Mills Ltd	1,892,000	-	1,892,000	139,000	-	722,500	1,308,500	56,933	63,968	7,035	2.07%	3.35%	0.37%
Kohinoor Textile Mills Ltd	400,000	252,280	652,280	-	-	-	652,280	35,869	35,380	(489)	1.14%	1.85%	0.22%
Nishat Mills Limited *	732,400	-	732,400	-	-	682,300	50,100	7,060	7,044	(16)	0.23%	0.37%	0.01%
								99,862	106,392	6,530	3.44%	5.57%	0.60%
<b>Leather &amp; Tanneries</b>													
Service Industries Limited	1,420	-	1,420	-	-	-	1,420	1,115	1,045	(70)	0.03%	0.05%	0.01%
								1,115	1,045	(70)	0.03%	0.05%	0.01%

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

Name of investee company	(Number of shares)					As at September 30, 2018				
	As at June 30, 2018	Re-Designated under IFRS 9	As at July 1, 2018	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at September 30, 2018	Carrying value	Market value	Unrealised appreciation / (diminution)
									Market value as percentage of net assets	Market value as percentage of total investment in the company
<b>Chemicals</b>										
Engro Polymer and Chemicals Limited	3,095,000	-	3,095,000	960,036	-	1,459,500	2,595,536	81,064	75,374	(5,690)
Engro Polymer & chemical - Right Issue	960,036	-	960,036	-	-	960,036	-	-	-	-
Lotte Chemical Pakistan Limited	-	-	-	3,706,000	-	2,685,500	1,020,500	13,993	13,767	(226)
								95,057	88,141	(5,916)
<b>Investment Banks / Investment Companies / Securities Companies</b>										
Arif Habib Limited *	330,000	-	330,000	-	52,000	70,000	312,000	15,860	13,104	(2,756)
								15,860	13,104	(2,756)
<b>Transport</b>										
P.N.S.C.	130,700	-	130,700	-	-	30,000	100,700	8,251	6,539	(1,712)
								8,251	6,539	(1,712)
<b>Miscellaneous</b>										
Synthetic Products Ltd*	730,500	-	730,500	-	-	-	730,500	37,329	27,759	(9,570)
								37,329	27,759	(9,570)
<b>Total as at September 30, 2018</b>								<b>1,748,080</b>	<b>1,695,870</b>	<b>(52,210)</b>
<b>Total as at June 30, 2018</b>								<b>1,868,160</b>	<b>1,650,953</b>	<b>(217,207)</b>

\* These denote related parties / connected persons.

**6.1.1.1** The cost of investment in listed equity securities as at September 30, 2018 is Rs 2,469,563 million (June 30, 2018: Rs 2421.148 million).

**6.1.1.2** Investment includes shares with market value aggregating Rs 74.767 million (June 30, 2018: Rs 89.698 million) which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

**6.1.2 Listed debt securities - Term Finance Certificates**

Certificates having a face value of Rs. 5,000 each unless stated otherwise

Tenor	As at September 30, 2018				Unrealised appreciation / (diminution)	Market value	Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of total issue size
	Face value			Carrying value					
	As at July 1, 2018	Purchased during the period	Sold / matured during the period						

**6.1.3 Unlisted debt securities - Term Finance Certificates**

Certificates having a face value of Rs. 5,000 each unless stated otherwise

Tenor	As at September 30, 2018					Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of total issue size
	Face value			Carrying value	Market value				
	As at July 1, 2018	Purchased during the period	Sold / matured during the period						
Commercial Banks									
Bank Al Habib Limited-II	-	21,228	-	21,228	105,879	105,500	3.41%	5.52%	0.53%
Total as at September 30, 2018					105,879	105,500	3.41%	5.52%	
Total as at June 30, 2018					106,957	105,900	3.30%	5.58%	



#### 6.1.4 Unlisted debt securities - Sukuk Certificates

Certificates having a face value of Rs. 100,000 each unless stated otherwise

Tenor	As at September 30, 2018				Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of total issue size
	Face value			As at September 30, 2018						
	As at July 1, 2018	Purchased during the period	Sold / matured during the period							
Dawood Hercules Corporation Limited	-	1,000	-	1,000	100,065	99,936	(129)	3.23%	5.23%	0.02%
<b>Total as at September 30, 2018</b>					<u>100,065</u>	<u>99,936</u>	<u>(129)</u>	<u>3.23%</u>	<u>5.23%</u>	
<b>Total as at June 30, 2018</b>					100,000	100,065	65	3.11%	5.27%	

### 6.1.1.5 Government securities - Market Treasury Bills

As at September 30, 2018										
Tenor	Issue date	Face value				Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2018	Purchased during the period	Sold / matured during the period	As at September 30, 2018					
(Rupees in 000)										
Treasury bills - 3 months	10-May-2018	1,295,000	-	1,295,000	-	-	-	-	-	
Treasury bills - 3 months	7-Jun-2018	10,000	-	10,000	-	-	-	-	-	
Treasury bills - 3 months	19-Jul-2018	555,000	-	555,000	-	-	-	-	-	
Treasury bills - 3 months	02-Aug-2018	2,725,000	-	2,725,000	-	-	-	-	-	
Total as at September 30, 2018										
						-	-	-	0.00%	
Total as at June 30, 2018										
						9,889	9,889	-	0.31%	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

**6.1.6 Government securities - Pakistan Investment Bonds**

As at September 30, 2018									
Tenor	Issue date	Face value			Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2018	Purchased during the period	Sold / matured during the period					
----- (Rupees in 000) -----									
Pakistan investment bonds - 5 years	18-Jul-13	-	500,000	500,000	-	-	-	0.00%	0.00%
Total as at September 30, 2018									
					-	-	-	0.00%	0.00%
Total as at June 30, 2018									
					-	-	-	0.00%	0.00%

**6.1.7 Listed equities securities (Previous measurement category: 'available for sale' - under IAS 39 )**

As at September 30, 2018			
Total as at September 30, 2018 *	Total as at June 30, 2018	As at September 30, 2018	
		Carrying value	Unrealised appreciation / (diminution)
		Market value	
		16,330	17,131
		801	

On July 01, 2018 (date of adoption of IFRS) the carrying value of Rs. 16,330 Million classified as "Available for Sale" category under IAS 39 is redesignated as "Fair Value through Profit and Loss" having fair value of Rs.17,131 Million on June 30, 2018. This redesignation doesnot have any effect/impact on Statement of Financial Position and NAV per unit of the Fund.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Note	(Unaudited) September 2018	(Audited) June 2018
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
		(Rupees in '000)	
Federal excise duty and other related taxes payable on management remuneration	7.1	19,027	19,027
Federal excise duty and other related taxes payable on sales load		16,173	16,173
Provision against Sindh Workers' Welfare Fund	7.2	9,073	9,073
Withholding tax payable (deducted on capital gains)		3	8
Auditors' remuneration payable		647	562
Brokerage payable		3,254	2,033
Sindh sales tax payable on allocated expenses		1,098	992
Advance against issuance of units		-	-
Others		260	344
		<u>49,535</u>	<u>48,212</u>

- 7.1** There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2018. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2018 would have been higher by Re. 0.4846 per unit (June 30, 2018: Re.0.4676 per unit).
- 7.2** There is no change in the status of the SWWF as reported in the annual financial statements of the Fund for the year ended June 30, 2018. Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2018 would have been higher by Re. 0.2311 per unit (June 30, 2018 Re. 0.2230 per unit).

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as September 30, 2018 and June 30, 2018.

## 9 TAXATION

'The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management intends to distribute the income earned by the Fund during the year to the unit holders in cash in the manner as explained above, accordingly, no provision for taxation has been made in these condensed interim financial statements.

## 10 EARNINGS PER UNIT

'Earnings per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company the determination of the same is not practicable.

	September 30, 2018	September 30, 2017
<b>11 CASH AND CASH EQUIVALENTS</b>		
	(Rupees in '000)	
Bank balances	1,193,846	1,803,782
Term deposit receipts (with original maturity of three months or less)	-	-
	<u>1,193,846</u>	<u>1,803,782</u>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

## 12 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons of the Fund include MCB-Arif Habib Savings and Investments Limited (being the Management Company) and its related entities, Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes and pension schemes managed by the Management Company, any entity in which the Management Company, its CIs or their connected persons have material interest, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members, key management personnel and officers of the Management Company.

The details of transactions carried out by the Fund with related parties / connected persons and balances with them at the year end are as follows:

12.1 Details of balances with related parties / connected persons as at period end	(Unaudited) September 30, 2018 (Rupees in '000)	Audited June 30, 2018
Note		
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Management remuneration payable	5,106	5,173
Sindh sales tax payable on management remuneration	664	672
Sales load payable	2,456	1,879
Payable against allocated expenses	289	259
Payable against selling and marketing expenses	3,207	3,185
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	338	341
Sindh Sales Tax payable on trustee remuneration	44	44
Security deposits	100	100
<b>MCB Bank Limited - Parent of the Management Company</b>		
Bank balances	6,262	4,062
Sale load payable	-	16
442,700 shares held by the Fund (June 2018: 307,900 shares)	89,076	60,893
<b>Adamjee Insurance Company Limited</b>		
295,000 shares held by the Fund (June 2018: 295,000 shares)	13,263	14,375
<b>Arif Habib Limited</b>		
312,000 shares held by the Fund (June 2018: 330,000 shares)	13,104	20,130
Brokerage payable	12.4 311	108
<b>Next Capital Private Limited</b>		
Brokerage payable	12.4 15	250
<b>Nishat Mills Limited</b>		
50,100 shares held by the Fund (June 2018: 732,400 shares)	7,044	103,210
<b>D.G. Khan Cement Company Limited</b>		
Nil shares held by the Fund (June 2018: 432,500 shares)	-	49,517
<b>Synthetic Products Enterprises Limited</b>		
730,500 shares held by the Fund (June 2018: 730,500 shares)	27,759	37,329

## 12.2 Unit Holders' Fund

	For the Year Ended June 30, 2018					
	Units			(Rupees in '000)		
	As at July 01, 2018	Issued for cash	Bonus	Redeemed	As at September 30, 2018	As at September 30, 2018
<b>Associated Companies</b>						
Adamjee Life Assurance Company Limited Employees Gratuity Fund	28,189	-	-	-	2,226	2,220
Adamjee Life Assurance Company Limited (ISF)	450,785	-	-	-	35,594	35,502
Adamjee Life Assurance Company Limited (NULL Fund)	71,293	315,586	-	-	5,629	30,469
Adamjee Life Assurance Company Limited (NMF)	2,075,255	2,543,471	-	-	163,861	363,754
Security General Insurance Company Ltd.	3,745,546	-	-	3,745,546	295,746	-
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,028	-	-	-	2,766	2,759
	0					
<b>Mandate Under Discretionary Portfolio Services</b>						
	-	13,168	-	-	1,037	1,037
<b>Key management personnel</b>						
	-	-	-	-	-	-

	For the Year Ended June 30, 2017					
	As at July 01, 2017	Issued for cash	Bonus	Redeemed	As at September 30, 2017	
<b>Associated Companies</b>						
Adamees Life Assurance Co. Ltd. Convential Business	210,744	-	-	-	17,076	16,875
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,028	-	-	-	2,838	2,772
Adamees Life Assurance Co. Ltd.	352,830	-	-	-	28,589	27,917
SECURITY GENERAL INSURANCE COMPANY LTD	3,745,546	-	-	-	303,488	296,359
Adamees Life Assurance Company Limited, Employees Gratuity Fund	28,189	-	-	-	2,284	2,230
<b>Mandate Under Discretionary Portfolio Services</b>						
	69,466	1,687,716	-	1,660,458	5,629	7,653
	-	-	-	-	135,366	-
<b>Key management personnel</b>						
	60,847	-	-	1,586	4,930	4,689

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

## 12.3 Details of transactions with related parties / connected persons during the year

	------(Unaudited)-----	
	September 30, 2018	September 30, 2017
	(Rupees in '000)	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee (including indirect taxes)	1,201	1,246
CDC settlement charges	116	201
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration of the Management Company (including indirect taxes)	18,312	19,238
Selling and marketing expenses	3,241	3,405
Allocated expenses (including indirect taxes)	916	962
Load	1,001	2,255
<b>MCB Bank Limited - holding company of the Management Company</b>		
Purchase of shares 2018: 353,500 (2017: 546,000)	69,115	115,567
Sale of shares 2018: 218,700 (2017: 464,300)	46,319	97,105
Dividend income	1,771	1,336
Profit on bank balances	-	45
Bank charges	2	12
Load	43	-
<b>Aisha Steel Mills Limited</b>		
Sale of Shares 2018: Nil (2017: 1,000,000 )	-	23,488
<b>Silk Bank Limited</b>		
Purchase of securities		
Face Value 2018: Nil (2017: 485,865,000)	-	497,121
Sell of securities		
Face Value 2018: (2017: 400,000,000)	-	403,990
<b>D. G. Khan Cement Company Limited</b>		
Purchase of Shares 2018: 140,000 (2017: 200,000 )	15,427	30,685
Sale of Shares 2018: 572,500 (2017: 375,000 )	57,248	66,003
Dividend income	-	-
<b>D. G. Khan Cement Company Limited (Employee's Provident Fund)</b>		
Dividend Paid	-	-
<b>Adamjee Insurance Company Limited</b>		
Dividend income	295	-
<b>Arif Habib Limited</b>		
Sale of Shares 2018: 70,000 (2017: Nil)	4,824	-
Dividend income	780	-
Brokerage expense	12.4	414
<b>Next Capital Limited</b>		
Brokerage expense	12.4	61
<b>Nishat Mills Limited</b>		
Purchase of Shares 2018: Nil (2017: 359,200)	-	53,485
Sale of Shares 2018: 682,300 (2017: Nil)	96,726	-
<b>Mughal Iron and Steel Industries Limited</b>		
Purchase of Shares 2018: Nil (2017: 310,000)	-	21,695
Sale of Shares 2018: Nil (2017: 120,000)	-	8,509

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

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**12.4** The amount disclosed represents the amount of brokerage expense or brokerage payable to related parties / connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter parties are not related parties / connected persons.

**12.5** This reflects the position of related party / connected persons status as at September 30, 2018.

**12.6** The Fund's investment in related parties are disclosed in note 6.

**13 GENERAL**

Figures have been rounded off to the nearest thousand rupees.

**14 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on October 22, 2018 by the Board of Directors of the Management Company.

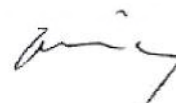
**For MCB-Arif Habib Savings and Investments Limited  
(Management Company)**



Chief Executive Officer



Chief Financial Officer



Director

## **MCB-Arif Habib Savings and Investments Limited**

**Head Office:** 24th Floor, Centrepont, Off Shaheed-e-Millat Expressway, Near K.P.T. Interchange, Karachi-74900  
UAN: (+92-21) 11-11-62224 (11-11-MCB-AH), 111-468-378 (111-INVEST), Fax: (+92-21) 35316080, 35316081,  
URL: [www.mcbah.com](http://www.mcbah.com), Email: [info@mcbah.com](mailto:info@mcbah.com)