



Bachat ka Doosra Naam

Annual Report 2013



Kum Risk Bala Nasheen

PAKISTAN CASH MANAGEMENT FUND

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

TABLE OF CONTENTS

1	Vision Mission & Core Values	02
2	Fund's Information	03
3	Report of the Director of the Management Company	04
4	Report of the Fund Manager	09
5	Trustee Report to the Unit Holders	10
6	Statement of Compliance with the Code of Corporate Governance	11
7	Review Report to the Unit Holders on the Statement of Compliance with the best Practices of the Code of Corporate Governance	13
8	Independent Auditors Report to the Unit Holders	14
9	Statement of Assets and Liabilities	17
10	Income Statement	18
11	Distribution Statement	19
12	Statement of Movement in Unit Holders' Fund	20
13	Cash Flow Statement	21
14	Notes to and Forming part of the Financial Statements	22
15	Pattern of holding as per Requirement of Code of Corporate Governance	40
16	Pattern of Units Holding by Size	41
17	Performance Table	43

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.

FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings and Investments Limited (Formerly: Arif Habib Investments Limited) 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Board of Directors of the Management Company	Mian Mohammad Mansha Mr. Nasim Beg Mr. Yasir Qadri Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Mahmood Ahmad	Chairman(subject to the approval of SECP) Executive Vice Chairman Chief Executive Officer (subject to the approval of SECP) Director (subject to the approval of SECP) Director (subject to the approval of SECP) Director (subject to the approval of SECP) Director Director (subject to the approval of SECP)
Audit Committee	Mr. Haroun Rashid Mr. Nasim Beg Mr. Samad A. Habib	Chairman Member Member
Human Resource Committee	Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jehangir Mr. Yasir Qadri	Chairman Member Member Member Member
Company Secretary & Chief Operating Officer	Mr. Muhammad Saqib Saleem	
Chief Financial Officer	Mr. Umair Ahmed	
Trustee	Habib Metropolitan Bank Limited 8th Floor, HBZ Building I.I. Chundrigar Road, Karachi.	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited Bank Alfalah Limited Allied Bank Limited Faysal Bank Limited	
Auditors	M. Yousuf Adil Saleem & Co.-Chartered Accountants Cavis Court, A-35, Block 7 & 8, KCHSU, Sharae Faisal, Karachi-75350	
Legal Advisor	Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
Transfer Agent	MCB-Arif Habib Savings and Investments Limited (Formerly: Arif Habib Investments Limited) 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Rating	AM2 - Management Quality Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2013

The Board of Directors of MCB Arif Habib Savings and Investment Limited (Formerly Arif Habib Investments Limited), the Management Company of Pakistan Cash Management Fund (PCF), is pleased to present the Annual Report on the affairs of PCF for the year ending June 30, 2013.

Economy and Money Market Overview

Though economic optimism generally prevailed throughout the year, the actual economic news released remained a mixed bag. Despite pressure on fiscal side and reserve position, some of the key macroeconomic indicators have depicted positive trend during the period.

In essence, easing inflation, along with smooth political transition in the later part of the year, managed to dilute the impact of higher fiscal deficit, reserve depletion and rupee depreciation on the economy. Hammered by poor law and order situation and energy crisis, the real GDP growth clocked in around 3.6 % in FY13, less than the targeted 4.3 % and far below the growth recorded by other developing countries in the region.

Thanks to the lower global commodity prices and the base effect by virtue of which inflation eased down to around 7.4 percent in FY13, nearly 3.6 percentage points lower than the previous fiscal year. With economy in the throes of weak GDP growth, lower inflationary pressures and excessive liquidity created to do unwarranted government borrowing from Central Bank developed a case for monetary easing. Consequently, policy makers reduced discount rate by a total of 3 percentage points during the year to 9 % at the end of the fiscal year.

The external account remained manageable, aided by a narrower trade and services gap. The current account deficit amounted to \$2.29 billion in FY13 compared to \$4.7 billion in the last year.

Against the backdrop of lower import bill, trade deficit narrowed down to around \$15 billion in FY13 from \$15.7 billion in the last year. The country's import bill nudged down by 1.6% to \$39.8 billion while exports stayed constant at the last year's level of around \$24.7 billion. At the same time, inflows of around \$1.8 billion under Coalition Support Fund helped reduce services deficit to \$1.13 billion from \$3.2 billion. At the same time, remittances totaled to \$13.9 billion from \$13.2 billion reported in FY12.

Juxtaposed the country's financial account registered a deficit of \$80 million, as opposed to surplus of \$1.28 billion in the previous year. In the face of higher FDIs, the financial account swung into the negative territory. FDI proceeds amounted to \$1.4 billion in FY13, nearly \$626 million higher than the previous year.

The lower current account deficit along with meager deficit in financial account and surplus of \$238 million in capital account summed to overall deficit of \$2.4 billion in FY13 as opposed to \$3.3 billion.

Although, the overall balance of payment deficit improved, foreign reserves depleted by around \$4.2 billion during the year to around \$11 billion at the end of the year largely on the account of timely loan repayments to IMF. Consequently, rupee depleted by 5 % to 98.4 against dollar towards the end of the year.

In the absence of structural reforms, the country's performance on fiscal side remained abysmal. Fiscal indiscipline continued to remain a cause of concern leading to the gaping 8.8% budgetary deficit as percentage of GDP. During the first three quarters the country's fiscal deficit stood at 4.4 % of GDP. Part of the deficit can also be attributed to the current governments first move to settle circular debt largely through borrowing from Central Bank.

The previous government's attempts at reform were a day late and a dollar short. The tax revenue collection target of Rs 2.5 trillion remained elusive as the government is expected to collect at total of Rs1.9 trillion in FY13. The collection through non-tax sources was also off the mark as the government failed to roll out 3G licenses in FY13.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2013

With the country nursing with wider revenue expenditure shortfall, thin external flows tilted the borrowing pressure towards domestic sources. The net financing to the government increased by Rs 460 billion during FY13 to Rs 1.6 trillion at the year end. The scheduled banks continued to bear a large part of the burden since the borrowing from the banking sector alone increased by Rs 389 billion to Rs 1.025 trillion at the year end.

Banking on Net domestic assets (NDA), money supply (M2) posted a double digit growth of 17.08% during the year. This can be gauged from the fact that NDA increased by Rs 1.5 trillion (data as of 28th June, 2013) during FY13 as opposed to Rs 1.2 trillion in FY12. While, Net foreign assets(NFA) fell by Rs 184 billion as opposed to decline of Rs 248 billion during the previous year.

Future outlook

To a large extent, trade deficit outlook hinges on global commodity prices. Increase in GST and imposition of additional tax measures as announced in FY14 budget will set the stage for higher inflation level going forward. However, nod from IMF on loan restructuring at the onset of FY14 will reduce pressure on reserves position.

Fund's Performance

During the year, the net assets of the fund declined by 33% on a YoY basis to around PKR 2.6 billion as on June 30, 2013. The investment objective of the fund is to deliver regular income and provide high level of liquidity primarily from short duration government securities investments. The fund is benchmarked against 3-month PKRV. The fund, through active management and carefully selected trading positions was able to yield an annualized return of 9% during the period under review, which was lower than the Fund's benchmark return of 10.5% during the same period.

Considering the risk-return profile of government papers, the fund kept its exposure largely towards government papers while maintaining marginal allocations towards TDRs and bank deposits. Although the fund maintained decent exposure towards government papers throughout the year, it altered its portfolio's duration actively to take advantage of the declining interest rate scenario.

The Fund yields for the period under review remained as follows:

Performance Information (%)	PCF	Benchmark
Last twelve Months Return (Annualized)	9%	10.5%
Since Inception(CAGR)	10.9%	12.1%

During the year your fund earned net income of Rs 234.18 million. The Board in the meeting held July 04, 2013 has declared final distribution amounting to Rs.25.32 million (i.e. Rs. 0.5 per unit). In addition to final distribution, the Chief Executive has approved following interim distribution during the year ended June 30, 2013.

Date of distribution	Distribution PKR / Unit
25 July 2012	0.3358
25 August 2012	0.4994
25 September 2012	0.3836
25 October 2012	0.4001
25 November 2012	0.3226
25 December 2012	0.3338
25 January 2013	0.3440
25 February 2013	0.3277
25 March 2013	0.3054
25 April 2013	0.3369
25 May 2013	0.3288

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2013

During the period, units worth Rs. 4,634.00 million (including Rs.211 million worth of bonus units) were issued and units with a value of Rs. 5,934.67 million were redeemed. As on 30 June 2013 the NAV of the Fund was Rs. 50.5 per unit.

Update on Workers' Welfare Fund

Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment it appears that WWF Ordinance has become applicable to all Collective Investment Schemes (CISs) whose income exceeds Rs. 0.5 million in a tax year. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honorable Sindh High Court challenging the applicability of WWF on CISs which was dismissed mainly on the ground that MUFAP is not an aggrieved party.

Subsequently, clarifications were issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. These clarifications were forwarded by the Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action. Based on these clarifications, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Other mutual funds to whom notices were issued by the FBR also took up the matter with FBR for their withdrawal.

Further, a fresh Constitutional Petition filed with the Honorable High Court of Sindh by a CIS / mutual fund and a pension fund through their trustee and an asset management company inter alia praying to declare that mutual funds / voluntary pension funds being pass through vehicles / entities are not industrial establishments and hence, are not liable to contribute to the WWF under the WWF Ordinance. The proceedings of the Honorable Court in this matter have concluded and the Honorable Court has reserved its decision.

Subsequent to the year ended June 30, 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. In March 2013 a larger bench of the Sindh High Court (SHC) in various constitutional petitions declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, do not suffer from any constitutional or legal infirmity.

However, as per our legal counsel the stay granted to Collective Investment Schemes (CIS) remains intact and the constitution petitions filed by the CIS to challenge the Workers Welfare Fund contribution have not been affected SHC judgment.

In view of the afore mentioned developments and uncertainties created by the recent decision by Honourable Sindh High Court, the Management Company as a matter of abundant precaution has charged provision for WWF in these financial statements.

Corporate Governance

The Fund is committed to high standards of corporate governance and the Board of Directors of the Management Company is accountable to the unit holders for good corporate governance. Management is continuing to comply with the provisions of best practices set out in the code of corporate governance particularly with regard to independence of non-executive directors. The Fund remains committed to conduct business in line with listing regulations of Islamabad Stock Exchange.

The following specific statements are being given to comply with the requirements of the Code of Corporate Governance:

- a. Financial statements present fairly the statement of affairs, the results of operations, cash flows and Change in unit holders' fund.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2013

- b. Proper books of accounts of the Fund have been maintained during the year.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable prudent judgment.
- d. Relevant International Accounting Standards, as applicable in Pakistan, provisions of the Non Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the Fund's ability to continue as going concern.
- g. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- h. Key financial data as required by the Code of Corporate Governance has been summarized in the financial statements.
- i. Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.
- j. The statement as to the value of investments of provident fund is not applicable on the Fund but applies to the Management Company, hence appropriate disclosure has been made in the Directors' Report of the Management Company.
- k. The detailed pattern of unit holding, as required by NBFC Regulations and the Code of Corporate Governance are enclosed.
- l. The details of attendance of Board of Directors meeting is disclosed in note 18 to the attached financial statements. Below is the details of committee meetings held during the year ended June 30, 2013:

1. Meeting of Human resource and remuneration committee (held on August 13, 2012 and April 04, 2013)

S. No.	Name	Designation	Total Meetings Held	No. of Meetings Attended	Leave granted
1.	Dr. Syed Salman Shah	Chairman	2	2	-
2.	Mr. Haroun Rashid	Member	2	1	1
3.	Mr. Nasim Beg	Member	2	2	-
4.	Mr. Ahmed Jehangir	Member	2	2	-
5.	Mr. Yasir Qadri	Member	2	2	-

2. Meeting of Audit Committee (held on August 13, 2012, October 24, 2012, February 1, 2013 and April 23, 2013)

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2013

S. No.	Name	Designation	Total Meetings Held	No. of Meetings Attended	Leave granted
1.	Mr. Haroun Rashid	Chairman	4	3	1
2.	Mr. Nasim Beg	Member – Executive Vice Chairman	4	4	-
3.	Mr. Samad A. Habib	Member	4	4	-
4.	Mr. Ali Munir*	Member	2	-	2

* Mr. Ali Munir ceased to be the member of Audit Committee w.e.f. October 25, 2012.

1. As required by the Code, all the directors of the Management Company will attend the training Program for directors by the year 2016. Currently, two of the directors are exempt from obtaining mandatory training having the requisite qualification and experience. Further Directors' have also being briefed about the recent changes made in laws and regulations to enable them to effectively manage the affairs of the management company.
- m. The trades in Units of the Fund carried out by Directors, Chief Executive Officer, Chief Operating Officer and Company Secretary, Chief Financial Officer and Chief Internal Auditor of the Management Company and their spouses and minor children are as under:

S. No.	Name	Designation	Investment	Redemption	Bonus
			(Number of Units)		
1.	Mr. Nasim Beg	Executive Vice Chairman	-	59,840	54
2.	Mr. Yasir Qadri	Chief Executive Officer	-	-	-
3.	Mr. Saqib Saleem	Company Secretary & Chief Operating Officer	-	-	-
4.	Umair Ahmed	Chief Financial Officer	-	-	-
5.	Asif Mehdi Rizvi	Head of Internal Audit and Compliance	-	61	969

External Auditors

The fund's external auditors, M. Yousuf Adil Saleem & Co., Chartered Accountants, have expressed their willingness to continue as the fund auditors for the ensuing year ending June 30, 2013. The audit committee of the Board has recommended reappointment of M. Yousuf Adil Saleem & Co., Chartered Accountants as auditors of the fund for the year ending June 30, 2013.

Acknowledgement

The Board of Directors of the Management Company is thankful to the valued investors of the Fund for their reliance and trust in MCB Arif Habib Savings and Investments Limited. The Board also likes to thank the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, Central Depository Company of Pakistan Limited (the Trustee of the Fund) and the management of the Islamabad Stock Exchange for their continued cooperation, guidance, substantiation and support. The Board also acknowledges the efforts put in by the team of the Management Company for the growth and meticulous management of the Fund.

For and on behalf of the board



Yasir Qadri

Chief Executive

Karachi: August 05, 2013

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2013

Fund Type and Category

Pakistan Cash Management Fund (PCF) is an open-end Fund.

Fund Benchmark

The benchmark for Pakistan Cash Management Fund is 3 Months PKRV.

Investment Objective

The fund aims to deliver regular income and provide high level of liquidity primarily from short duration government securities investments.

Investment Strategy

The Fund will invest in government securities; mainly Treasury bills and short maturity reverse repurchase transactions against Government Securities. The un-invested funds are kept in deposits with minimum AA rated commercial banks. The overall maturity of the portfolio is kept below 90 days, in order to keep interest rate risk at a relatively low and manageable level and provide high liquidity to investors comparable to current bank deposits. PCF is a long only Fund.

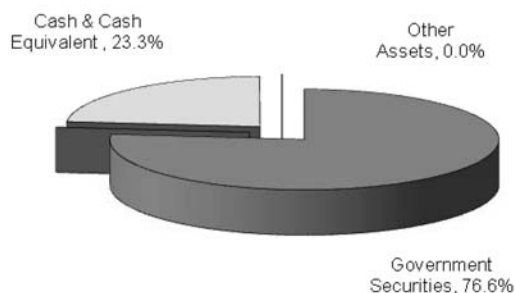
Manager's Review

During the year under review, the fund was able to generate an annualized return of 9% as against its benchmark return of 10.5%, an under-performance of 1.5%.

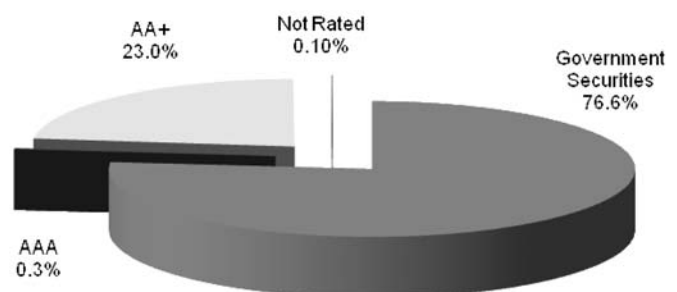
Considering its low-risk profile, the fund continued to deploy its assets carefully without aggressively chasing them. Given a very attractive risk-return profile of the short term government papers, the fund continued to keep most of fund's assets in short-end Treasury Bills.

The net assets of fund have shrunk by 33% during the year to reach PKR 2.6 billion. Given the volatility in the overall interest rate environment, the fund continued to alter its portfolio WAM in order to take advantage to shift in the yield curve. The funds WAM was kept in a lower range especially towards the latter half of the year and closed the year at a portfolio WAM of 21 days.

Asset Allocation as on June 30, 2013 (% of total assets)



Asset Quality as on June 30, 2013 (% of total assets)



Syed Sheeraz Ali
Fund Manager

Karachi: August 05, 2013

**TRUSTEE REPORT TO THE UNIT HOLDERS
FOR THE YEAR ENDED JUNE 30, 2013**



HABIBMETRO

TRUSTEE REPORT TO THE UNIT HOLDERS

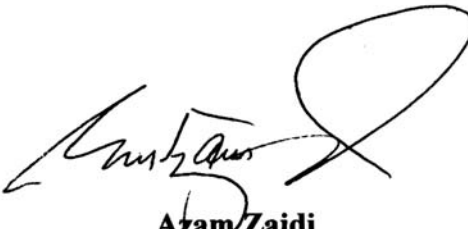
PAKISTAN CASH MANAGEMENT FUND

**REPORT OF THE TRUSTEE PURSUANT TO REGULATION 41(H) AND CLAUSE 9 OF
SCHEDULE V OF THE NON-BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES
REGULATIONS, 2008**

Pakistan Cash Management Fund (the Fund), an open-end fund was established under a trust deed executed between MCB-Arif Habib Savings & Investments Limited (formerly: Arif Habib Investments Limited), as the Management Company and Habib Metropolitan Bank Limited as Trustee on February 08, 2008. The Fund was authorized by the Securities and Exchange Commission of Pakistan (SECP) on 1st February 2008.

In our opinion, the Management Company has in all material respects managed the Fund during the year ended 30 June 2013 in accordance with the provisions of the following:

- (i) investment limitations imposed on the Management Company and the Trustee under the trust deed and other applicable laws;
- (ii) valuation or pricing is carried out in accordance with the trust deed and any regulatory requirement;
- (iii) creation and cancellation of units are carried out in accordance with the trust deed;
- (iv) and any regulatory requirement.


Azam Zaidi
Senior Executive Vice President

Karachi: August 21, 2013

Habib Metropolitan Bank Ltd.
(Subsidiary of Habib Bank AG Zurich)

Trustee Division: HBZ Plaza 8th Floor, I.I. Chundrigar Road, Karachi
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STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2013

This statement is being presented by the Board of Directors of MCB-Arif Habib Savings and Investments Limited (formerly Arif Habib Investments Limited), the Management Company of Pakistan Cash Management Fund ("the Fund") to comply with the Code of Corporate Governance contained in Regulation No. 35 of Listing Regulations of Islamabad Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

Pakistan Cash Management Fund is an open end mutual fund and is listed at Islamabad Stock Exchange. The Fund, being a unit trust scheme, does not have its own Board of Directors. The Management Company, MCB-Arif Habib Savings and Investments Limited (formerly Arif Habib Investments Limited), on behalf of the Fund, has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors on its Board of Directors. At present the Board includes

Category	Names
Independent Directors	1. Dr. Salman Shah 2. Mr. Haroun Rashid 3. Mr. Mirza Mehmood
Executive Directors	1. Mr. Nasim Beg – Executive Vice Chairman 2. Mr. Yasir Qadri – Chief Executive Officer
Non – Executive Directors	1. Mian Mohammad Mansha 2. Mr. Ahmed Jehangir 3. Mr. Samad Habib

The independent directors meets the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including the Management Company.
3. All the directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the period no casual vacancy occurred on the board of the Management Company
5. The Management Company had prepared a 'Code of Conduct' and ensured that appropriate steps had been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed vision / mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive and non-executive directors, have been taken by the Board. No new appointment of Chief Executive Officer, other executive and non-executive directors were made during the year.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings,. The minutes of the meetings were appropriately recorded and circulated.
9. Currently, two of the directors are exempt from obtaining mandatory training having the requisite qualification and experience. During the period the two of the directors' have attended Directors' Training Program conducted by the Institute of Chartered Accountants of Pakistan.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2013

10. The Board has approved the appointment of Chief Operating Officer and Company secretary, Chief Financial Officer and Head of Internal Audit including their remuneration and terms and conditions of employment.
11. The Directors' Report of the fund for the year ended June 30, 2013 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by Chief Executive Officer and Chief Financial Officer of the Management Company before approval of the Board.
13. The Directors, Chief Executive Officer and executives of the Management Company do not hold any interest in the units of the Fund other than that disclosed in the pattern of unit holding.
14. The Management Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee for the Management Company. It comprises of three members, of which two are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of the interim and final results of the Fund and as required by the Code. The terms of reference of the committee have been approved by the Board and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises five members, of whom two are non-executive directors and the chairman of the committee is an independent director.
18. The Board has set up an effective internal audit function. The Head of Internal Audit is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the fund and the Company.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and units of the fund. The firm and all its partners are also in compliance with International Federation of Accountants guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed International Federation of Accountants guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Management Company's securities and Fund's unit, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm that all other material principles enshrined in the Code have been complied with.

For and on behalf of the board



Yasir Qadri

Chief Executive

Karachi: August 05, 2013

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

Deloitte.

M. Yousuf Adil Saleem & Co
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharea Faisal,
Karachi-75350
Pakistan

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Fax: +92 (0) 21- 3454 1314
Web: www.deloitte.com

REVIEW REPORT TO THE UNIT HOLDERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **MCB-Arif Habib Savings and Investments Limited**, the Management Company of **Pakistan Cash Management Fund (the Fund)** to comply with the Listing Regulation No. 35 (Chapter XI) of the Karachi Stock Exchange Limited, where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Regulation 35 (x) of the Listing Regulations requires the Management Company to place before the Board of Directors for their consideration and approval, related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of the above requirements to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and on behalf of the Fund, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2013.



Chartered Accountants

Engagement Partner:
Mushtaq Ali Hirani

Karachi

Date: August 05, 2013

Member of
Deloitte Touche Tohmatsu Limited

**INDEPENDENT AUDITORS' REPORTS TO THE UNIT HOLDERS
FOR THE YEAR ENDED JUNE 30, 2013**

Deloitte.

M. Yousuf Adil Saleem & Co
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharea Faisal,
Karachi-75350
Pakistan

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Fax: +92 (0) 21- 3454 1314
Web: www.deloitte.com

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Pakistan Cash Management Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2013, and the income statement, distribution statement, statement of movements in unit holder's fund, cash flow statement and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Member of
Deloitte Touche Tohmatsu Limited

**INDEPENDENT AUDITORS' REPORTS TO THE UNIT HOLDERS
FOR THE YEAR ENDED JUNE 30, 2013**

Deloitte.

M. Yousuf Adil Saleem & Co
Chartered Accountants

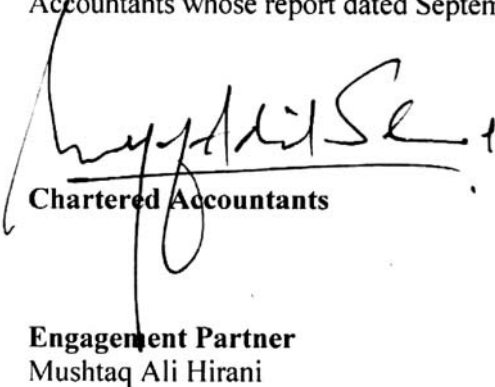
Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's financial position as at June 30, 2013 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The financial statements for the year ended June 30, 2012 were audited by another firm of Chartered Accountants whose report dated September 17, 2012 contained an unqualified opinion.


Chartered Accountants

Engagement Partner
Mushtaq Ali Hirani

Karachi
Date: August 05, 2013

Member of
Deloitte Touche Tohmatsu Limited

FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2013

	Note	2013 (Rupees in '000)	2012
ASSETS			
Balances with banks	4	601,898	42,836
Investments	5	1,977,423	3,810,872
Receivable against sale of units		860	-
Income from investments and other receivables	6	158	1,272
Preliminary expenses and floatation costs	7	-	145
Total assets		2,580,339	3,855,125
LIABILITIES			
Payable to Management Company		2,584	4,634
Accrued expenses and other liabilities	8	20,844	16,228
Total liabilities		23,428	20,862
NET ASSETS		2,556,911	3,834,263
Unit holder's fund (as per statement attached)		2,556,911	3,834,263
Contingencies and Commitments	9		
(Number of Units)			
NUMBER OF UNITS IN ISSUE		50,631,960	76,563,838
(Rupees)			
NET ASSET VALUE PER UNIT	3.10	50.4999	50.0793

The annexed notes 1 to 23 form an integral part of these financial statements.


Chief Executive Officer

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


Director

INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 (Rupees in '000)	2012
INCOME			
Income from investment in government securities		254,747	296,552
Capital gain on sale of investments - net		6,078	1,247
Income from reverse repurchase transactions		-	4,579
Profit on bank deposits		9,557	6,768
Other income		47	1
Unrealised appreciation/(diminution) on re-measurement of investments 'at fair value through profit or loss' - net	5.2	428	(537)
Total income		270,857	308,610
EXPENSES			
Management Company Performance Fee	10	27,081	30,635
Sales Tax and Federal Excise Duty on Performance Fee of Management Company	11	4,564	4,902
Securities transaction cost		135	206
Legal and professional charges		-	83
Amortisation of preliminary expenses and floatation costs	7	145	199
Total expenses		31,925	36,025
Net income from operating activities		238,932	272,585
Element of (loss)/income and capital (losses)/gains included in prices of units issued less those in units redeemed		(1,507)	19,586
Provision for workers' welfare fund	8.1	(4,747)	(15,949)
Net income for the year before taxation		232,678	276,222
Taxation	12	-	-
Net income for the year after taxation		232,678	276,222
Other comprehensive income for the year		-	-
Total comprehensive income for the year		232,678	276,222
Earnings per unit	3.11		

The annexed notes 1 to 23 form an integral part of these financial statements.



Chief Executive Officer

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



Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 (Rupees in '000)	2012 (Rupees in '000)
Undistributed income brought forward			
- Realised income		6,612	63,401
- Unrealised loss		(537)	(758)
		<u>6,075</u>	<u>62,643</u>
Final Distribution for the year ended June 30, 2012			
Rs. Nil (2011: Re. 1.1801 per unit)			
- Bonus units		-	(59,899)
- Cash distribution		-	(2,601)
Final Distribution for the year ended June 30, 2013			
Rs. Nil (2012: Re. 0.4343 per unit)			
- Bonus units		-	(22,177)
- Cash distribution		-	(12,963)
Element of (loss) / income and capital (losses) / gains included in the prices of units issued less those in units redeemed - amount representing unrealised income		(2,053)	64
Net income for the year		232,678	276,222
Interim Distribution for the year ended June 30, 2013			
- Bonus units	13	(211,049)	(198,425)
- Cash distribution	13	(328)	(36,789)
		<u>19,248</u>	<u>41,072</u>
Undistributed income carried forward		<u>25,323</u>	<u>6,075</u>
Represented by:			
- Realised income		24,895	6,612
- Unrealised income/(loss)		428	(537)
		<u>25,323</u>	<u>6,075</u>

The annexed notes 1 to 23 form an integral part of these financial statements.



Chief Executive Officer

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



Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 (Rupees in '000)	2012
Net assets at the beginning of the year		3,834,263	2,710,685
Issue of 87,984,824 units (2012: 99,673,643 units)		4,423,466	4,947,363
Issue of 4,214,310 bonus units for the year ended June 30, 2013 (2012: 5,595,238 bonus units)	13	211,049	218,001
Redemption of 118,131,012 units (2012: 81,665,922 units)		(5,934,675)	(4,028,068)
		<u>(1,300,160)</u>	<u>1,137,296</u>
		2,534,103	3,847,981
Element of (income)/loss and capital (gains)/losses included in prices of units issued less those in units redeemed			
- amount representing loss / (income) and Capital losses / (gains) - transferred to the Income Statement		1,507	(19,586)
- amount representing unrealised capital losses/(gains) and capital losses/(gains) that form part of the unit holder's fund - transferred to the Distribution Statement		2,053	(64)
		3,560	(19,650)
Net income for the year transferred from distribution statement			
Capital gain on sale of investments		6,078	1,247
Unrealised appreciation/(diminution) on re-measurement of investments 'at fair value through profit or loss' - net		428	(537)
Element of (loss) / income and capital (losses) / gains included in the prices of units issued less those in units redeemed - amount representing unrealised income		(2,053)	64
Other net income for the year		226,172	275,512
Interim distribution made during the year (Refer distribution statement)		(211,377)	(235,214)
		19,248	41,072
Final Distribution for the year			
- Bonus units		-	(22,177)
- Cash distribution		-	(12,963)
Net assets as at the end of the year		<u>2,556,911</u>	<u>3,834,263</u>

	(Number of Units)	
NUMBER OF UNITS IN ISSUE	<u>50,631,960</u>	<u>76,563,838</u>
	(Rupees)	
NET ASSET VALUE PER UNIT	<u>50.4999</u>	<u>50.0793</u>

The annexed notes 1 to 23 form an integral part of these financial statements.


Chief Executive Officer

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


Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 (Rupees in '000)	2012
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the year		232,678	276,222
Adjustments for non cash items:			
Unrealised appreciation/(diminution) in value of investments classified as 'at fair value through profit or loss' - net		(428)	537
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		1,507	(19,586)
Amortisation of preliminary expenses and floatation costs		145	199
Management Company Performance Fee		27,081	30,635
Sales Tax and Federal Excise Duty on Performance Fee of Management Company		4,564	4,902
		<u>265,547</u>	<u>292,909</u>
Decrease / (Increase) in assets			
Investments - net		213,725	1,784,389
Income from investments and other receivables		1,114	(581)
Receivable against sale of units		(860)	562
		<u>213,979</u>	<u>1,784,370</u>
Increase / (decrease) in liabilities			
Preliminary expenses and floatation costs payable to the Management Company		-	(600)
Accrued expenses and other liabilities		4,616	5,011
		<u>4,616</u>	<u>4,411</u>
Performance fee paid to the Management Company		(29,047)	(29,843)
Sales tax paid		(4,648)	(4,263)
Net cash generated from operating activities	A	<u>450,447</u>	<u>2,047,584</u>
B. CASH FLOW FROM FINANCING ACTIVITIES			
Cash distributions made during the year		(328)	(52,353)
Receipt from issue of units		4,423,466	4,947,363
Payment made on redemption of units		(5,934,675)	(4,028,068)
Net cash (used in) / generated from financing activities	B	<u>(1,511,537)</u>	<u>866,942</u>
Net (decrease) / increase in cash and cash equivalents during the year	(A+B)	<u>(1,061,090)</u>	<u>2,914,526</u>
Cash and cash equivalents at beginning of the year		3,005,984	91,458
Cash and cash equivalents at end of the year	4.2	<u>1,944,894</u>	<u>3,005,984</u>

The annexed notes 1 to 23 form an integral part of these financial statements.



Chief Executive Officer

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



Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Pakistan Cash Management Fund (PCF) "the Fund" was established under a Trust Deed executed between Arif Habib Investments Limited (the Management Company) and Habib Metropolitan Bank Limited as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 1, 2008 and was executed on February 8, 2008.
- 1.2** Based on shareholders' resolutions of MCB-AMC and AHIL the two companies have merged as of June 27, 2011 through operation of an order from the SECP issued under Section 282L of the Companies Ordinance 1984 (Order through letter no. SCD/NBFC-II/MCBAMCL & AHIL/271/2011 dated June 10, 2011). AHIL being a listed company is the surviving entity and in compliance of SBP's approval, it is a subsidiary of MCB Bank.. Subsequent to the completion of merger on June 27, 2011 the SECP extended the effective date of merger to July 30, 2011 through letter no. SCD/PR & DD/AMCW/MCB-AMCL & AHI/348/2011 dated June 27, 2011 under section 484(2) of the Companies Ordinance 1984. However, recently on request of Management Company the SECP reviewed its aforementioned order and through a letter no. SCD/AMCW/Mis/540/2013 dated May 17, 2013 issued 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 Management Company from June 27, 2011 to date.
- Pursuant of approval of Merger the name of the company have been changed from Airf Habib Investments Limited to MCB-Arif Habib Savings and Investments Limited.
- 1.3** 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 SECP.The registered office of the Management Company is situated at 8th Floor,Technocity Corporate Tower,Hasrat Mohani Road,Karachi
- 1.4** The Fund is an open-ended mutual fund and is listed on the Islamabad Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.The Fund has been categorised as a "money market scheme" by the Management Company.
- 1.5** The Fund is allowed to invest in treasury bills, short term government instruments and reverse repurchase transactions against government securities and the uninvested portion is deposited in bank accounts.
- 1.6** Pakistan Credit Rating Agency (PACRA) has assigned Management quality rating of AM2 to the management company and AAA(f) as stability rating to the Fund.
- 1.7** Title to the assets of the Fund is held in the name of Habib Metropolitan Bank Limited as trustee of the Fund.
- 1.8** The Board of Directors have approved that the Fund should be categorised as "Money Market Scheme" as per the categories defined by the Securities and Exchange Commission of Pakistan.

2. STATEMENT OF COMPLIANCE

- 2.1** These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of Trust Deed, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.
- 2.2** These financial statements comprise of statement of assets and liabilities, income statement, distribution statement, statement of movement in unit holders' fund and cash flow statement together with the notes forming part thereof.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

2.3 Standards, amendments or interpretations which became effective during the year

During the year certain amendments to Standards or new interpretations become effective. However, the amendments or interpretations did not have any material effect on the financial statements of the Fund.

2.4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

A number of new Standards, amendments Standards and interpretations are effective for annual periods beginning on or after 1 July 2013. None of these are expected to have a significant effect on the financial statements of the fund except the following set out below.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) - (effective for annual periods beginning on or after 1 January 2014).
- Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) - (effective for annual periods beginning on or after 1 January 2013).
- IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) (effective for annual periods beginning on or after 1 January 2014).

2.5 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally relate to classification and valuation of investments (note 3.2 and note 5) and amortisation of the preliminary expenses and floating cost (note 6).

2.6 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain financial assets have been carried at fair value in accordance with the requirements of International Accounting Standard (IAS) 39 ; 'Financial Instruments Recognition and Measurement.'

2.7 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all the years presented unless otherwise stated

3.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of assets and liabilities at cost. Cash and cash equivalents comprise of bank balances and short term investments having original maturities of less than three months.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss
- loans and receivables
- Available for sale

The classification depends on the purpose for which the financial assets were acquired. Management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in market prices, interest rate movements or are financial assets included in a portfolio in which a pattern of short-term profit taking exists.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund's loans and receivables comprise of cash and bank balances, receivable against sale of investments, deposits and dividend and profit receivable.

c) Available for sale

These are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

3.2.4 Subsequent measurement

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

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss and available for sale are valued as follows:

- Basis of valuation of government securities

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Market Association of Pakistan in accordance with the requirements of the NBFC Regulations.

Net gains and losses arising from changes in the fair value of financial assets 'at fair value through profit or loss' are taken to the 'income statement'.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Net gains and losses arising from changes in fair value of 'available for sale' financial assets are taken to other comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised in other comprehensive income is transferred to income before taxation.

b) Loans and receivable

Subsequent to initial recognition financial assets classified as 'loans and receivables' are carried at amortised cost using the effective interest method.

Gain or loss is also recognised in the 'income statement' when financial assets carried at amortised cost are derecognised or impaired.

3.2.5 Impairment

The carrying amounts of the Fund's assets are revalued at each reporting date to determine whether there is any indication of impairment in any asset or group of assets. If such indication exists, the recoverable amount of the assets is estimated and impairment losses are recognised immediately as an expense in the income statement. If any impairment evidence exists for available for sale financial assets, the cumulative loss-measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in other comprehensive income is reclassified from other comprehensive income and recognised in the income before taxation.

Provision for non-performing debt securities and other exposures is made in accordance with the criteria specified in Circular No. 1 dated January 6, 2009 as amended by Circular No. 13 dated May 4, 2009 and Circular No. 33 dated October 24, 2012 issued by SECP. The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

3.2.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is a intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.2.8 Reclassification

The Fund may choose to reclassify a non-derivative trading financial asset in equity securities out of the 'held for trading' category to the 'available for sale' category if the financial asset is no longer held for the purpose of selling it in the near term. Such reclassifications are made only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. Reclassifications are made at fair value as of the reclassification date which then becomes the new cost and no reversals of fair value gains or losses recorded before the reclassification date are subsequently made.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Financial liabilities include payable to management company and other liabilities

3.4 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

3.5 Securities under repurchase / resale agreements

Transactions of purchase under resale (reverse-repo) of government securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repo) are not recognised in the Statement of Assets and Liabilities. Amount paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse-repo agreement.

All reverse repo transactions are accounted for on the settlement date.

3.6 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the period in which such distributions are declared.

3.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors and the Management Company. Transaction costs are recorded as the income of the Fund.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption requests during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

3.8 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of income per unit and distribution of income already paid out on redemption.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to unrealised gains / (losses) held in the Unit Holder's Fund in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the Income Statement.

3.9 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.10 Net asset value per unit

The net asset value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.11 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

3.12 Taxation

The Fund's income is exempt from Income Tax as per clause 99 of part I of the Second Schedule of 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. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders. The management intends to distribute at least 90% of the income earned by the Fund by the year end to the unit holders. 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. The management intends to distribute sufficient accounting income of the Fund for the year ended 30 June 2013 in order to comply with the above stated clause. Accordingly, no tax provision has been made in these financial statements.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

3.13 Revenue recognition

- Realised capital gains / losses arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised capital gains / losses arising on marking to market of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Profit on bank deposits is recognised on an accrual basis.
- Profit on investment is recognised on an accrual basis.
- Income on issue and purchase of units is recognised when the units are issued and redeemed at the transaction date.
- Discount on purchase of Market Treasury Bills is amortised to the income statement using the straight line method.

3.14 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

3.15 Segment reporting

As per IFRS 8, operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Investment Committee of the Fund has been identified as the chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments.

Investment committee considers the business as a single operating segment as the Fund's assets allocation decisions are based on a single integrated investment strategy, and the Fund's performance is evaluated on an overall basis. The Fund manager works under the supervision of the Investment Committee and follows the directions given by the Investment Committee.

The internal reporting provided to the Investment Committee for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

		2013 (Rupees in '000)	2012
4. BALANCES WITH BANKS	Note		
In current accounts		2	2
In deposit accounts	4.1	<u>601,896</u>	<u>42,834</u>
		<u>601,898</u>	<u>42,836</u>
4.1	These carry a rate of return ranging from 5% to 11% (2012: 6% to 11%) per annum.		
4.2 Cash and cash equivalents			
Balances with banks		601,898	42,836
Treasury Bills having maturity of 3 months or less	5.1	<u>1,342,996</u>	<u>2,963,148</u>
		<u>1,944,894</u>	<u>3,005,984</u>
5. INVESTMENTS			
At fair value through profit or loss - held for trading			
Government Securities	5.1	<u>1,977,423</u>	<u>3,810,872</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

5.1 Investment in government securities - 'at fair value through profit or loss'

Issue Date	Tenor	----- Face Value -----				Balance as at June 30, 2013			Market value as a percentage of net assets	Market value as a percentage of total investments
		Balance as at July 1, 2012	Purchases during the year	Sales / matured during the year	Balance as at June 30, 2013	Cost	Market value	Appreciation / (Diminution)		

----- (Rupees in '000') -----

Market Treasury Bills

May 3, 2012	3 Months	875,000	20,000	895,000	-	-	-	-	-	-
May 31, 2012	3 Months		225,000	225,000	-	-	-	-	-	-
June 28, 2012	3 Months	50,000	1,950,000	2,000,000	-	-	-	-	-	-
July 12, 2012	3 Months		570,000	570,000	-	-	-	-	-	-
July 26, 2012	3 Months		1,300,000	1,300,000	-	-	-	-	-	-
August 9, 2012	3 Months		1,000,000	1,000,000	-	-	-	-	-	-
August 23, 2012	3 Months		100,000	100,000	-	-	-	-	-	-
September 6, 2012	3 Months		445,000	445,000	-	-	-	-	-	-
September 20, 2012	3 Months		350,000	350,000	-	-	-	-	-	-
October 18, 2012	3 Months		300,000	300,000	-	-	-	-	-	-
November 1, 2012	3 Months		1,500,000	1,500,000	-	-	-	-	-	-
November 15, 2012	3 Months		250,000	250,000	-	-	-	-	-	-
November 29, 2012	3 Months		250,000	250,000	-	-	-	-	-	-
December 13, 2012	3 Months		321,000	321,000	-	-	-	-	-	-
January 10, 2013	3 Months		545,000	545,000	-	-	-	-	-	-
January 24, 2013	3 Months		1,335,000	1,335,000	-	-	-	-	-	-
February 7, 2013	3 Months		375,000	375,000	-	-	-	-	-	-
February 21, 2013	3 Months		233,000	233,000	-	-	-	-	-	-
March 7, 2013	3 Months		1,006,000	1,006,000	-	-	-	-	-	-
March 21, 2013	3 Months		1,620,000	1,620,000	-	-	-	-	-	-
April 4, 2013	3 Months		650,000	650,000	-	-	-	-	-	-
May 2, 2013	3 Months		1,600,000	250,000	1,350,000	1,341,759	1,342,005	246	52%	68%
May 16, 2013	3 Months		251,000	250,000	1,000	990	991	1	0%	0%
May 17, 2012	3 Months	788,000	-	788,000	-	-	-	-	-	-
April 19, 2012	3 Months	1,273,000	-	1,273,000	-	-	-	-	-	-
January 26, 2012	6 Months		1,300,000	1,300,000	-	-	-	-	-	-
March 8, 2012	6 Months		190,000	190,000	-	-	-	-	-	-
July 12, 2012	6 Months		200,000	200,000	-	-	-	-	-	-
October 4, 2012	6 Months		320,000	320,000	-	-	-	-	-	-
October 18, 2012	6 Months		75,000	75,000	-	-	-	-	-	-
January 10, 2013	6 Months		5,500		5,500	5,486	5,487	1	0%	0%
August 25, 2011	12 Months	38,700	200,000	238,700	-	-	-	-	-	-
September 8, 2011	12 Months		44,000	44,000	-	-	-	-	-	-
October 6, 2011	12 Months		17,000	17,000	-	-	-	-	-	-
October 20, 2011	12 Months		814,000	814,000	-	-	-	-	-	-
November 3, 2011	12 Months		2,063,000	2,063,000	-	-	-	-	-	-
November 17, 2011	12 Months		1,115,000	1,115,000	-	-	-	-	-	-
December 1, 2011	12 Months		733,000	733,000	-	-	-	-	-	-
January 12, 2012	12 Months		600,000	600,000	-	-	-	-	-	-
May 17, 2012	12 Months		50,000	50,000	-	-	-	-	-	-
July 12, 2012	12 Months		396,000	396,000	-	-	-	-	-	-
July 26, 2012	12 Months		506,000		506,000	502,891	503,003	112	20%	25%
August 23, 2012	12 Months		19,000	19,000	-	-	-	-	-	-
September 6, 2012	12 Months		128,000		128,000	125,868	125,936	68	5%	6%
August 11, 2011	12months	820,000		820,000	-	-	-	-	-	-

Total as at June 30, 2013

1,990,500 1,976,994 1,977,423 428

Total as at June 30, 2012

3,811,409 3,810,872 (537)

5.2 Net unrealised diminution on re-measurement of investments at 'fair value through profit or loss' - net

**2013 2012
(Rupees in '000)**

Market value of investments	1,977,423	3,810,872
Carrying value of investments	1,976,994	3,811,409
	428	(537)

6. INCOME FROM INVESTMENTS AND OTHER RECEIVABLES

Profit on savings deposits	58	1,213
Bank charges receivable from management company	100	59
	158	1,272

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 (Rupees in '000)	2012 (Rupees in '000)
7. PRELIMINARY EXPENSES AND FLOATATION COSTS			
Opening balance		145	344
Less: Amortisation during the year		(145)	(199)
Balance as at June 30		<u>-</u>	<u>145</u>
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision For workers' welfare fund	8.1	20,646	15,949
Others		198	279
		<u>20,844</u>	<u>16,228</u>

8.1 Provision For workers' welfare fund

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

On July 15, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of the nature of their income. However on December 14, 2010 the Ministry filed its response against the Constitutional petition requesting the court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

During the year 2011, the Honourable Lahore High Court (LHC) in a constitutional petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. In March 2013 a larger bench of the Sindh High Court (SHC) in various constitutional petitions declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, do not suffer from any constitutional or legal infirmity.

However, as per our legal counsel the stay granted to Collective Investment Schemes (CIS) remains intact and the constitution petitions filed by the CIS to challenge the Workers Welfare Fund contribution have not been affected by SHC judgment.

As a matter of abundant prudence, management company has decided to continue and retain the provision for WWF amounting to Rs. 20.646 million (including Rs. 4.747 million for the current year) in these financial statements. The net asset value of the fund as at June 30, 2013 would have been higher by Rs.0.41 per unit, If the same were not recognised.

9. CONTINGENCIES AND COMMITMENTS

No contingency and commitment exist as at June 30, 2013 (2012: Nil).

	Note	2013 (Rupees in '000)	2012 (Rupees in '000)
10. MANAGEMENT COMPANY PERFORMANCE FEE	10.1	<u>27,081</u>	<u>30,635</u>
10.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such net assets of the Fund. The Management Company has charged a performance fee at the rate of 10% of the gross earnings of the Fund. This fee is subject to a minimum of 0.25% of the average daily Net Assets of the Fund not exceeding the maximum rate of remuneration permitted under the regulation.			
10.2 The performance fee charged by the Management Company covers SECP fee, trustee remuneration, bank charges, listing fee, rating fee, auditors remuneration and printing cost on behalf of the Fund.			
11. SALES TAX AND FEDERAL EXCISE DUTY ON PERFORMANCE FEE OF MANAGEMENT COMPANY			
Sales Tax	11.1	4,365	4,902
Federal Excise Duty	11.2	199	-
		<u>4,564</u>	<u>4,902</u>

11.1 General Sales Tax is charged at the rate of 16% on the Performance Fee of the Management Company through the Sindh Sales Tax on Services Act 2011.

11.2 During the year, through the Finance Bill 2013 effective from June 13, 2013, the Federal Government has levied Federal Excise Duty at the rate of 16% on the Performance Fee of the Management Company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

12. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded provision for taxation as the Management Company has distributed more than ninety percent of the Fund's accounting income for the current year to its unit holders. (Refer note 3.12)

13. INTERIM DISTRIBUTIONS

The Fund makes distribution on monthly basis and has made the following distributions during the year.

Date	Rate Per Unit	Bonus*		Cash	Total
		Units	Amount	Distribution** Rupees in '000	
July 25, 2012	Re. 0.3580	386,578	19,359	72	19,431
August 25, 2012	Re. 0.4994	592,973	29,696	100	29,795
September 25, 2012	Re. 0.3836	470,905	23,580	77	23,657
October 25, 2012	Re. 0.4001	525,176	26,300	80	26,380
November 25, 2012	Re. 0.3226	399,601	20,012	-	20,012
December 25, 2012	Re. 0.3338	348,859	17,471	-	17,471
January 25, 2013	Re. 0.3440	290,005	14,523	-	14,523
February 25, 2013	Re. 0.3277	240,883	12,063	-	12,063
March 25, 2013	Re. 0.3054	300,369	15,042	-	15,042
April 25, 2013	Re. 0.3369	320,728	16,061	-	16,061
May 25, 2013	Re. 0.3288	338,233	16,942	-	16,942
		4,214,310	211,049	328	211,377

* Bonus units have been distributed to unit holders under plan A

** Cash dividend has been distributed to unit holders under plan B

As per clause 12 of the Trust Deed and clause 6 of Part VI of the Offering Document, the Management Company, on behalf of the Fund, on a monthly basis (except June) distributes cash dividend, bonus, partially cash / bonus or in any other form acceptable to the Commission that may qualify under the tax laws. Net income (after deducting all the expenses of the Fund) earned upto 25th of each month may be distributed by the Management Company. The Board of Directors on 22nd September 2008 have passed a resolution providing standing authorisation to the Chief Executive Officer to approve and declare interim dividends out of profit earned by the Fund upto the 25th of each month. The SECP vide letter no. NBFC - II.DD / AHIL / Misc-734 / 2009 has approved the above arrangement.

14. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons of the Fund include the Management Company (AMC), other collective investment schemes being managed by the Management company, the Trustee, Directors, Key management personnel and other associated undertakings.

Performance fee payable to the Management Company is determined in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and constitutive documents of the Fund.

Other transactions with connected persons are in the normal course of business and are carried out on agreed terms.

	Year ended June 30, 2013	Year ended June 30, 2012
(Rupees in '000)		
14.1 Details of transactions with connected persons are as follows:		
Management Company		
Performance fee for the year including Sindh sales tax and FED	31,645	35,537
Associated Companies		
MCB Bank Limited		
Profit on bank deposits	1,611	-
Habib Metropolitan Bank Limited - Trustee		
Profit on bank deposits	2,005	6,742
Directors and executives of the management company		
Issue of 181,246 units (2012: 489,245 units)	9,109	24,591
Issue of 6,175 bonus units (2012: 6,978 bonus units)	309	350
Redemption of 260,300 units (2012: 334,272 units)	13,070	16,983

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

	Year ended June 30, 2013	Year ended June 30, 2012
	(Rupees in '000)	
Arif Habib Reit Management Limited		
Issue of 49,867 units (2012: Nil units)	2,500	-
Issue of 449 bonus units (2012: 14,731 bonus units)	22	738
Redemption of 48,968 units (2012: 234,897 units)	2,460	11,815
Cyan Limited		
Issue of 10,868,624 units (2012: Nil units)	546,000	-
Issue of 162,577 bonus units (2012: Nil bonus units)	8,142	-
Redemption of 4,001,352 units (2012: Nil units)	201,205	-
Central Depository Company Of Pakistan Limited		
Issue of 6,911,870 units (2012: Nil units)	348,400	-
Issue of 239,631 bonus units (2012: Nil bonus units)	12,001	-
Redemption of 3,937,933 Units (2012: Nil units)	198,400	-
MCB Arif Habib Savings & Investments Limited (Formerly: Arif Habib Investments Limited) - Management Company		
Issue of 1,422,834 units (2012: 257,532 units)	71,821	13,000
Issue of 22,656 bonus units (2012: 4,447 bonus units)	1,135	224
Redemption of 1,707,499 Units (2012: Nil Units)	85,869	-
	June 30, 2013	June 30, 2012
	(Rupees in '000)	
14.2 Amounts outstanding as at the year end		
Management Company		
Payable to the Management Company	2,584	4,634
Receivable From Management Company	100	-
Nil units held (2012: 262,009 units)	-	13,121
Associated Companies		
Habib Metropolitan Bank Limited - Trustee		
Bank balance	3,564	12,505
Profit receivable on bank deposits	42	192
MCB Bank Limited		
Bank balance	6,448	-
Profit receivable on bank deposits	16	-
Directors / officers and employees of the management company		
75,869 units held (2012: 185,000 units)	3,831	9,265
Central Depository Company Of Pakistan Limited		
7,546,655 units held (2012: Nil units)	381,105	-
Arif Habib Reit Management Limited		
1,347 units held (2012: Nil Units)	68	-
Cyan Limited		
7,029,849 units held (2012: Nil Units)	355,007	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

15. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

15.1 Detail of members of the investment committee of the Fund are as follows:

	Name	Designation	Qualification	Experience in years
1	Mr. Yasir Qadri	Chief Executive Officer	MBA	18
2	Mr. Kashif Rafi	Senior Vice President-Investments	MBA and CFA Level 1	12
3	Mr. Muhammad Asim	Vice President-Head of Equities	MBA & CFA	10
4	Ms. Uzma Khan	AVP - Senior Research analyst	MBA, CFA, FRM	8
5	Mr. Mohsin Pervez	Vice President-Investments	MBA, CFA (Level I)	12
6	Syed Sheeraz Ali	Manager Fixed Income Investments	BS (Actuarial Science)	4

15.2 Syed Sheeraz Ali is the fund manager.

16. TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

	2013 %
1 Invest and Finance securities Corporation Limited	17.66
2 Optimus Markets (Pvt) Limited	16.00
3 Invest Capital Markets Limited	13.49
4 KASB Securities Limited	10.33
5 Summit Capital (Pvt) Limited	10.32
6 Icon Securities (Pvt) Limited	7.28
7 C & M Management (Pvt) Limited	6.55
8 Global Securities Pakistan Limited	5.74
9 BMA Capital Management Limited	4.80
10 Elixer Securities (Pvt) Limited	2.90
	2012 %
1 BMA Capital Management Limited	29.73
2 Invest Capital Investment Bank Limited	10.46
3 KASB Securities Limited	9.30
4 Invest and Finance securities Corporation Limited	8.18
5 Invisor Securities (Pvt) Limited	7.74
6 Global Securities Pakistan Limited	6.47
7 JS Global Capital Limited	5.60
8 C & M Management (Pvt) Limited	5.28
9 Pearl Securities (Pvt) Limited	3.69
10 Elixer Securities (Pvt) Limited	2.47

17. PATTERN OF UNIT HOLDINGS

Category	Number of unit holders	Number of units held	As at June 30, 2013 Net asset value of the amount invested (Rupees in '000)	Percentage investment %
Individuals	463	8,405,460	424,476	16.60
Associated companies / Directors	4	7,966,055	402,286	15.73
Insurance companies	10	6,608,695	333,739	13.05
Banks / DFIs	1	208,100	10,509	0.41
NBFCs	4	1,139,255	57,533	2.25
Retirement funds	21	3,377,090	170,542	6.67
Listed Company	6	1,472,850	74,379	2.91
Others	42	21,454,455	1,083,449	42.37
	551	50,631,960	2,556,911	100.00

Category	Number of unit holders	Number of units held	As at June 30, 2013 Net asset value of the amount invested (Rupees in '000)	Percentage investment %
Individuals	517	16,239,963	813,286	21
Associated companies / Directors	2	322,510	16,151	0
Insurance companies	8	3,668,472	183,715	5
Banks / DFIs	2	29,848,759	1,494,804	39
NBFCs	3	1,006,326	50,396	1
Retirement funds	18	1,998,145	100,065	3
Listed Company	1	545,229	27,305	1
Others	43	22,934,434	1,148,541	30
	594	76,563,838	3,834,263	100.00

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

18. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

During the year, six board meetings were held on 16th July 2012, 15th August 2012, 4th October 2012, 25th October 2012, 4th February 2013 and 24th April 2013. Information in respect of attendance by Directors in the meetings is given below:

Name of Directors	Number of meetings held	Number of Meetings			Meetings not attended
		Attendance required	Attended	Leave granted	
1 Mian Muhammad Mansha	6	6	2	4	98th, 99th, 100th and 103rd meetings
2 Mr. Nasim Beg	6	6	5	1	102nd meeting
3 Mr. Yasir Qadri (Chief Executive Officer)	6	6	6	-	-
4 Dr. Syed Salman Ali Shah	6	6	5	1	103rd meeting
5 Mr. Haroun Rashid	6	6	4	2	100th and 101st meetings
6 Mr. Ahmed Jahangir	6	6	6	-	-
7 Mr. Samad A. Habib	6	6	4	2	100th and 101st meetings
8 Mr. Mirza Mahmood Ahmad	6	6	3	3	98th, 99th and 101st meetings
9 Mr. M.Saqib Saleem (Chief Operating Officer & Company Secretary)	6	6	6	-	-
10 Mr. Umair Ahmed (Chief Financial Officer)	6	3	3	-	-

19. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate and price risk), credit risk and liquidity risk. Risk of the Fund are being managed by the Management Company in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mentioned risks.

The Fund primarily invests in a portfolio of money market investments such as government securities. These activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk.

19.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the Securities and Exchange Commission of Pakistan and the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations), The Non Banking Finance Companies (establishment and Regulation) Rules, 2003 (the Rules).

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

19.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pak Rupees.

19.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Sensitivity analysis for fixed rate instruments

Presently, the Fund only holds Treasury Bills which are classified 'as at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase in rates announced by Financial Markets Association on June 30, 2013 with all other variables held constant, the net income for the year and net assets would be lowered by Rs. 1.003 million (2012: Rs 4.15 million). In case of 100 basis points decrease in rates announced by Financial Market Association on June 30, 2013, with all other variables held constant, the net income for the year and net assets would be higher by Rs. 1.86 million (2012: Rs 1.66 million).

b) Sensitivity of variable rate instruments

Presently the Fund does not hold any variable rate instrument and is not exposed to cash flow interest rate risk.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

The composition of the Fund's investment portfolio and rates announced by Financial Market Association is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2013 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

As at June 30, 2013				
Exposed to Yield / Interest risk				Total
Upto three months	More than three months and upto one year	More than one year	Not exposed to Yield / Interest rate risk	
----- (Rupees in '000) -----				
On-balance sheet financial instruments				
Financial assets				
Balances with banks	601,896	-	2	601,898
Receivable against sale of investments	-	-	860	860
Investments	1,342,996	634,426	-	1,977,423
Profit and other receivables	-	-	158	158
	<u>1,944,892</u>	<u>634,426</u>	<u>1,020</u>	<u>2,580,339</u>
Financial liabilities				
Payable to the Management Company	-	-	2,584	2,584
Accrued expenses and other liabilities	-	-	198	198
	<u>-</u>	<u>-</u>	<u>2,782</u>	<u>2,782</u>
On-balance sheet gap	<u>1,944,892</u>	<u>634,426</u>	<u>(1,762)</u>	<u>2,577,557</u>
Off-balance sheet financial instruments				
	-	-	-	-
Off-balance sheet gap	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at June 30, 2012				
Exposed to Yield / Interest risk				Total
Upto three months	More than three months and upto one year	More than one year	Not exposed to Yield / Interest rate risk	
----- (Rupees in '000) -----				
On-balance sheet financial instruments				
Financial assets				
Balances with banks	42,834	-	2	42,836
Receivable against sale of investments	-	-	-	-
Investments	3,810,872	-	-	3,810,872
Profit and other receivables	-	-	1,272	1,272
	<u>3,853,706</u>	<u>-</u>	<u>1,274</u>	<u>3,854,980</u>
Financial liabilities				
Payable to the Management Company	-	-	4,634	4,634
Accrued expenses and other liabilities	-	-	279	279
	<u>-</u>	<u>-</u>	<u>4,913</u>	<u>4,913</u>
On-balance sheet gap	<u>3,853,706</u>	<u>-</u>	<u>(3,639)</u>	<u>3,850,067</u>
Off-balance sheet financial instruments				
	-	-	-	-
Off-balance sheet gap	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

19.1.3 Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The fund does not hold any investments which are exposed to price risk.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

19.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. Currently the fund is not exposed to counterparty credit risks due to its major investments in treasury bills and balances with credit worthy banks.

Credit risk from balances with banks and financial institutions is managed by financial department in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board of Directors. The limits are set to minimize the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2013:

Bank Balances by rating category	2013	2012
AA+	99%	-
AAA	1%	-
A1+	-	100%

The maximum exposure to credit risk before any credit enhancement as at June 30, 2013 is the carrying amount of the financial assets. None of these assets are impaired nor past due.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short term to ensure settlement. During the current year, the Fund did not avail any borrowing. As per NBFC regulation the maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund and bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

	As at June 30, 2013			
	Total	Upto three months	More than three months and upto one year	More than one year
	-----Rupees in '000-----			
Liabilities				
Payable to the Management Company	2,584	2,584	-	-
Accrued expenses and other liabilities	198	198	-	-
	<u>2,782</u>	<u>2,782</u>	<u>-</u>	<u>-</u>

	As at June 30, 2012			
	Total	Upto three months	More than three months and upto one year	More than one year
	-----Rupees in '000-----			
Liabilities				
Payable to the Management Company	4,634	4,634	-	-
Accrued expenses and other liabilities	279	279	-	-
	<u>4,913</u>	<u>4,913</u>	<u>-</u>	<u>-</u>

19.4 Financial instruments by category

	As at June 30, 2013		
	Loans and receivables	Assets at fair value through profit or loss	Total
	-----Rupees in '000-----		
Assets			
Balances with banks	601,898	-	601,898
Receivable against sale of investments	860	-	860
Investments	-	1,977,423	1,977,423
Profit and other receivables	158	-	158
	<u>602,916</u>	<u>1,977,423</u>	<u>2,580,339</u>

	As at June 30, 2013		
	Liabilities at fair value through profit or loss	Other financial liabilities	Total
	-----Rupees in '000-----		
Liabilities			
Payable to the Management Company	-	2,584	2,584
Accrued expenses and other liabilities	-	198	198
	<u>-</u>	<u>2,782</u>	<u>2,782</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

	As at June 30, 2012		
	Loans and receivables	Assets at fair value through profit or loss	Total
	-----Rupees in '000-----		
Assets			
Balances with banks	42,836	-	42,836
Receivable against sale of investments	-	-	-
Investments	-	3,810,872	3,810,872
Profit and other receivables	1,272	-	1,272
	<u>44,108</u>	<u>3,810,872</u>	<u>3,854,980</u>

	As at June 30, 2012		
	Liabilities at fair value through profit or loss	Other financial liabilities	Total
	-----Rupees in '000-----		
Liabilities			
Payable to the Management Company	-	4,634	4,634
Accrued expenses and other liabilities	-	279	279
	<u>-</u>	<u>4,913</u>	<u>4,913</u>

19.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book values as the items are either short term in nature or periodically repriced.

International Financial Reporting Standard 7, Financial Instruments : Disclosure requires an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

	As at June 30, 2013			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
ASSETS				
Investment in government securities- 'at fair value through profit or loss'	1,977,423	-	-	1,977,423

	As at June 30, 2012			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
ASSETS				
Investments	3,810,872	-	-	3,810,872

20. UNIT HOLDERS' FUND RISK MANAGEMENT

The Unit Holders' Fund is represented by redeemable units. They are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per share on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund has no restrictions on the subscription and redemption of units. There is no specific capital requirement which is applicable to the fund.

The Fund's objectives when managing unit holder's fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns for units holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments when necessary.

21. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

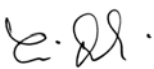
The Board of Directors of the Management Company in their meeting held on July 04, 2013 have approved distribution at the rate of Re. 0.50 per unit. The financial statements of the Fund for the year ended June 30, 2013 do not include the effect of the final distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2014.

22. GENERAL

Figures have been rounded off to the nearest thousand Rupees.

23. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 05 August 2013 by the Board of Directors of the Management Company.



Chief Executive Officer

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



Director

**PATTERN OF HOLDING AS PER REQUIREMENT OF CODE OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED JUNE 30, 2013**

Category	No.of Unit Holders	Units
Associated Companies, undertakings and related Parties		
ARIF HABIB REIT MANAGEMENT LIMITED	1	1,347
ARIF HABIB CONSULTANCY (PTV) LTD	1	44,928
MCB FINANCIAL SERVICES LIMITED	1	589,692
Directors		
Nasim Beg	1	715
Public Sector Companies and Corporations	43	13,183,695
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance, Insurance Companies, Modarbas and Mutual Funds.	15	7,956,050
Individuals	463	8,405,460
Trust	23	3,396,940
Unitholders holding 5 percent or more Voting interest in the listed company		
CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED	1	7,546,655
CYAN LIMITED	1	7,029,849
CHASHMA SUGAR MILLS LIMITED	1	2,476,629
	551	50,631,960

**PATTERN OF UNIT HOLDING BY SIZE
FOR THE YEAR ENDED JUNE 30, 2013**

No. of Unit Holders	Units Holdings	Total Units Held
248	(SHAREHOLDING FROM 1.0000 TO 5000.0000)	298,462.05
63	(SHAREHOLDING FROM 5001.0000 TO 10000.0000)	454,558.98
61	(SHAREHOLDING FROM 10001.0000 TO 15000.0000)	713,844.35
22	(SHAREHOLDING FROM 15001.0000 TO 20000.0000)	392,061.33
19	(SHAREHOLDING FROM 20001.0000 TO 25000.0000)	403,837.41
16	(SHAREHOLDING FROM 25001.0000 TO 30000.0000)	431,916.41
13	(SHAREHOLDING FROM 30001.0000 TO 35000.0000)	409,778.81
8	(SHAREHOLDING FROM 35001.0000 TO 40000.0000)	294,392.96
7	(SHAREHOLDING FROM 40001.0000 TO 45000.0000)	301,529.61
6	(SHAREHOLDING FROM 45001.0000 TO 50000.0000)	291,061.42
8	(SHAREHOLDING FROM 50001.0000 TO 55000.0000)	418,901.38
6	(SHAREHOLDING FROM 55001.0000 TO 60000.0000)	338,076.75
4	(SHAREHOLDING FROM 60001.0000 TO 65000.0000)	254,955.49
1	(SHAREHOLDING FROM 65001.0000 TO 70000.0000)	69,086.77
4	(SHAREHOLDING FROM 70001.0000 TO 75000.0000)	289,625.53
1	(SHAREHOLDING FROM 75001.0000 TO 80000.0000)	76,325.92
2	(SHAREHOLDING FROM 80001.0000 TO 85000.0000)	165,549.03
1	(SHAREHOLDING FROM 90001.0000 TO 95000.0000)	90,410.72
2	(SHAREHOLDING FROM 95001.0000 TO 100000.0000)	196,209.61
1	(SHAREHOLDING FROM 100001.0000 TO 105000.0000)	100,056.62
3	(SHAREHOLDING FROM 105001.0000 TO 110000.0000)	318,722.92
2	(SHAREHOLDING FROM 110001.0000 TO 115000.0000)	222,381.44
2	(SHAREHOLDING FROM 120001.0000 TO 125000.0000)	245,760.51
1	(SHAREHOLDING FROM 135001.0000 TO 140000.0000)	135,055.68
3	(SHAREHOLDING FROM 140001.0000 TO 145000.0000)	429,848.27
1	(SHAREHOLDING FROM 155001.0000 TO 160000.0000)	156,543.27
1	(SHAREHOLDING FROM 160001.0000 TO 165000.0000)	162,254.95
1	(SHAREHOLDING FROM 165001.0000 TO 170000.0000)	167,475.30
3	(SHAREHOLDING FROM 175001.0000 TO 180000.0000)	532,632.84
2	(SHAREHOLDING FROM 195001.0000 TO 200000.0000)	396,071.93
3	(SHAREHOLDING FROM 205001.0000 TO 210000.0000)	619,768.24
3	(SHAREHOLDING FROM 210001.0000 TO 215000.0000)	635,737.69
1	(SHAREHOLDING FROM 235001.0000 TO 240000.0000)	236,649.61
1	(SHAREHOLDING FROM 245001.0000 TO 250000.0000)	249,592.61
1	(SHAREHOLDING FROM 270001.0000 TO 275000.0000)	270,730.96
2	(SHAREHOLDING FROM 305001.0000 TO 310000.0000)	616,110.51
1	(SHAREHOLDING FROM 310001.0000 TO 315000.0000)	310,039.70
1	(SHAREHOLDING FROM 315001.0000 TO 320000.0000)	315,819.98
1	(SHAREHOLDING FROM 325001.0000 TO 330000.0000)	326,843.22
1	(SHAREHOLDING FROM 375001.0000 TO 380000.0000)	375,334.08
1	(SHAREHOLDING FROM 395001.0000 TO 400000.0000)	396,391.25

**PATTERN OF UNIT HOLDING BY SIZE
FOR THE YEAR ENDED JUNE 30, 2013**

No. of Unit Holders	Units Holdings	Total Units Held
1	(SHAREHOLDING FROM 400001.0000 TO 405000.0000)	404,470.25
1	(SHAREHOLDING FROM 405001.0000 TO 410000.0000)	408,341.26
1	(SHAREHOLDING FROM 415001.0000 TO 420000.0000)	417,340.82
2	(SHAREHOLDING FROM 505001.0000 TO 510000.0000)	1,010,743.28
1	(SHAREHOLDING FROM 570001.0000 TO 575000.0000)	570,874.29
1	(SHAREHOLDING FROM 585001.0000 TO 590000.0000)	589,692.42
1	(SHAREHOLDING FROM 605001.0000 TO 610000.0000)	606,147.98
1	(SHAREHOLDING FROM 670001.0000 TO 675000.0000)	672,119.80
1	(SHAREHOLDING FROM 755001.0000 TO 760000.0000)	757,063.42
1	(SHAREHOLDING FROM 825001.0000 TO 830000.0000)	828,887.01
1	(SHAREHOLDING FROM 855001.0000 TO 860000.0000)	856,267.94
1	(SHAREHOLDING FROM 1020001.0000 TO 1025000.0000)	1,023,925.26
1	(SHAREHOLDING FROM 1030001.0000 TO 1035000.0000)	1,031,753.81
1	(SHAREHOLDING FROM 1250001.0000 TO 1255000.0000)	1,253,254.47
1	(SHAREHOLDING FROM 1625001.0000 TO 1630000.0000)	1,627,976.22
1	(SHAREHOLDING FROM 1980001.0000 TO 1985000.0000)	1,981,536.05
1	(SHAREHOLDING FROM 2030001.0000 TO 2035000.0000)	2,031,824.66
1	(SHAREHOLDING FROM 2180001.0000 TO 2185000.0000)	2,180,067.85
1	(SHAREHOLDING FROM 2215001.0000 TO 2220000.0000)	2,216,161.00
1	(SHAREHOLDING FROM 2475001.0000 TO 2480000.0000)	2,476,628.69
1	(SHAREHOLDING FROM 7025001.0000 TO 7030000.0000)	7,029,849.18
1	(SHAREHOLDING FROM 7545001.0000 TO 7550000.0000)	7,546,629.08
551	Total :	50,631,960.85

PERFORMANCE TABLE

	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010 (Rupees in '1000)	June 30, 2009	June 30, 2008
Net Assets	2,556,911	3,834,263	2,710,685	2,061,964	579,814	114,075
Net Income	232,678	276,222	313,035	167,210	22,533	2,526
(Rupees per unit)						
Net Asset Value per Unit	50.5000	50.0792	51.1828	50.6935	50.6800	50.5400
Interim distribution per unit *	3.9400	4.7804	4.5500	4.6932	5.0400	0.6500
Final distribution per Unit	0.5000	0.4343	1.1801	0.6900	0.6750	0.5000
Distribution date-final	July 4, 2013	June 24, 2012	July 4, 2011	July 5, 2010	July 6, 2009	July 3, 2008
Year end offer price per unit	50.5000	50.0792	51.1828	50.6935	50.6800	50.5400
Year end repurchase price per unit	50.5000	50.0792	51.1828	50.6935	50.6800	50.5400
Highest offer price	10.2300	50.6884	50.6935	50.6807	50.6700	50.7000
Lowest offer price	7.7800	50.0072	50.6935	50.0700	50.0600	50.0800
Highest repurchase price per unit	9.99	50.6884	51.1800	50.6807	50.6700	50.7000
Lowest repurchase price per unit	7.62	50.0072	50.0400	50.0700	50.0600	50.0700
(Percentage)						
Total return of the Fund						
Capital growth	0.13	0.75	0.53	0.52	0.52	0.33
Income Distribution	8.87	10.29	11.47	10.76	11.43	8.17
Average annual return						
One Year	9.00	11.04	12.00	11.28	11.95	8.50
Since inception	13.80	11.40	13.10	11.25	11.24	-
Waeighted average portfolio duration	21 days	32 days	48 days	37 days	42 days	85 days
* Interim Distribution	2013					
Date	Rate per Unit					
25th July 2012	0.36					
25th August 2012	0.50					
25th September 2012	0.38					
25th October 2012	0.40					
25th November 2012	0.32					
25th December 2012	0.33					
25th January 2013	0.34					
25th February 2013	0.33					
25th March 2013	0.31					
25th April 2013	0.34					
25th May 2013	0.33					

Disclaimer

The past performance is not necessarily indicative of future performance and unit prices and investments and returns may go down, as well as up.

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by typing: **Bachat Ka Doosra Naam**

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