



MCB-ARIF HABIB  
Savings and Investments Limited

# QUARTERLY REPORT

SEPTEMBER  
**2017**  
(UNAUDITED)

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



# **MCB Pakistan Stock Market Fund**

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## FUND'S INFORMATION

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| <b>Management Company</b>                              | <b>MCB-Arif Habib Savings &amp; Investments Limited</b><br>24th Floor, Centre Point, Off Shaheed-e-Millat Expressway<br>Near K.P.T. Interchange, Karachi   |  |
| <b>Board of Directors</b>                              | Mian Muhammad Mansha<br>Mr. Nasim Beg<br>Mr. Muhammad Saqib Saleem<br>Dr. Syed Salman Ali Shah<br>Mr. Haroun Rashid<br>Mr. Ahmed Jahangir<br>Mr. Samad A. Habib<br>Mr. Mirza Qamar Beg   | Chairman<br>Vice Chairman<br>Chief Executive Officer<br>Director<br>Director<br>Director<br>Director<br>Director |
| <b>Audit Committee</b>                                 | Mr. Haroun Rashid<br>Mr. Ahmed Jahangir<br>Mr. Mirza Qamar Beg<br>Mr. Nasim Beg  | Chairman<br>Member<br>Member<br>Member   |
| <b>Human Resource &amp; Remuneration Committee</b>     | Dr. Syed Salman Ali Shah<br>Mr. Nasim Beg<br>Mr. Haroun Rashid<br>Mr. Ahmed Jahangir<br>Mr. Muhammad Saqib Saleem  | Chairman<br>Member<br>Member<br>Member<br>Member   |
| <b>Chief Executive Officer</b>                         | Mr. Muhammad Saqib Saleem  |  |
| <b>Chief Financial Officer &amp; Company Secretary</b> | Mr Abdul Basit   |  |
| <b>Trustee</b>   | <b>Central Depository Company of Pakistan Ltd.</b><br>CDC House, 99-B, Block 'B'S.M.C.H.S<br>Main Shahra-e-Faisal Karachi<br>Tel: (92-21) 111-111-500<br>Fax: (92-21) 34326053<br>Web: www.cdcpakistan.com   |  |
| <b>Bankers</b>   | MCB Bank Limited<br>Habib Metropolitan Bank Limited<br>Bank Al-Falah Limited<br>United Bank Limited<br>Allied Bank Limited<br>Bank Al-Habib Limited<br>Standard Chartered bank of Pakistan Limited<br>Summit Bank Limited<br>JS Bank Limited<br>NIB Bank Limited<br>Habib Bank Limited |  |
| <b>Auditors</b>  | <b>A.F Ferguson &amp; Co.</b><br>Chartered Accountants<br>(A Member Firm of PWC Network<br>State Life Building 1-C<br>I.I. Chundrigar Road, Karachi.   |  |
| <b>Legal Advisor</b>                                   | <b>Bawaney &amp; Partners</b><br>3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area<br>Phase VI, D.H.A., Karachi  |  |
| <b>Transfer Agent</b>                                  | <b>MCB-Arif Habib Savings &amp; Investments Limited</b><br>24th Floor, Centre Point,<br>Off Shaheed-e-Millat Expressway<br>Near K.P.T. Interchange, Karachi.   |  |
| <b>Rating</b>  | AM2++ Asset Manager Rating assigned by PACRA   |  |

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2017

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Pakistan Stock Market Fund's** accounts review for the quarter ended September 30th, 2017.

### EQUITIES MARKET OVERVIEW

Equity market remained in the red zone throughout the quarter with political uncertainty taking the centre stage. After Prime Minister's disqualification and continuous worsening of external account caused the benchmark index to lose ~11.5% in 2MFY18, foreign buying drove gains in Sep'17 where KSE-100 gained 2.9% in Sep'17 to close at 42,409 pts. However, the first quarter of the new fiscal year closed itself down 8.9%, the worst quarterly return since FY09.

During the quarter, foreigners remained net sellers of USD 90 million; the buying was majorly absorbed by Banks (USD \$33.5 mn) & Insurance Companies (USD \$49.3 mn). Sep'17 saw the first net foreign inflow (US\$28 mn) since the start of fiscal year, primarily on account of inclusion of five Pakistani stocks (MCB, BAFL, SNGP, THAL and MTL) in the FTSE Global Indices. Average volumes during the quarter dwindled to 178 Mn shares compared to 280 Mn shares in the preceding quarter while average value traded declined to PKR 9.3 Bn from PKR 15.0 Bn from last quarter.

Amongst major sectors that pulled the index down were cements (down 28% QoQ) continuing the lackluster performance on concerns over future pricing discipline on upcoming capacity expansions of ~5 Mn tons in the next 6-7 months in the Southern region. In the banking space, sentiments turned out to be sour when HBL received a notice from New York (NY) State Department of Financial Services (DFS) seeking to impose a hefty penalty of USD 629.6 mn on the bank which was later reduced to US\$225 Mn. Fertilizer sector (down 3% QoQ) recouped some of the losses in third month of the quarter on the back of surge in international urea prices by ~22% in September 2017. Autos also continued to witness correction (-19% QTD) along with dampened sentiments due to anticipated pressure on USD-PKR parity as external account continued to deteriorate. E&Ps was the only major sector that witnessed gains (up by 8% QoQ) due to increase in oil prices by ~22% QoQ peaking at US\$ 56.6/bbl.

### FUND PERFORMANCE

During the period, PSM posted a negative return of 8.64% compared to a negative return of 8.93% witnessed by the KSE100 Index. Overall equity exposure stood at 87.5% at the end of quarter. The fund remained vigilant of the external factors and the investment strategy was maneuvered considering the fundamental developments.

The Net Asset of the Fund as at September 30, 2017 stood at Rs. 9,790 million as compared to Rs. 11,629 million as at June 30 2017 registering a decrease of 15.81%.

The Net Asset Value (NAV) per unit as at September 30, 2017 was Rs. 93.6435 as compared to opening NAV of Rs. 102.5017 per unit as at June 30, 2017 registering a decrease of Rs. 8.8582 per unit.

### FUTURE OUTLOOK

While the government has been able to stabilize the economy, its ambitious plan to revive the growth can come in doldrums if it is not able to contain the twin deficits. We project a current account deficit of USD 17 billion for the FY18, and as such the ability of government to manage inflows will be highly tested. Nevertheless, our in-house projections estimate a financing gap of USD 6 billion which will gobble up the existing foreign exchange reserves. On the whole, cracks have started appearing in the economic façade which warrant immediate policy measure by the government of Pakistan if the economic progress is expected to be kept on track.

Going forward, we expect market to remain volatile in the short run, as political uncertainty along with twin deficits continue to haunt the basic macroeconomic fundamentals. We believe certain policy adjustments are necessary to maintain the direction of economic growth. Nevertheless, market valuations remain at a very attractive level, and they will sooner or later come into play. The risk premiums (difference between earnings yield and 10-year interest rates) are at historically high level, suggesting market to remain very cheap. Furthermore, KSE-100 trades at a forward P/E of 7.9x, at a steep discount of 35% from its emerging market peer group. Enduring themes that should play out over the medium-term regardless of the political situation include (i) PKR depreciation and higher interest rates (ii) CPEC and continued GoP support for the textiles sector that would encourage exports. We advice local investors to carefully watch the economic trends and build exposure on any weakness.

On the fixed income front, market is expected to remain cautious on back of a precarious external account position along with an uptick in inflation trajectory. Visibility on economic front, in particular to balance of payments, would guide further participation towards fixed income markets.

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2017

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### ACKNOWLEDGMENT

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

On behalf of Directors,



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**Muhammad Saqib Saleem**  
Chief Executive Officer  
October 20, 2017



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**Samad A. Habib**  
Director

## ڈائریکٹرز رپورٹ برائے سہ ماہی اختتام پذیر 30 ستمبر 2017ء

عزیز سرمایہ کار،

بورڈ آف ڈائریکٹرز کی طرف سے ایم سی بی پاکستان اسٹاک مارکیٹ فنڈ کے 30 ستمبر 2017ء کو ختم ہونے والی سہ ماہی کے اکاؤنٹس کا جائزہ پیش خدمت ہے۔

### ایکویٹی مارکیٹ کا مجموعی جائزہ:

سیاسی عدم استحکام اور بیرونی اکاؤنٹ کے بڑھتے ہوئے خسارے نے ایکویٹی مارکیٹ میں منفی رجحان پیدا کیا۔ سہ ماہی کے پہلے دہ ماہ میں بیچ مارک اینڈیکس %11.5 کم ہوا۔ 17، Sep، میں بیرونی سرمایہ کاری سے KSE-100 %2.9 اضافے کے ساتھ ستمبر 2017 میں 42,909 پوائنٹس پر بند ہوا۔ اس سب کے ساتھ نئے مالیاتی سال کی پہلی سہ ماہی %8.9 پر بند ہوئی، جو کہ FY09 کے بعد اب تک کی کسی سہ ماہی میں پست ترین کارکردگی تھی۔ سہ ماہی کے دوران غیر ملکی 90 ملین ڈالر کے کلی خریدار رہے۔ زیادہ تر خریداری بینکوں (33.5 ملین ڈالر) اور انشورنس کمپنیوں نے جذب کی (49.3 ملین ڈالر)۔

مالی سال کی ابتداء سے 17 ستمبر میں پہلی مرتبہ 28 ملین کا حجم دیکھا گیا، بنیادی طور پر FTSE Global Indices میں پاکستانی اسٹاک (MTL، THAL، SNGP، BAFL، MCB) کی شمولیت کی وجہ سے ممکن ہوا۔ سہ ماہی کے دوران اوسط حجم 178 ملین شیئرز تک گرا، مقابل گزشتہ سہ ماہی جس میں حجم 280 ملین شیئرز تھا۔ اوسطاً تجارتی حجم گزشتہ سہ ماہی کے مقابلے میں 15.0 بلین سے 9.3 بلین تک زوال پذیر ہوا۔

بنیادی طور پر جو سیکیورٹیز انڈیکس کو زوال پزیر کرنے کا سبب بنے ان میں سیمنٹ (QoQ %28 down) کی کارکردگی مسلسل پست رہی بوجہ سیمنٹ کی قیمتوں میں مستقل کمی اور آنے والے توسیعی پروگرام جن میں اگلی اگلے 7-6 ماہ میں جنوبی خطے کی پیداوار کو پانچ ملین ٹن تک وسیع کرنے کا انتظام کرنا شامل رہا۔ بینکنگ کے شعبے میں رجحانات اس وقت ناخوش گوار ہو گئے جب H B L کو N.Y (Newyork) کے شعبے مالیاتی خدمات (DFS) کی طرف سے نوٹس موصول ہوا جس میں 629.6 ملین ڈالر کا جرمانہ بینک پر عائد کیا گیا تھا جو بعد میں کم کر کے 225 ملین ڈالر کر دیا گیا۔

فریڈلانڈ سیکٹرز (QoQ %3 down) نے سہ ماہی کے تیسرے مہینے میں اپنے کچھ نقصانات کا ازالہ کیا جب عالمی منڈی میں 17، Sept، میں یورپ کی قیمتوں میں تقریباً %22 کا اضافہ ہوا۔ آٹوز کی کارکردگی بھی کمزور رہی (Qtb %19-) کے ساتھ رجحانات مزید پست ہو گئے کیوں کہ بیرونی اکاؤنٹس کے حجم گرنے کے خدشات کی وجہ سے روپے اور ڈالر کی قدر کو برابر رکھنے کیلئے دباؤ کی امید کی جا رہی تھی۔ E&P واحد ایسا سیکٹر تھا جس میں منافع (QoQ %8 up) دیکھنے کو ملا بوجہ تیل کی قیمتوں میں %22 اضافہ جس سے تیل \$56.6/bbl پر پہنچ گیا۔

## ڈائریکٹرز رپورٹ برائے سہ ماہی اختتام پذیر 30 ستمبر 2017ء

### فنڈ کی کارکردگی:

دورانِ مدت فنڈ نے %8.64 کا منفی ریٹرن دیا بمقابلہ منفی ریٹرن 8.93 کے جس کو KSE 100 کے ذریعے دیکھا گیا۔ مجموعی ایکویٹی میں شمولیت مدت کے اختتام تک %87.5 تھی۔ فنڈ خارجی عناصر کے حوالے سے چوکتار ہا اور بنیادی ترقیاتی اقدامات کو مدنظر رکھتے ہوئے سرمایہ کاری کی حکمت عملی میں ضروری ترمیمات کی گئیں۔

30 ستمبر 2017ء کو فنڈ کے net اثاثہ جات کی مالیت 9,790 ملین روپے تھی، جو 30 جون 2017ء پر 11,629 ملین روپے مالیت کے مقابلے میں %15.81 کم ہے۔

30 ستمبر 2017ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 93.6435 روپے تھی، جو 30 جون 2017ء پر 102.5017 روپے فی یونٹ قدر کے مقابلے میں 8.8582 روپے فی یونٹ زیادہ ہے۔

### مستقبل کا منظر:

گوکہ حکومت اب تک معیشت کو مستحکم رکھنے میں خاصی کامیاب رہی ہے۔ تاہم خدشات ہیں کہ جڑواں خساروں کو سنبھالنا ایک چیلنج ثابت ہو سکتا ہے۔ ہمارے اندازوں کے مطابق کرنٹ اکاؤنٹ خسارہ FY18 میں 17 بلین ڈالر کے قریب ہوگا، جو جمع شدہ زرمبادلہ کو تیزی کے ساتھ کم کرنے کی صلاحیت رکھتا ہے۔ اگر سارے حالات کو دیکھا جائے تو معاشی افق پر واضح اور تسلسل کے ساتھ پالیسیوں پر کام کرنے کی فوری ضرورت ہے تاکہ ہم اپنی معاشی ترقی کی راہ پر گامزن رہ سکیں۔

مزید برآں، رجحان کے مطابق ابھی کچھ عرصے تک مارکیٹ غیر مستحکم رہ سکتی ہے کیونکہ سیاسی عدم استحکام بشمول جڑواں خساروں کے بنیادی مالیاتی بنیادوں پر اثر انداز ہوتا رہے گا۔ ہمارا یقین ہے کہ معاشی ترقی کی سمت کو برقرار رکھنے کیلئے کچھ پالیسی ترمیم ضروری ہیں۔ اس کے باوجود اسٹاک مارکیٹ کے اعداد و شمار پر کشش سطح پر ہیں اور جلد یا بدیر شیراز کی قیمتوں میں بہتری آ سکتی ہے۔ خدشات کے پرمیئم (دس سالہ شرح منافع اور رینگ پیبلڈ کی تفریق Equity Risk Premium) تاریخ کی اونچی سطح کے قریب ہونے کے باعث مارکیٹ کو بہت سستا رہنے کا اشارہ دے رہے ہیں۔ اس کے ساتھ ساتھ کے ایس ای 100، 7.9x کے PE Ratio پر اپنے ایمرجنگ مارکیٹ پیئر گروپ سے پینتیس فیصد سے زائد ڈسکاؤنٹ پر تجارت کر رہا ہے۔ سیاسی صورتحال سے قطع نظر ان پائیدار عوامل کو میڈیم ٹرم سے وسیع ہو کر دیکھنا چاہیے (i) پاکستانی روپے کی قیمت میں کمی اور سود کی اعلیٰ شرح (ii) سی پیک، اور ٹیکسٹائل کے شعبے کے لیے حکومت پاکستان کا تعاون جو کہ برآمدات کی حوصلہ افزائی کرے گا۔ ہم مقامی سرمایہ کاروں کو معاشی رجحانات پر خصوصی توجہ دیتے ہوئے کسی بھی گراؤٹ کو شیئر جمع کرنے کا موقع سمجھ کر سرمایہ کاری کرنے کا مشورہ دے رہے ہیں۔

فلسفہ انکم مارکیٹ میں غیر معمولی بیرونی اکاؤنٹس کی محتاط پوزیشن پر رہنے کی امید ہے۔ معاشی محاذ پر صورتحال، خاص طور پر ادا نیکیوں کا توازن، فلسفہ انکم مارکیٹوں کی سمت تعین کرنے میں اہم کردار ادا کرے گا۔

ڈائریکٹرز رپورٹ  
برائے سہ ماہی اختتام پذیر 30 ستمبر 2017ء

اظہارِ تشکر

بورڈ فنڈ کے گراں قدر سرمایہ کاروں، سیکورٹیز اینڈ ایپینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کی مسلسل معاونت اور پشت پناہی کے لئے شکرگزار ہے۔ علاوہ ازیں، ڈائریکٹرز مینجمنٹ ٹیم کی کوششوں کو بھی خراج تحسین پیش کرتے ہیں۔

برائے اور من جانب بورڈ



صدرائے - حبیب  
ڈائریکٹر



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
20 اکتوبر 2017ء

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT September 30, 2017**

|   | (Un-audited)<br>September 30,<br>2017 | (Audited)<br>June 30,<br>2017 |
|---|---------------------------------------|-------------------------------|
| Note  | ----- (Rupees in '000) -----          |                               |
| <b>ASSETS</b>   |                                       |                               |
| Balances with banks   | 1,129,357                             | 2,228,648                     |
| Investments   | 8,728,119                             | 9,809,524                     |
| Receivable against sale of investments                                  | 48,929                                | 98,104                        |
| Dividend and profit receivable  | 62,325                                | 25,506                        |
| Prepayments, Advances and security deposits                             | 7,476                                 | 7,311                         |
| <b>Total assets</b>   | <b>9,976,206</b>                      | <b>12,169,093</b>             |
| <b>LIABILITIES</b>  |                                       |                               |
| Payable to the Management Company                                       | 45,351                                | 37,897                        |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 1,024                                 | 1,192                         |
| Payable to the Securities and Exchange Commission of Pakistan           | 2,573                                 | 10,045                        |
| Payable against purchase of investments                                 | -                                     | 335,299                       |
| Accrued expenses and other liabilities                                  | 137,012                               | 154,593                       |
| Payable against redemption of units                                     | 386                                   | 897                           |
| <b>Total liabilities</b>  | <b>186,345</b>                        | <b>539,923</b>                |
| <b>NET ASSETS</b>   | <b>9,789,862</b>                      | <b>11,629,170</b>             |
| <b>Unit holders' funds (as per statement attached)</b>                  | <b>9,789,862</b>                      | <b>11,629,170</b>             |
| <b>Contingencies and commitments</b>                                    | 8                                     |                               |
|   | (Number of units)                     |                               |
| <b>NUMBER OF UNITS IN ISSUE</b>   | <b>104,543,982</b>                    | <b>113,453,480</b>            |
|   | (Rupees)                              |                               |
| <b>NET ASSETS VALUE PER UNIT</b>  | <b>93.6435</b>                        | <b>102.5017</b>               |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

|  | Note      | Three months ended<br>September 30, |                  |
|--|-----------|-------------------------------------|------------------|
|  |           | 2017                                | 2016             |
|  |           | ----- (Rupees in '000) -----        |                  |
| <b>INCOME</b>  |           |                                     |                  |
| Capital gain on sale of investments - net  |           | (290,992)                           | 369,162          |
| Dividend income and other income   |           | 68,486                              | 90,184           |
| Income from government securities  |           | 10,271                              | 3,845            |
| Profit on bank deposits  |           | 12,885                              | 6,151            |
|  |           | <u>(199,350)</u>                    | <u>469,342</u>   |
| Net element of Income included in prices of units issued less those in units redeemed.   |           | -                                   | 6,326            |
| Unrealised (diminution) / appreciation on re-measurement of investments classified as at fair value through profit or (loss) - net | 5.2 & 5.3 | (435,683)                           | (2,178)          |
| <b>Total income</b>  |           | <u>(635,033)</u>                    | <u>473,490</u>   |
| <b>EXPENSES</b>  |           |                                     |                  |
| Remuneration of the Management Company   |           | 54,165                              | 43,190           |
| Sindh Sales tax and Federal Excise Duty on remuneration of the Management Company  |           | 7,041                               | 5,615            |
| Remuneration of the Central Depository Company of Pakistan Limited - Trustee   |           | 2,960                               | 2,412            |
| Sindh Sales tax on Remuneration of the Trustee   |           | 385                                 | 314              |
| Securities and Exchange Commission of Pakistan - annual fee  |           | 2,573                               | 2,052            |
| Allocated expense  |           | 3,060                               | 2,440            |
| Marketing and Selling expense  |           | 10,833                              | -                |
| Securities transaction cost  |           | 13,242                              | 5,713            |
| Settlement and bank charges  |           | 1,445                               | 793              |
| Fees and subscriptions   |           | 154                                 | 200              |
| Auditors' remuneration   |           | 310                                 | 241              |
| Others   |           | 57                                  | 128              |
| <b>Total expenses</b>  |           | <u>96,226</u>                       | <u>63,098</u>    |
|  |           | <u>(731,259)</u>                    | <u>410,392</u>   |
| Provision for Workers' Welfare Fund  | 7.2       | -                                   | -                |
| <b>Net (loss) / income for the period before taxation</b>  |           | <u>(731,259)</u>                    | <u>410,392</u>   |
| Taxation   | 9.        | -                                   | -                |
| <b>Net (loss) / income for the period after taxation</b>   |           | <u>(731,259)</u>                    | <u>410,392</u>   |
| <b>Sep 30, 2017</b>  |           |                                     |                  |
| <b>Allocation of Net income for the period:</b>  |           |                                     |                  |
| (Loss) / income already shared (paid) / on units redeemed- HFT   |           | 115,771                             |                  |
| Accounting income available for distribution   |           |                                     |                  |
| -Relating to capital gains   |           | (611,630)                           |                  |
| -Excluding capital gains   |           | (3,858)                             |                  |
| Accounting losses available for Distribution   |           |                                     | <u>(615,488)</u> |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

|  | Three months ended<br>September 30, |                       |
|--|-------------------------------------|-----------------------|
|  | 2017                                | 2016                  |
| Note   | ----- (Rupees in '000) -----        |                       |
| <b>Net (loss) / income for the period after taxation</b>   | <b>(731,259)</b>                    | 410,392               |
| Net unrealised (diminution) / appreciation in value of investments<br>classified as available for sale - net | <b>(300,512)</b>                    | 295,606               |
| <b>Total comprehensive (loss) / income for the period</b>  | <b><u>(1,031,771)</u></b>           | <b><u>705,998</u></b> |

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



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



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



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

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND  
(UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

|   | Three months ended<br>September 30, |             |
|---|-------------------------------------|-------------|
|   | 2017                                | 2016        |
|   | ----- (Rupees in '000) -----        |             |
| <b>Net assets at beginning of the period</b>  | 11,629,170                          | 8,017,886   |
| Issue of 22,923,854 (2016:14,507,122) units   | 2,250,286                           | 1,323,089   |
| Redemption of 31,833,352 (2016:13,046,942) units  | (3,057,824)                         | (1,199,666) |
|   | (807,538)                           | 123,423     |
| Accounting (loss) / income for the period   | (615,488)                           | 404,066     |
| (loss) / income already shared (paid) on units redeemed   | (115,771)                           | -           |
| Net unrealised (diminution) / appreciation on re-measurement on investments classified<br>as available for sale                         | (300,512)                           | 295,607     |
| <b>Net assets as at the end of the period</b>   | 9,789,862                           | 8,840,982   |
| <b>Net Assets value per unit as at beginning of the period</b>  | 102.5017                            | 87.09       |
| <b>Net Assets value per unit as at end of the period</b>  | 93.6435                             | 94.53       |
| <b>Distribution during for the period:</b>  |                                     |             |
| <b>Undistributed income brought forward comprises of:</b>   |                                     |             |
| - Realised Gain   | 5,996,613                           | 3,026,013   |
| - Unrealised Gain   | (656,605)                           | (35,218)    |
|   | 5,340,008                           | 2,990,795   |
| <b>Accounting income available for distribution:</b>  |                                     |             |
| -Relating to capital gains  | (611,630)                           |             |
| -Excluding capital gains  | (3,858)                             |             |
|   | (611,354)                           | 454,493     |
| Net element of income / (loss) and capital gains / (losses)<br>included in the prices of units issued less those in units<br>redeemed - | -                                   | 44,101      |
| <b>Distributions during the period</b>  | -                                   | -           |
| <b>Undistributed income carried forward</b>   | 4,724,520                           | 3,445,288   |
| <b>Undistributed income carried forward comprises of:</b>   |                                     |             |
| - Realised Gain   | 5,160,203                           | 3,447,466   |
| - Unrealised Gain   | (435,683)                           | (2,178)     |
|   | 4,724,520                           | 3,445,288   |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

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

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

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

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

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

|  | Three months ended<br>September 30, |                  |
|--|-------------------------------------|------------------|
|  | 2017                                | 2016             |
|  | ----- (Rupees in '000) -----        |                  |
| <b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                     |                  |
| Net income for the period  | (731,259)                           | 410,392          |
| Adjustments for non-cash charges and other items:  |                                     |                  |
| Net unrealised (appreciation) / diminution in fair value of investments classified as 'at fair value through profit or loss' |                                     |                  |
| Amortisation of preliminary expenses and floatation costs  | 435,683                             | 2,178            |
| Net element of (income) included in prices of units issued less those in units redeemed.                                     | -                                   | -                |
|  | (295,576)                           | 406,245          |
| <b>(Increase) / decrease in assets</b>   |                                     |                  |
| Investments  | 345,210                             | (821,544)        |
| Receivable against sale of investments   | 49,175                              | (157,769)        |
| Dividend and profit receivable   | (36,819)                            | (67,041)         |
| Advances and security deposits   | (165)                               | (142)            |
|  | 357,401                             | (1,046,495)      |
| <b>Increase / (decrease) in liabilities</b>  |                                     |                  |
| Payable to the Management Company  | 7,454                               | 652              |
| Payable to the Central Depository Company of Pakistan Limited - Trustee  | (168)                               | 79               |
| Payable to the Securities and Exchange Commission of Pakistan  | (7,472)                             | (4,660)          |
| Payable against purchase of investments  | (335,299)                           | 183,855          |
| Accrued expenses and other liabilities   | (17,582)                            | 3,245            |
| Payable against redemption of units  | (511)                               | -                |
|  | (353,578)                           | 183,171          |
| <b>Net cash (used in)/generated from operating activities</b>  | <b>A (291,754)</b>                  | <b>(457,080)</b> |
| <b>B. CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                                     |                  |
| Cash received from units sold  | 2,250,287                           | 1,323,089        |
| Cash paid on units redeemed  | (3,057,824)                         | (1,199,666)      |
| <b>Net cash (used in) / generated from financing activities</b>  | <b>B (807,538)</b>                  | <b>123,423</b>   |
| <b>Net decrease in cash and cash equivalents during the period</b>   | <b>A + B (1,099,291)</b>            | <b>(333,657)</b> |
| Cash and cash equivalents at beginning of the period   | 2,228,648                           | 711,745          |
| <b>Cash and cash equivalents at end of the period</b>  | <b>1,129,357</b>                    | <b>378,088</b>   |

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** MCB Pakistan Stock Market Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited) as "Management Company" and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October 23, 2001 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) [repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules)].
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 24th Floor, Centrepoint, Off Shaheed-e-Millat Expressway, Near K.P.T. Interchange, Karachi, Pakistan.
- 1.3** The Fund has been categorised as equity scheme and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The units are listed on the Pakistan Stock Exchange. The Fund primarily invests in listed equity securities. However, it also invests in cash instruments and treasury bills not exceeding 90 days in maturities.
- 1.4** The Pakistan Credit Rating Agency (PACRA) has assigned Management quality rating of AM2++ dated June 23, 2017 to the Management Company and 4-Star long term & 3-Star short term as performance rating dated June 15, 2017 to the Fund.
- 1.5** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund. The duration of the Fund is perpetual. However, SECP or the Management Company may wind it up on the occurrence of certain events as specified in the offering document of the Fund.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

- 2.1.1** This condensed interim financial information has been prepared in accordance with the approved accounting standard as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act 2017, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, Companies Act 2017 or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, Companies Act 2017 or the directives issued by the SECP prevail.
- 2.1.2** The Companies Act, 2017 was enacted on 30th May 2017 and is applicable with immediate effect. However, owing to the practical difficulty being faced by the companies in the preparation of the Financial Statements Circular No. 17/2017 dated October 06, 2017 issued by Institute of Chartered Accountants of Pakistan to be read with circular no. 23 of 2017 dated October 04, 2017 issued by Securities and Exchange Commission of Pakistan (SECP) have notified that the companies whose interim period ends on or before 31 December 2017, shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.
- 2.1.3** These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017.
- 2.1.4** The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2017 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2017, where as the comparative in condensed interim income statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement are extracted from unaudited condensed interim financial information for the period ended 30 September 2016.
- 2.1.5** These condensed interim financial statements are unaudited and are presented in Pak rupees, which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted and the methods of computation of balances in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for change in accounting policy as stated in Note 3.2.

3.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations, 2008). The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (Amount distributable to unit holders) of the NBFC Regulations, 2008. As per the notification, Element of Income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed to the extent it was represented by distributable income earned during the year was recognised in the income statement and the element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed represented by distributable income carried forward from prior period was included in the distribution statement.

As required by IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, a change in accounting policy requires retrospective application as if that policy had always been applied. However, the management has applied the above changes in accounting policy prospectively from July 01, 2017 as per clarification issued by the Mutual Funds Association of Pakistan and, accordingly, corresponding figures have not been restated.

### 4. FINANCIAL RISK MANAGEMENT

The Fund's risk management objectives and policies are consistent with that disclosed in the financial statements of the Fund as at and for the year ended June 30, 2017.

### 5. INVESTMENTS

|  |       | (Unaudited)<br>September, 30<br>2017 | (Audited)<br>June, 30<br>2017 |
|--|-------|--------------------------------------|-------------------------------|
|  | Notes | ----- (Rupees in '000) -----         |                               |
| <b>Available for sale</b>                                      |       |                                      |                               |
| Listed equity securities                                       | 5.1   | 1,785,116                            | 2,327,996                     |
| <b>At fair value through profit or loss - held for trading</b> |       |                                      |                               |
| Listed equity securities                                       | 5.2   | 6,943,004                            | 7,481,528                     |
| Government securities  | 5.3   | -                                    | -                             |
|  |       | 6,943,004                            | 7,481,528                     |
|  |       | 8,728,119                            | 9,809,524                     |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

5.1 Listed equity securities - Available for sale

| Name of the investee company  | As at July 1, 2017 | Purchases during the period | Bonus / right issue during the period | Sales during the period | As at September 30, 2017 | As at September 30, 2017 |                |                           | Market value as percentage of total paid up capital of the investee company |
|---|--------------------|-----------------------------|---------------------------------------|-------------------------|--------------------------|--------------------------|----------------|---------------------------|---|
|   |                    |                             |                                       |                         |                          | Carrying Value           | Market value   | Appreciation/(diminution) |   |
| Shares of listed companies - fully paid ordinary shares / certificates of Rs. 10 each unless stated otherwise |                    |                             |                                       |                         |                          |                          |                |                           |   |
| <b>AUTOMOBILE ASSEMBLER</b>   |                    |                             |                                       |                         |                          |                          |                |                           |   |
| INDUS MOTORS COMPANY LIMITED  | 4,150              | -                           | -                                     | 3,440                   | 710                      | 1,106                    | 1,222          | 115                       | 0.01%   |
|   |                    |                             |                                       |                         |                          | <b>1,106</b>             | <b>1,222</b>   | <b>115</b>                | <b>0.01%</b>  |
| <b>CABLE AND ELECTRICAL GOODS</b>   |                    |                             |                                       |                         |                          |                          |                |                           |   |
| PAK ELEKTRON  | 598,500            | -                           | -                                     | -                       | 598,500                  | 40,712                   | 45,456         | 4,744                     | 0.46%   |
|   |                    |                             |                                       |                         |                          | <b>40,712</b>            | <b>45,456</b>  | <b>4,744</b>              | <b>0.46%</b>  |
| <b>CHEMICALS</b>  |                    |                             |                                       |                         |                          |                          |                |                           |   |
| ARCHROMA PAKISTAN LIMITED   | 5,050              | -                           | -                                     | -                       | 5,050                    | 2,966                    | 3,318          | 352                       | 0.03%   |
| ICI PAKISTAN  | 108,800            | -                           | -                                     | 44,800                  | 64,000                   | 27,072                   | 58,472         | 31,400                    | 0.60%   |
|   |                    |                             |                                       |                         |                          | <b>30,038</b>            | <b>61,790</b>  | <b>31,752</b>             | <b>0.63%</b>  |
|   |                    |                             |                                       |                         |                          |                          |                |                           | <b>0.71%</b>  |
| <b>CEMENT</b>   |                    |                             |                                       |                         |                          |                          |                |                           |   |
| CHERAT CEMENT   | 1,394,200          | -                           | -                                     | 1,394,200               | -                        | -                        | -              | -                         | 0.00%   |
| LUCKY CEMENT  | 290,100            | -                           | -                                     | -                       | 290,100                  | 162,834                  | 163,959        | 1,125                     | 1.67%   |
|   |                    |                             |                                       |                         |                          | <b>162,834</b>           | <b>163,959</b> | <b>1,125</b>              | <b>1.67%</b>  |
| <b>COMMERCIAL BANKS</b>   |                    |                             |                                       |                         |                          |                          |                |                           |   |
| MEEZAN BANK LIMITED   | 92,000             | -                           | -                                     | -                       | 92,000                   | 4,932                    | 6,848          | 1,916                     | 0.07%   |
| MEEZAN BANK LIMITED(R)  | -                  | -                           | 5,520                                 | -                       | 5,520                    | -                        | 110            | 110                       | 0.00%   |
| UNITED BANK LIMITED   | 1,237,100          | -                           | -                                     | 357,400                 | 879,700                  | 158,952                  | 167,293        | 8,340                     | 1.71%   |
|   |                    |                             |                                       |                         |                          | <b>163,884</b>           | <b>174,251</b> | <b>10,367</b>             | <b>1.78%</b>  |
|   |                    |                             |                                       |                         |                          |                          |                |                           | <b>2.00%</b>  |
| <b>ENGINEERING</b>  |                    |                             |                                       |                         |                          |                          |                |                           |   |
| MUGHAL IRON & STEEL   | 11,760             | -                           | -                                     | -                       | 11,760                   | 1,036                    | 673            | (363)                     | 0.01%   |
|   |                    |                             |                                       |                         |                          | <b>1,036</b>             | <b>673</b>     | <b>(363)</b>              | <b>0.01%</b>  |
| <b>FOOD AND PERSONAL CARE PRODUCTS</b>  |                    |                             |                                       |                         |                          |                          |                |                           |   |
| AL-SHAHEER CORPORATION  | 10,455             | -                           | -                                     | -                       | 10,455                   | 585                      | 331            | (255)                     | 0.00%   |
|   |                    |                             |                                       |                         |                          | <b>585</b>               | <b>331</b>     | <b>(255)</b>              | <b>0.00%</b>  |

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017

| Name of the Investee Company  | As at July 1, 2017 | Purchases during the period | Bonus / right issue during the period | Sales during the period | As at September 30, 2017 | As at September 30, 2017 |                  |                           | Market value as percentage of net assets | Market value as percentage of total investments | Market value as percentage of total paid up capital of the investee company |
|---|--------------------|-----------------------------|---------------------------------------|-------------------------|--------------------------|--------------------------|------------------|---------------------------|--|---|---|
|   |                    |                             |                                       |                         |                          | Carrying Value           | Market value     | Appreciation/(diminution) |  |   |   |
| Shares of listed companies - fully paid ordinary shares / certificates of Rs. 10 each unless stated otherwise |                    |                             |                                       |                         |                          |                          |                  |                           |  |   |   |
| -----Rupees in '000----- % -----  |                    |                             |                                       |                         |                          |                          |                  |                           |  |   |   |
| <b>OIL AND GAS EXPLORATION COMPANIES</b>  |                    |                             |                                       |                         |                          |                          |                  |                           |  |   |   |
| MARI PETROLEUM COMPANY  | 215,670            | -                           | -                                     | -                       | 215,670                  | 170,203                  | 324,586          | 154,382                   | 3.32%                                    | 3.72%   | 0.20  |
| ** OIL & GAS DEVELOPMENT CO LTD   | 968,600            | -                           | -                                     | -                       | 968,600                  | 144,649                  | 144,002          | (646)                     | 1.47%                                    | 1.65%   | 0.02  |
| PAKISTAN OILFIELDS LIMITED  | 466,600            | -                           | -                                     | -                       | 466,600                  | 156,706                  | 248,250          | 91,544                    | 2.54%                                    | 2.84%   | 0.20  |
|   |                    |                             |                                       |                         |                          | <b>471,558</b>           | <b>716,838</b>   | <b>245,280</b>            | <b>7.33%</b>                             | <b>8.21%</b>                                    |   |
| <b>POWER GENERATION &amp; DISTRIBUTION</b>  |                    |                             |                                       |                         |                          |                          |                  |                           |  |   |   |
| ALTERN ENERGY LIMITED   | 327,000            | -                           | -                                     | -                       | 327,000                  | 11,844                   | 14,453           | 2,609                     | 0.15%                                    | 0.17%   | 0.09  |
| ** HUB POWER COMPANY LTD  | 1,872,400          | -                           | -                                     | -                       | 1,872,400                | 232,462                  | 209,353          | (23,109)                  | 2.14%                                    | 2.40%   | 0.16  |
| K-ELECTRIC LTD  | 9,550,500          | -                           | -                                     | -                       | 9,550,500                | 78,824                   | 67,236           | (11,589)                  | 0.69%                                    | 0.77%   | 0.03  |
| * PAKGEN POWER LIMITED  | 15,500             | -                           | -                                     | -                       | 15,500                   | 476                      | 339              | (137)                     | 0.00%                                    | 0.00%   | 0.00  |
|   |                    |                             |                                       |                         |                          | <b>323,606</b>           | <b>291,381</b>   | <b>(32,225)</b>           | <b>2.98%</b>                             | <b>3.34%</b>                                    |   |
| <b>PHARMACEUTICALS</b>  |                    |                             |                                       |                         |                          |                          |                  |                           |  |   |   |
| ABBOTT LABORATORIES PAKISTAN)   | 108,400            | -                           | -                                     | -                       | 108,400                  | 75,167                   | 85,528           | 10,360                    | 0.87%                                    | 0.98%   | 0.11  |
| SEARLE COMPANY  | 4,617              | -                           | -                                     | -                       | 4,617                    | 1,250                    | 1,865            | 615                       | 0.02%                                    | 0.02%   | 0.00  |
|   |                    |                             |                                       |                         |                          | <b>76,417</b>            | <b>87,392</b>    | <b>10,975</b>             | <b>0.89%</b>                             | <b>1.00%</b>                                    |   |
| <b>TEXTILE COMPOSITE</b>  |                    |                             |                                       |                         |                          |                          |                  |                           |  |   |   |
| KOHINOOR TEXTILE MILLS LTD  | 939,000            | -                           | -                                     | -                       | 939,000                  | 75,490                   | 83,083           | 7,593                     | 0.85%                                    | 0.95%   | 0.33  |
| *** KOHINOOR TEXTILE MILLS LTD(R)   | -                  | -                           | 56,340                                | -                       | 56,340                   | -                        | 1,268            | 1,268                     | 0.01%                                    | 0.01%   | 0.00  |
| * NISHAT (CHUNJIAN) LIMITED   | 2,075,000          | -                           | -                                     | -                       | 2,075,000                | 86,635                   | 113,129          | 26,494                    | 1.16%                                    | 1.30%   | 0.86  |
|   |                    |                             |                                       |                         |                          | <b>162,125</b>           | <b>197,480</b>   | <b>35,355</b>             | <b>2.02%</b>                             | <b>2.26%</b>                                    |   |
| <b>TECHNOLOGY AND COMMUNICATIONS</b>  |                    |                             |                                       |                         |                          |                          |                  |                           |  |   |   |
| NETSOL TECHNOLOGIES   | 671,000            | -                           | -                                     | -                       | 671,000                  | 41,698                   | 44,296           | 2,588                     | 0.45%                                    | 0.51%   | 0.75  |
| SYSTEMS LIMITED   | 750                | -                           | -                                     | -                       | 750                      | 39                       | 58               | 19                        | 0.00%                                    | 0.00%   | 0.00  |
|   |                    |                             |                                       |                         |                          | <b>41,737</b>            | <b>44,344</b>    | <b>2,607</b>              | <b>0.45%</b>                             | <b>0.51%</b>                                    |   |
| <b>Total at September 30, 2017</b>  |                    |                             |                                       |                         |                          | <b>1,475,638</b>         | <b>1,785,116</b> | <b>305,478</b>            | <b>18.23%</b>                            | <b>20.45%</b>                                   |   |
| <b>Total at June 30, 2017</b>   |                    |                             |                                       |                         |                          | <b>1,711,927</b>         | <b>2,327,996</b> | <b>616,069</b>            | 20.01%                                   | 23.72%  |   |

\* These represent transactions with related parties

\*\* The above include shares with a market value aggregating to Rs. 372.26 million which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular no. 11 dated October 23, 2007 issued by the SECP.

\*\*\* These represent right share options received and exercised during the period.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017

## 5.2 Listed equity securities at fair value through profit or loss - held for trading

| Name of the Investee Company  | As at July 1, 2017 | Purchases during the period | Bonus / right issue during the period | Sales during the period | As at September 30, 2017 | As at September 30, 2017 |                  |                            | Market value as percentage of total paid up capital of the investee company |  |
|---|--------------------|-----------------------------|---------------------------------------|-------------------------|--------------------------|--------------------------|------------------|----------------------------|---|--|
|   |                    |                             |                                       |                         |                          | Carrying Value           | Market value     | Appreciation/ (diminution) |   | Market value as percentage of net assets |
| Shares of listed companies - fully paid ordinary shares / certificates of Rs. 10 each unless stated otherwise |                    |                             |                                       |                         |                          |                          |                  |                            |   |  |
| -----Rupees in '000'-----   |                    |                             |                                       |                         |                          |                          |                  |                            |   |  |
| <b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>   |                    |                             |                                       |                         |                          |                          |                  |                            |   |  |
| GHANDHARA INDUSTRIES LTD  | 67,600             | 1,150                       | -                                     | -                       | 68,750                   | 44,603                   | 34,283           | (10,320)                   | 0.35%   | 0.39%                                    |
| HONDA ATLAS CARS (PAKISTAN) LIMITED   | 153,300            | 185,000                     | -                                     | -                       | 338,300                  | 255,117                  | 182,509          | (72,607)                   | 1.86%   | 2.09%                                    |
| INDUS MOTORS COMPANY LIMITED  | 127,980            | -                           | -                                     | 127,980                 | -                        | -                        | -                | -                          | 0.00%   | 0.00%                                    |
| PAK SUZUKI MOTOR CO   | 272,900            | -                           | -                                     | 258,000                 | 14,900                   | 11,627                   | 6,819            | (4,808)                    | 0.07%   | 0.08%                                    |
|   |                    |                             |                                       |                         |                          | <b>311,347</b>           | <b>223,612</b>   | <b>(87,736)</b>            | <b>2.28%</b>  | <b>2.56%</b>                             |
| <b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>   |                    |                             |                                       |                         |                          |                          |                  |                            |   |  |
| GENERAL TYRE & RUBBER CO  | 172,400            | 50,000                      | -                                     | -                       | 222,400                  | 62,315                   | 44,769           | (17,546)                   | 0.46%   | 0.51%                                    |
|   |                    |                             |                                       |                         |                          | <b>62,315</b>            | <b>44,769</b>    | <b>(17,546)</b>            | <b>0.46%</b>  | <b>0.51%</b>                             |
| <b>CABLE &amp; ELECTRICAL GOODS</b>   |                    |                             |                                       |                         |                          |                          |                  |                            |   |  |
| PAK ELEKTRON  | 2,371,500          | 1,455,400                   | -                                     | 1,860,000               | 1,966,900                | 199,388                  | 149,386          | (50,002)                   | 1.53%   | 1.71%                                    |
| TPL TRAKKER LTD   | 459,000            | -                           | -                                     | -                       | 459,000                  | 4,535                    | 4,159            | (376)                      | 0.04%   | 0.05%                                    |
|   |                    |                             |                                       |                         |                          | <b>203,923</b>           | <b>153,545</b>   | <b>(50,378)</b>            | <b>1.57%</b>  | <b>1.76%</b>                             |
| <b>CEMENT</b>   |                    |                             |                                       |                         |                          |                          |                  |                            |   |  |
| CHERAT CEMENT   | 177,800            | -                           | -                                     | 177,800                 | -                        | -                        | -                | -                          | 0.00%   | 0.00%                                    |
| * D.G. KHAN CEMENT  | 1,733,200          | -                           | -                                     | 1,733,200               | 3,100                    | 661                      | 455              | (206)                      | 0.00%   | 0.01%                                    |
| FAUJI CEMENT CO LTD   | 2,500              | 1,300,000                   | -                                     | 1,302,500               | -                        | -                        | -                | -                          | 0.00%   | 0.00%                                    |
| KOHAT CEMENT LTD  | 488,000            | 105,000                     | -                                     | 600                     | 592,400                  | 132,758                  | 88,836           | (43,922)                   | 0.91%   | 1.02%                                    |
| LUCKY CEMENT  | 678,450            | 90,000                      | -                                     | 519,200                 | 249,250                  | 206,639                  | 140,871          | (65,767)                   | 1.44%   | 1.61%                                    |
| MAPLE LEAF CEMENT FACTORY LTD   | 2,046,500          | -                           | -                                     | 2,046,500               | -                        | -                        | -                | -                          | 0.00%   | 0.00%                                    |
| THATTA CEMENT   | 80,000             | -                           | -                                     | -                       | 80,000                   | 3,198                    | 2,056            | (1,142)                    | 0.02%   | 0.02%                                    |
|   |                    |                             |                                       |                         |                          | <b>343,255</b>           | <b>232,219</b>   | <b>(111,036)</b>           | <b>2.37%</b>  | <b>2.66%</b>                             |
| <b>CHEMICALS</b>  |                    |                             |                                       |                         |                          |                          |                  |                            |   |  |
| ARCHROMA PAKISTAN LIMITED   | 60,800             | -                           | -                                     | -                       | 60,800                   | 43,338                   | 39,946           | (3,392)                    | 0.41%   | 0.46%                                    |
| ENGRO POLYMER & CHEMICAL  | 6,546,500          | 2,542,000                   | -                                     | 4,500,000               | 4,588,500                | 166,014                  | 153,302          | (12,712)                   | 1.57%   | 1.76%                                    |
|   |                    |                             |                                       |                         |                          | <b>209,352</b>           | <b>193,247</b>   | <b>(16,104)</b>            | <b>1.98%</b>  | <b>2.22%</b>                             |
| <b>COMMERCIAL BANKS</b>   |                    |                             |                                       |                         |                          |                          |                  |                            |   |  |
| ALLIED BANK LIMITED   | -                  | 492,000                     | -                                     | 168,500                 | 323,500                  | 27,174                   | 28,303           | 1,129                      | 0.29%   | 0.32%                                    |
| ASKARI BANK LIMITED   | 297,500            | 7,099,000                   | -                                     | -                       | 7,396,500                | 150,345                  | 140,534          | (9,811)                    | 1.44%   | 1.61%                                    |
| BANK AL FALAH LIMITED   | 6,856,500          | 4,719,000                   | -                                     | -                       | 11,575,500               | 467,328                  | 491,033          | 23,704                     | 5.02%   | 5.63%                                    |
| BANK AL HABIB LIMITED   | 1,833,500          | 2,255,500                   | -                                     | 550,000                 | 3,539,000                | 199,251                  | 203,846          | 4,595                      | 2.08%   | 2.34%                                    |
| FAYSAL BANK LIMITED   | 8,109,000          | 2,952,500                   | -                                     | -                       | 11,061,500               | 247,773                  | 247,778          | 4                          | 2.53%   | 2.84%                                    |
| HABIB BANK LIMITED  | -                  | 600,000                     | -                                     | 600,000                 | -                        | -                        | -                | -                          | 0.00%   | 0.00%                                    |
| HABIB METROPOLITAN BANK   | 548,000            | 1,700,000                   | -                                     | -                       | 2,248,000                | 73,786                   | 75,196           | 1,409                      | 0.77%   | 0.86%                                    |
| * MCB BANK LIMITED  | 89,000             | 2,491,700                   | -                                     | 806,900                 | 1,684,800                | 350,869                  | 352,123          | 1,254                      | 3.60%   | 4.03%                                    |
| MEEZAN BANK LIMITED   | -                  | -                           | -                                     | -                       | 89,000                   | 7,031                    | 6,624            | (407)                      | 0.07%   | 0.08%                                    |
| MEEZAN BANK LIMITED (R)   | -                  | -                           | 5,340                                 | -                       | 5,340                    | 107                      | 107              | -                          | 0.00%   | 0.00%                                    |
| UNITED BANK LIMITED   | 899,800            | 1,523,900                   | -                                     | 1,160,300               | 1,263,400                | 254,477                  | 240,261          | (14,216)                   | 2.45%   | 2.75%                                    |
|   |                    |                             |                                       |                         |                          | <b>1,778,035</b>         | <b>1,785,804</b> | <b>7,769</b>               | <b>18.25%</b>   | <b>20.46%</b>                            |





**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

**6. ADVANCES AND SECURITY DEPOSITS**

|   |              |              |
|---|--------------|--------------|
| Advance tax   | 4,120        | 3,997        |
| Security deposits - National Clearing Company of Pakistan Limited | 2,500        | 2,500        |
| - Central Depository Company of Pakistan Limited                  | 500          | 500          |
| Others  | 256          | 314          |
|   | <b>7,376</b> | <b>7,311</b> |
|   | <b>7,376</b> | <b>7,311</b> |

**7. ACCRUED EXPENSES AND OTHER LIABILITIES**

|   |     |                |                |
|---|-----|----------------|----------------|
| Provision against Sindh Workers' Welfare Fund | 7.2 | 57,875         | 57,875         |
| Federal Excise Duty and related taxes on:     |     |                |                |
| - Management fee                              | 7.1 | 54,774         | 54,774         |
| - Sales load                                  |     | 3,933          | 3,933          |
| Unclaimed dividend                            |     | 9,838          | 9,838          |
| Brokerage                                     |     | 5,838          | 21,266         |
| Auditors' remuneration                        |     | 230            | 579            |
| Withholding tax on dividend and others        |     | 1,614          | 3,497          |
| Printing and related expenditure              |     | 391            | 334            |
| Zakat   |     | 6              | 10             |
| Sales load payable                            |     | 10             | 351            |
| Other   |     | 2,503          | 2,136          |
|   |     | <b>137,012</b> | <b>154,593</b> |
|   |     | <b>137,012</b> | <b>154,593</b> |

**7.1 Federal excise duty on Remuneration of Management Company**

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the period ended, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan. Thereafter, during the pendency of the present civil petition, the Supreme Court has suspended the operation of the impugned judgment of the SHC. The matter is still pending adjudication.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs 58.707 million (2016: Rs 58.707 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been recorded in the financial statements of the Fund, the net asset value of the Fund as at September 30, 2017 would have been higher by Re 0.56 per unit.

**7.2 Provision for Workers' Welfare Fund**

The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017

Rs 0.5 million in a tax year were 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 was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from July 1, 2015.

On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds, MUFAP had recommended the following to all its members on January 12, 2017:

- 'the entire provision against the Federal WWF held by the CISs till June 30, 2015, to be reversed on January 12, 2017; and
- 'the provision in respect of Sindh WWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015) on January 12, 2017.

Accordingly, the provision for Sindh WWF is being made on a daily basis going forward.

The above decisions were communicated to the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange Limited on January 12, 2017. The SECP vide its letter dated February 1, 2017 had advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds. Accordingly, necessary adjustments in this respect were recorded in the books of the Funds on January 12, 2017.

Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of the Fund as at September 30, 2017 would have been higher by Re 0.55 per unit.

### 8. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at September 30, 2017 and June 30, 2017.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017

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### 9. TAXATION

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. 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 capital gains to the unit holders

The Fund is also exempt from the provisions 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 at least 90% of the income earned during the year by the Fund to the unit holders. Accordingly, no provision has been made in this condensed interim financial statement

### 10. EARNINGS PER UNIT

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

### 11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2017 is 0.9% which includes 0.12% representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations, 2008 for a collective investment scheme categorized as an equity fund.

### 12. TRANSACTIONS WITH CONNECTED PERSONS

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

12.1 Unit Holders' Fund

|   | For the quarter ended September 30, 2017 |                 |       |           |                          |                 |         | As at September 30, 2017 |
|---|--|-----------------|-------|-----------|--------------------------|-----------------|---------|--------------------------|
|   | As at July 01, 2017                      | Issued for cash | Bonus | Redeemed  | As at September 30, 2017 | Issued for cash | Bonus   |                          |
|   | Units                                    |                 |       |           |                          |                 |         | (Rupees in '000)         |
| <b>MCB - Arif Habib Savings and Investment Limited - Management Company</b>                               | 2,782,581                                | -               | -     | 976,208   | 1,806,373                | 285,219         | 90,000  | 169,155                  |
| <b>Associated Companies</b>   |  |                 |       |           |                          |                 |         |                          |
| Adamjee life Assurance Company Limited - NUJIL Fund   | 1,515,637                                | -               | -     | -         | 1,515,637                | 155,355         | -       | 141,930                  |
| Adamjee life Assurance Company Limited - IMF  | 16,932,999                               | 1,044,656       | -     | 436,214   | 17,541,441               | 1,735,661       | 45,000  | 1,642,641                |
| Adamjee Life Assurance Company Limited - ISF  | 412,198                                  | 945,683         | -     | 484,683   | 873,098                  | 42,251          | 50,000  | 81,760                   |
| Adamjee Life Assurance Company Limited - ISF II   | 363,704                                  | 99,658          | -     | 463,362   | -                        | 37,280          | 44,414  | -                        |
| <b>Nishat Power Limited Employees Provident Fund Trust - Retirement benefit scheme of a group company</b> | 11,625                                   | 2,629           | -     | 2,834     | 11,620                   | 1,192           | 281     | 1,088                    |
| Adamjee Insurance Company Limited Employees Gratuity Fund   | 117,689                                  | 117,282         | -     | 167,983   | 66,888                   | 12,053          | 16,265  | 6,264                    |
| Adamjee Insurance Company Limited Employees Provident Fund  | 225,797                                  | 225,206         | -     | 319,415   | 131,588                  | 23,145          | 30,941  | 12,322                   |
| D.G. Khan Cement Company Limited Employees Provident  | 145,730                                  | 53,535          | -     | -         | 199,265                  | 14,938          | 5,000   | 18,660                   |
| Nishat Mills Employees Provident Fund Trust   | -  | 4,055,792       | -     | 2,273,754 | 1,782,038                | -               | 223,000 | 166,876                  |
| <b>Mandate Under Discretionary Portfolio Services</b>   | 10,722,140                               | 4,168,218       | -     | 8,963,218 | 5,927,140                | 1,089,037       | 445,672 | 555,038                  |
| <b>Key management personnel</b>   | 134,001                                  | 32,447          | -     | 13,228    | 153,220                  | 13,735          | 3,088   | 14,348                   |
|   |  |                 |       |           |                          |                 |         |                          |
|   | For the quarter ended September 30, 2016 |                 |       |           |                          |                 |         | As at September 30, 2016 |
|   | As at July 01, 2016                      | Issued for cash | Bonus | Redeemed  | As at September 30, 2016 | Issued for cash | Bonus   |                          |
|   | Units                                    |                 |       |           |                          |                 |         | (Rupees in '000)         |
| <b>MCB - Arif Habib Savings and Investment Limited - Management Company</b>                               | 1,922,136                                | -               | -     | 266,809   | 1,655,327                | 156,478         | 25,000  | 156,478                  |
| <b>Associated Companies</b>   |  |                 |       |           |                          |                 |         |                          |
| Adamjee life Assurance Company Limited - NUJIL Fund   | 2,263,530                                | -               | -     | 533,220   | 1,730,310                | 163,566         | 50,000  | 163,566                  |
| Adamjee life Assurance Company Limited - IMF  | 15,627,429                               | 1,062,037       | -     | 917,728   | 15,771,738               | 1,490,902       | 85,000  | 1,490,902                |
| D.G. Khan Cement Company Limited Employees Provident  | 132,411                                  | -               | -     | -         | 132,411                  | 12,517          | -       | 12,517                   |
| <b>Key management personnel</b>   | 143,025                                  | 21,699          | -     | 52,416    | 127,160                  | 12,020          | 4,837   | 12,020                   |
| <b>Mandate under discretionary portfolio services</b>   | 4,031,484                                | 416,816         | -     | 1,501,217 | 2,947,083                | 278,588         | 137,946 | 278,588                  |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

**12.2 Other Transactions**

|   | Quarter ended<br>September 30, |        |
|---|--------------------------------|--------|
|   | 2017                           | 2016   |
|   | '--- (Rupees in '000) ---      |        |
| <b>Transactions during the period:</b>  |                                |        |
| <b>MCB - Arif Habib Savings and Investment Limited<br/>- Management Company</b> |                                |        |
| Remuneration including indirect taxes   | 61,206                         | 48,805 |
| Allocated expense   | 3,060                          | 2,440  |
| Marketing and Selling expense   | 10,833                         | -      |
| <b>Central Depository Company of<br/>Pakistan Limited - Trustee</b>             |                                |        |
| Remuneration of the trustee including indirect taxes                            | 3,345                          | 2,726  |
| CDS charges   | 860                            | 386    |
| <b>Arif Habib Limited</b>   |                                |        |
| Brokerage*  | 540                            | 852    |
| <b>Next Capital Limited</b>   |                                |        |
| Brokerage*  | 287                            | 844    |
| <b>MCB Bank Limited</b>   |                                |        |
| Bank charges  | 34                             | 31     |
| Mark-up income  | 267                            | 116    |
| Dividend income   | 6,519                          | -      |
| <b>Silk Bank Limited</b>  |                                |        |
| Purchase of securities Face Value:250,000,000 ( 2016: Nil)                      | 247,657                        | -      |
| Sale of securities Face Value:750,000,000 (2016: Nil)                           | 743,582                        | -      |
| <b>Lalpir Power Limited</b>   |                                |        |
| Dividend income   | -                              | 2,101  |
| <b>Pakgen Power Limited</b>   |                                |        |
| Dividend income   | 16                             | 5,318  |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

| 12.3 Other Balances   | (Unaudited)<br>September, 30<br>2017 | (Audited)<br>June, 30<br>2017 |
|---|--------------------------------------|-------------------------------|
|   | ------(Rupees in '000)-----          |                               |
| <b>Amounts outstanding as at the period / year end</b>                          |                                      |                               |
| <b>MCB - Arif Habib Savings and Investment Limited<br/>- Management Company</b> |                                      |                               |
| Remuneration payable  | 16,445                               | 19,427                        |
| Sindh sales tax payable on management remuneration                              | 2,138                                | 2,526                         |
| Sales load payable including related taxes                                      | 836                                  | 1,635                         |
| Allocated expense payable   | 1,763                                | 971                           |
| Payable against marketing and selling expenses                                  | 24,170                               | 13,338                        |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>                 |                                      |                               |
| Security deposit  | 500                                  | 500                           |
| Remuneration payable  | 906                                  | 1,055                         |
| Sindh Sales Tax Payable on trustee remuneration                                 | 118                                  | 137                           |
| <b>MCB Bank Limited</b>   |                                      |                               |
| Balance with bank   | 9,623                                | 3,280                         |
| Accrued mark-up   | 31                                   | 51                            |
| Sales load payable  | 10                                   | 351                           |
| <b>Next Capital Limited</b>   |                                      |                               |
| Brokerage payable   | 237                                  | 1,523                         |
| <b>Arif Habib Limited</b>   |                                      |                               |
| Brokerage payable   | 307                                  | 1,817                         |
| <b>Nishat Mills Limited</b>   |                                      |                               |
| 1,947,500 shares held (June 30, 2017: 1,579,000)                                | 282,582                              | 170,375                       |
| <b>Lalpir Power Limited</b>   |                                      |                               |
| Nil shares held (June 30, 2017: 8,399,000)                                      | -                                    | 182,258                       |
| <b>Pakgen Power Limited</b>   |                                      |                               |
| 15,500 shares held (June 30, 2017: 5,667,500)                                   | 339                                  | 136,303                       |
| <b>D.G. Khan Cement Company Limited</b>   |                                      |                               |
| 3,100 shares held (June 30, 2017: 421,000 shares)                               | 455                                  | 80,196                        |
| <b>Nishat Power Limited</b>   |                                      |                               |
| 121,000 shares held (June 30, 2017: 358,500 shares)                             | 5,433                                | 16,936                        |
| <b>Nishat Chunian Limited</b>   |                                      |                               |
| 3,679,500 shares held (June 30, 2017: 4,089,500 shares)                         | 200,606                              | 209,873                       |
| <b>MCB Bank Limited</b>   |                                      |                               |
| 1,684,800 shares held (June 30, 2017: Nil shares)                               | 352,123                              | -                             |
| <b>Mughal Iron &amp; Steel</b>  |                                      |                               |
| 1,624,260 shares held (June 30, 2017: Nil shares)                               | 92,940                               | -                             |

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2017

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

### 13. GENERAL

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

### 14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on 20, October 2017.

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



Chief Executive Officer



Chief Financial Officer



Director

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

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