

PAKISTAN CASH MANAGEMENT FUND

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
Board of Directors	Mian Muhammad Mansha Mr. Nasim Beg Mr. Muhammad Saqib Saleem Dr. Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Qamar Beg	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mirza Qamar Beg Mr. Nasim Beg	Chairman Member Member Member
Human Resource & Remuneration Committee	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Company Secretary	Mr. Muhammad Asif Mehdi Rizvi	
Chief Financial Officer	Mr. Abdul Basit	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited Zarai Traqiati Bank Limited	
Auditors	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants Progressive Plaza, Beaumont Road, P.O. Box 15541 Karachi, Sindh-75530, Pakistan.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
Rating	AM2++Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Pakistan Cash Management Fund** accounts review for the nine months ended March 31, 2018.

MARKET & ECONOMIC REVIEW

Economy and Money Market Review

The economic scorecard showed a mixed picture with the real side depicting strong growth momentum while external side demanding policy measures.

The policy makers allowed the PKR/USD parity to adjust towards ~115 to support the deteriorating reserves position by arresting the worsening external account. The government at the end of March announced a tax amnesty scheme for undeclared foreign and domestic assets with tax rates ranging from 2%-5%.

The real growth remained strong depicted by Large Scale Manufacturing registering a growth of 6.24% YoY in first eight months of FY18 supported by strong growth in Petroleum Products, Steel and Food & Beverage sectors. The better preliminary crop numbers of cotton, wheat and sugar along with strong LSM growth is expected to keep the growth target of 6% in reach.

The fiscal deficit for the first half of this financial year was recorded at ~2.2% of GDP, despite high tax collection. Tax Authorities managed to collect PKR 2.0 trillion during the period, showing a growth of 17.6% compared to same period last year.

CPI for the nine months of FY18 remained modest averaging 3.78% YoY supported by stable food prices, controlled house rent and higher base effect. However, rising oil prices and depreciating currency indicate upward pressure going forward.

On the external side, trade deficit widened to alarming levels. The current account deficit (CAD) for the nine months clocked in at ~USD 10.8 billion (up 50% YoY). Trade deficit for the first nine months of the financial year reached USD 19.7 billion up ~22% YoY. Import registered an increase of ~17% during the half year, propelled by petroleum imports and an expansionary fiscal and monetary policies. On the flip side, the impact of textile package introduced by the government in order to boost exports, started to gain some momentum as textile exports grew by ~8% during the nine months of the financial year, though insufficient to bridge the gap created by rising imports. Resultantly, the foreign exchange reserves declined by USD ~3.6 billion, despite USD 2.5 billion bond issuance in international bond markets. PKR also depreciated by ~10% against USD indicating a much need attempt from government to address widening external account.

Money markets took clue from the rising inflation expectations, after the recent rupee depreciation, as against all tenors, 3-months Treasury Bills remained the most preferred play. Meanwhile, longer tenor PIBs remained out of favor with very low participation from financial institutions and banks in auctions.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 4.66% as against its benchmark return of 5.24%. The fund has increased the allocation in Cash to 99.7% at period end from 55.4% as at June 2017. The Net Assets of the Fund as at March 31, 2018 stood at Rs.506 million as compared to Rs. 628 million as at June 30, 2017 registering a decrease of 19.43%. The Net Asset Value (NAV) per unit as at March 31, 2018 was Rs. 52.0369 as compared to NAV of Rs. 50.2794 per unit as at June 30, 2017 registering an increase of Rs.1.7575 per unit.

MARKET & ECONOMY - FUTURE OUTLOOK

The recent rupee depreciation of ~10% is expected to reflect in the external account numbers going forward. Exports are expected to continue growth trajectory with textile package also providing support. Unnecessary imports are expected to slow down reflecting the higher imported cost. Given our outlook of trade deficit and weak performance on remittances, we expect current account deficit to approach ~USD 16 billion for the FY18 which in our estimates indicate an additional financing need of near USD 5 billion. Next year could fare better, provided oil stays close to current levels, given machinery imports would slow down and impact of recent rupee devaluation would be more visible in proceeding year's numbers.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

The recent tax amnesty scheme announced could be successful as it is followed by some complimentary steps to curb the undeclared money. Additionally, regulations over the world would allow information sharing of residents from September, 2017 and undeclared assets would be difficult to hide. The tax amnesty scheme could bring in much needed foreign inflow of around ~USD 4 bn.

KSE-100 trades at a forward P/E of 10.28x, at a steep discount of 19.5% from its emerging market peer group. Enduring themes that should play out over the medium-term include PKR depreciation and higher interest rates, CPEC and continued GoP support for the export-oriented sector that would encourage exports. The upcoming budget with expectations of removal of tax on bonus shares and rationalization of capital gains tax could propel positive sentiments. The success of the amnesty scheme would also be a positive omen as foreign inflows would allow to control external vulnerabilities and stock market would become a potential investment avenue after whitening of money.

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

ACKNOWLEDGMENT

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

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
April 19, 2018



Nasim Beg
Vice Chairman / Director

ڈائریکٹرز رپورٹ
برائے نو ماہ اختتام پذیر 31 مارچ 2018ء

628 ملین روپے کے مقابلے میں 19.43% کمی ہے۔ 31 مارچ 2018ء کو Net اثاثہ جاتی قدر (NAV) فی یونٹ 52.0369 روپے تھی، جو 30 جون 2017ء کو 50.2794 روپے فی یونٹ کے مقابلے میں 1.7575 روپے فی یونٹ اضافہ ہے۔

بازار اور معیشت - مستقبل کی صورتحال

روپے کی قدر میں حالیہ 10% کمی کی عکاسی متوقع طور پر خارجی اکاؤنٹ کے بلند ہوتے ہوئے اعداد و شمار میں ہوگی۔ برآمدات کی ترقی کا سفر جاری رہنے کی امید ہے، اور ٹیکسٹائل پیکج بھی پشت پناہی فراہم کرے گا۔ درآمداتی لاگت میں اضافے کے باعث غیر ضروری درآمدات میں کمی متوقع ہے۔ تجارتی خسارے اور ترسیلات زر کی کمزور کارکردگی کے پیش نظر کرنٹ اکاؤنٹ کا خسارہ متوقع طور پر 16 بلین ڈالر تک پہنچ جائے گا، جس کے نتیجے میں ہمارے تخمینے کے مطابق تقریباً 5 بلین ڈالر کی اضافی سرمایہ کاری کی ضرورت ہوگی۔ اگلا برس کافی بہتر ہو سکتا ہے، بشرطیکہ تیل موجودہ سطحوں کے قریب برقرار رہے، مشینری کی موجودہ درآمدات میں کمی ہو، اور روپے کی قدر میں حالیہ کمی کی عکاسی اگلے سال کے اعداد و شمار میں واضح تر ہو۔

حالیہ اعلان کردہ ٹیکس معاف اسکیم کامیاب ہو سکتی ہے کیونکہ اس کے ساتھ ساتھ غیر اعلانیہ رقم پر قابو پانے کے لیے کچھ مفید اقدامات کیے گئے ہیں۔ اس کے علاوہ عالمی سطح کے اصول و ضوابط کے نتیجے میں ستمبر 2017ء سے رہائشیوں کی معلومات ظاہر کرنے کی اجازت ہوگی اور غیر اعلانیہ اثاثہ جات کو پوشیدہ رکھنا مشکل ہو جائے گا۔ ٹیکس معاف اسکیم تقریباً 4 بلین ڈالر کی مطلوبہ آمد کو بھی یقینی بنا سکتی ہے۔

KSE-100 کی تجارت 10.82x کی فارورڈ P/E پر ہوئی جو اس کے اُبھرتے ہوئے مارکیٹ peer گروپ کے مقابلے میں 19.5% کی بھرپور رعایت ہے۔ مستحکم پیش رفت، جن کا اثر درمیانی مدت تک رہے گا، میں روپے کی قدر میں کمی اور انٹریسٹ کی اونچی شرحیں، اور CPEC اور برآمدات پر منحصر شعبے کے لئے حکومت پاکستان کی مسلسل پشت پناہی (جن کی بدولت برآمدات کی حوصلہ افزائی ہوگی) شامل ہیں۔

آئندہ بجٹ، جس میں بونس حصص پر ٹیکس ختم ہونے اور کیپٹل منافعوں کی rationalization کی متوقع ہے، خوش آئند ثابت ہو سکتا ہے۔ ٹیکس معاف اسکیم کی کامیابی بھی مثبت علامت ہوگی کیونکہ غیر ملکی آمدات سے خارجی خطرات پر قابو پایا جاسکے گا اور اسٹاک مارکیٹ کا لے دھن کی صفائی کے بعد سرمایہ کاری کا اچھا موقع فراہم کرے گی۔ مقررہ آمدنی کی جہت میں توقع ہے کہ مارکیٹ خارجی اکاؤنٹ کی خطرناک صورتحال اور افراط زر کی سطح میں اضافے کی بنیاد پر محتاط رہے گی۔ معاشی رُخ، خاص طور پر ادائیگیوں کے توازن کی واضح تصویر سے مقررہ آمدنی کی مارکیٹس میں مزید شرکت کی طرف راہنمائی ہوگی۔

اظہار تشکر

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

من جانب بورڈ

نسیم بیگ

انس چیئرمین / ڈائریکٹر

محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

19 اپریل 2018ء

ڈائریکٹر رپورٹ برائے نو ماہ اختتام پذیر 31 مارچ 2018ء

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان کیش مینجمنٹ فنڈ کے 31 مارچ 2018ء کو ختم ہونے والے نو ماہ کے اکاؤنٹس کا جائزہ پیش خدمت ہے۔

بازار اور معیشت کا جائزہ

معیشت اور بازار کا جائزہ

معاشی اعداد و شمار میں ملاحظہ جاراہ جاری رہا۔ حقیقی رُخ بدستور ترقی کی جانب اشارہ کر رہا ہے، جبکہ خارجی رُخ پالیسی کے اقدامات مطالبہ کر رہا ہے۔ پالیسی ساز پاکستانی روپے اور امریکی ڈالر کے مابین برابری کو 115 کی جانب لے گئے تاکہ گھٹتے ہوئے ذخائر کے باعث خارجی اکاؤنٹ کی بگڑتی ہوئی حالت پر قابو پایا جاسکے۔ مارچ کے اختتام پر حکومت نے غیر اعلانیہ ملکی وغیر ملکی اثاثہ جات کے لئے ٹیکس میں رعایت کی پالیسی کا اعلان کیا اور ٹیکس کی شرحوں کو 2% سے 5% کے درمیان لے آئی۔

حقیقی ترقی مستحکم رہی جس کی عکاسی بڑے پیمانے کی مینوفیکچرنگ (LSM) میں مالی سال 2018ء کے پہلے آٹھ ماہ میں 6.24% YoY ترقی سے ہوئی، اور اس کی پشت پناہی پٹرولیم مصنوعات، اسٹیل اور ایشیائے خورد و نوش کے شعبے میں مستحکم ترقی نے کی۔ کپاس، گندم اور چینی کی بہتر ابتدائی فصل بشمول مضبوط LSM ترقی کی بدولت 6% ترقی کا ہدف متوقع طور پر قابل حصول ہے۔

موجودہ مالی سال کی پہلی ششماہی میں ٹیکس کے بھرپور حصول کے باوجود مالی خسارہ مجموعی ملکی پیداوار (GDP) کا 2.2% تھا۔ ٹیکس کے اداروں نے دوران مدت 2.0 ٹریلین روپے ٹیکس جمع کیا جو سال گزشتہ کی اسی مدت کے مقابلے میں 17.6% زیادہ ہے۔

مالی سال 2018ء کے نو ماہ کے لئے CPI کا اوسط YoY 3.78% کے درمیانے درجے پر تھا جس کی پشت پناہی ایشیائے خورد و نوش کی مستحکم قیمتوں، محدود رہائشی کرائے اور پہلے سے زیادہ base effect سے ہوئی۔ تاہم تیل کی بڑھتی ہوئی قیمتیں اور روپے کی گھٹتی ہوئی قدر دباؤ میں مزید اضافے کی طرف اشارہ کر رہی ہیں۔

خارجی رُخ برتجارتی خسارے میں تشویشناک سطح تک اضافہ ہو گیا۔ کرنٹ اکاؤنٹ کا خسارہ (CAD) برائے نو ماہ 10.8 بلین ڈالر تھا (YoY 50% اضافہ)۔ مالی سال کے پہلے نو ماہ میں تجارتی خسارہ 19.7 ڈالر تک پہنچ گیا، جو YoY 22% اضافہ ہے۔ سال کے نصف اول کے دوران درآمدات میں 17% اضافہ ہوا جس کے اسباب پٹرولیم کی درآمدات اور وسعت پذیر اقتصادی اور مالیاتی پالیسی ہیں۔ دوسری جانب درآمدات کے فروغ کے لئے حکومت کے متعارف کردہ ٹیکسٹائل پیکیج کے اثرات نے کچھ رفتار پکڑی اور مالی سال کے پہلے نو ماہ کے دوران ٹیکسٹائل کی درآمدات میں 8% اضافہ ہوا، لیکن یہ اضافہ بڑھتی ہوئی درآمدات سے پیدا ہونے والی خلیج کو پُر کرنے کے لئے ناکافی تھا۔ نتیجتاً، غیر ملکی زرمبادلہ کے ذخائر میں 3.6 بلین ڈالر کمی ہوئی، اگرچہ بین الاقوامی بانڈ مارکیٹ میں 2.5 بلین ڈالر مالیت کے بانڈز کا اجراء ہوا۔ علاوہ ازیں، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں 10% کمی ہوئی جس سے وسعت پذیر خارجی اکاؤنٹ پر حکومتی توجہ کی ضرورت کی عکاسی ہوتی ہے۔

روپے کی قدر میں حالیہ کمی کے بعد افراط زر میں تمام tenors کے مقابلے میں اضافے کی توقعات بازار کے لئے اشارہ تھا۔ سہ ماہی بانڈ ریٹری بلز کو سب سے زیادہ ترجیح حاصل رہی، جبکہ طویل المیعاد پاکستان انویسٹمنٹ بانڈز (PIBs) سب سے کم مقبول رہے کیونکہ ان کو مالیاتی اداروں اور auctions میں ٹیکوں سے بہت محدود پذیرائی حاصل ہوئی۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 4.66%، جبکہ اس کا بیچ مارک منافع 5.24% تھا۔ فنڈ نے نقد میں شمولیت کو، جو جون 2017ء کو 55.4% تھی، بڑھا کر اختتام مدت پر 99.7% کر دیا۔ 31 مارچ 2018ء کو فنڈ کے net اثاثہ جات 506 ملین روپے تھے، جو 30 جون 2017ء کو

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2018**

		(Un-audited) March 31, 2018	(Audited) June 30, 2017
	Note	----- (Rupees in '000) -----	
Assets			
Balance with banks		520,263	362,099
Investments	6	-	289,584
Advances, deposits, prepayments and profit receivables	7	1,387	2,167
Total assets		521,650	653,850
Liabilities			
Payable to Management Company		340	1,156
Payable to Central Depository Company of Pakistan Limited - Trustee		226	-
Payable to Securities and Exchange Commission of Pakistan		450	9
Accrued expenses and other liabilities	8	14,830	24,852
Total liabilities		15,846	26,017
Net assets		505,804	627,833
Unit holders' fund (as per statement attached)		505,804	627,833
Contingencies and commitments	9		
		(Number of units)	
Number of units in issue (face value of units is Rs. 100 each)		9,720,102	12,486,887
		(Rupees)	
Net asset value per unit		52.0369	50.2794

The annexed notes from 1 to 15 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

	Note	Nine Month Ended March 31,		Quarter ended March 31,	
		2018	2017	2018	2017
----- (Rupees in '000) -----					
Income					
Capital (loss) / gain on sale of investments - net		215	(238)	(74)	28
Income from government securities		25,240	48,511	6,127	15,469
Profit on bank deposits		11,503	14,845	1,846	3,786
Back End Load Income		10	6	-	-
Net element of income included in prices of units issued less those in units redeemed		-	(5,656)	-	(3,682)
Net unrealised diminution / appreciation on-remeasurement of investment classified as 'at fair value through profit or loss'		-	-	-	-
Total Income		36,968	57,468	7,899	15,601
Expenses					
Remuneration of the Management Company		3,696	6,319	792	1,931
Sindh Sales Tax and Federal Excise Duty on Management Fee		481	822	103	250
Remuneration of Central Depository Company of Pakistan Limited-Trustee		1,800	-	600	-
Sindh Sales Tax on remuneration of Central Depository Company		234	-	78	-
Annual fee of Securities and Exchange Commission of Pakistan		450	-	96	-
Allocated expense and related taxes		678	1,183	146	362
Legal and professional		112	-	25	-
Brokerage expense		43	104	15	48
Auditor's remuneration		409	-	135	-
Other		447	-	102	-
Total expenses		8,350	8,428	2,092	2,591
Net income from operating activities		28,618	49,040	5,807	13,010
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	-	-	-
Provision for Sindh Workers' Welfare Fund	8.1.1	572	(24,884)	116	(24,884)
Net income for the period before taxation		28,046	73,924	5,691	37,894
Taxation	10	-	-	-	-
Net income for the period		28,046	73,924	5,691	37,894
Allocation of net income for the period:					
Net income for the period		28,046	73,924	5,691	37,894
Income already paid on units redeemed		(12,973)	-	(2,318)	-
		15,073	73,924	3,373	37,894
Accounting income available for distribution:					
- Relating to capital gains		107	-	-	-
- Excluding capital gains		14,966	-	3,373	-
Accounting income available for distribution		15,073	73,924	3,373	37,894
Earnings per unit	11				

The annexed notes from 1 to 15 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

**STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

	Nine Month Ended March 31,		Quarter ended March 31,	
	2018	2017	2018	2017
	----- (Rupees in '000) -----			
Net income for the period	28,046	73,924	5,691	37,894
Other comprehensive income:				
<i>Items that may be reclassified subsequently to income statement</i>				
Unrealised appreciation in value of investments classified as available for sale - net	-	-	-	-
Total comprehensive income for the period	28,046	73,924	5,691	37,894

The annexed notes from 1 to 15 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 MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	Nine Month Ended March 31,				2017
	2018				
	(Rupees in '000)				
Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Total	
Net assets at beginning of the period	627,536	297	-	627,833	1,992,982
Issuance of 23,803,753 units (2017: 27,601,317 units)					
- Capital value (at net asset value per unit at the beginning of the period)	1,196,839	-	-	1,196,839	
- Element of income	4,499	-	-	4,499	
Total proceeds on issuance of units	1,201,337	-	-	1,201,337	1,414,638
Redemption of 26,570,539 units (2017: 43,287,716 units)					
- Capital value (at net asset value per unit at the beginning of the period)	(1,335,951)	-	-	(1,335,951)	
- Amount paid out of element of income					
- Relating to 'Net income for the period after taxation'	-	(12,973)	-	(12,973)	
- Relating to 'Other comprehensive income for the period'	-	-	-	-	
- Refund / (adjustment) on units as element of income	(2,488)	-	-	(2,488)	
Total payments on redemption of units	(1,338,439)	(12,973)	-	(1,351,412)	(2,207,877)
Element of income / loss and capital gains / losses included in prices of units issued less those in units redeemed - net	-	-	-	-	5,656
Total comprehensive income for the period	-	28,046	-	28,046	73,924
Distribution during the period	-	-	-	-	-
Net income / (loss) for the period less distribution	-	28,046	-	28,046	79,579
Net assets at end of the period	490,434	15,370	-	505,804	1,279,323
Undistributed income brought forward					
- Realised		308			4,974
- Unrealised		(11)			20
Accounting income available for distribution		297			4,994
- Relating to capital gains		107			
- Excluding capital gains		14,966			
Net income for the period after taxation		15,073			
Net element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed		-			73,924
Distribution during the period		-			(3,264)
Undistributed income carried forward		15,370			-
Undistributed income carried forward					75,654
- Realised		15,370			75,654
- Unrealised		-			-
		15,370			75,654
				(Rupees)	(Rupees)
Net assets value per unit at beginning of the period				50.2794	50.2062
Net assets value per unit at end of the period				52.0369	53.2840

**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 NINE MONTHS ENDED MARCH 31, 2018**

	Nine Month Ended	
	March 31, 2018	March 31, 2017
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	28,046	73,924
Adjustments for non cash and other items:		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'at fair value through profit or loss'	-	-
Capital gain / (loss) on sale on investments - net	(215)	-
Net element of loss and capital losses included in prices of units issued less those in units redeemed	-	5,656
	(215)	5,656
	27,831	79,580
(Increase) / decrease in assets		
Investments	289,799	1,274,257
Advances, prepayments and profit receivable	780	421
	290,579	1,274,678
Increase / (decrease) in liabilities		
Payable to Management Company	(816)	(46)
Payable to Central Depository Company of Pakistan Limited - Trustee	226	-
Payable to Securities and Exchange Commission of Pakistan	441	-
Accrued expenses and other liabilities	(10,022)	(23,641)
	(10,171)	(23,687)
Net cash used in operating activities	308,239	1,330,571
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments received against issuance of units	1,201,337	1,414,638
Payments made against redemption of units	(1,351,412)	(2,207,877)
Net cash used in financing activities	(150,075)	(793,239)
Net increase in cash and cash equivalents	158,164	537,332
Cash and cash equivalents at beginning of the period	362,099	756,620
Cash and cash equivalents as at end of the period	520,263	1,293,952

The annexed notes from 1 to 15 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 (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Cash Management Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non Banking Finance Companies and Notified Entities Regulations, 2008 and was approved as an open end investment scheme by the Securities and Exchange Commission of Pakistan (SECP) on July 30, 2009. It was constituted under a Trust Deed dated July 10, 2009 between MCB Arif Habib Savings and Investments Limited as the Management Company, a company incorporated under the repealed Companies Ordinance, 1984, and :MCB Financial Services Limited as the Trustee, also incorporated under the repealed Companies Ordinance, 1984.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issued by SECP. The registered office of the Management Company is situated at 24th Floor, Centre Point, Off Shaheed -e- Millat Expressway, near K.P.T Interchange, Karachi.
- 1.3 The Fund is an open-end mutual fund and has been categorised as "Money Market Scheme" by the Board of Directors of the Management Company as per the Securities and Exchange Commission of Pakistan Circular 7 of 2009 dated March 06, 2009, and offers units for public subscription on a continuous basis. The units of the Fund can be transferred to / from other funds managed by the Management Company and can also be redeemed by surrendering to the Fund. The units are listed on Pakistan Stock Exchange Limited.
- 1.4 The Fund is purely a money market fund and has a policy to invest in short term corporate debt and government securities, repurchase agreements, term deposit and money market placements with scheduled banks, with a maximum maturity of 180 days and weighted average maturity upto 90 days. The objective of the fund is to provide competitive returns from a low risk portfolio of short duration assets while maintaining high liquidity.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2++' dated December 28, 2017 to the Management Company and has assigned stability rating of 'AAA(f)' dated July 12, 2017 to the Fund.
- 1.6 Title to the assets of the Fund is held in the name of MCB Financial Services Limited as Trustee of the Fund.

2. BASIS OF PREPARATION

- 2.1 This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of :

International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017

Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

- 2.2 This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2017.
- 2.3 The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2018 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2017, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders'

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2017.

- 2.4** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the Fund.
- 2.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund and rounded to the nearest thousand rupees, unless otherwise specified.

3. SIGNIFICANT ACCOUNTING AND CHANGES THEREIN

The accounting policies, financial risk management objectives and policies, basis of accounting estimates applied and methods of computation adopted in the preparation of the condensed interim financial statement 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 as described in notes 3.1.

- 3.1** The Securities and Exchange Commission of Pakistan (SECP) through its SRO 756(I)/2017 dated August 03, 2017 has made certain amendments in the NBFC Regulations. 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. 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 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 in the form of additional units at zero cost 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 equalization 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 net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealized appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognized in the Income 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 Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 01, 2017 as required by SECP vide its S.R.O. No. 756(I) / 2017 dated August 03, 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

Had the element of loss been recognized as per the previous accounting policy, the income of the Fund would have been lower by Rs.10.873 million. However, the change in accounting policy does not have any impact on the 'cash flow statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' which have been incorporated in these statements.

4. ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2017.

5. FINANCIAL RISK MANAGEMENT

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

6. INVESTMENTS	Note	(Un-audited) March 31, 2018 (Rupees in '000)	(Audited) June 30, 2017
6.1 Investment at fair value through profit and loss'-held for trading			
Market Treasury Bills	6.1.1	-	289,584
		<u>-</u>	<u>289,584</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

6.2.1 Market Treasury Bills - at fair value through profit or loss

Tenure	Issue Date	Face Value				As At March 31, 2018			Market value as a percentage of net assets	Market value as a percentage of total investments
		At July 01, 2017	Purchases during the period	Sales / matured during the period	As At March 31, 2018	Carrying value	Market value	Appreciation/ (Diminution)		
Treasury bills - 3 months	July 20, 2017	-	750,000,000	-	750,000,000	-	-	-	-	
Treasury bills - 3 months	April 13, 2017	25,000,000	-	25,000,000	-	-	-	-	-	
Treasury bills - 3 months	November 23, 2017	-	250,000,000	-	250,000,000	-	-	-	-	
Treasury bills - 3 months	August 31, 2017	-	450,000,000	-	450,000,000	-	-	-	-	
Treasury bills - 3 months	October 26, 2017	-	50,000,000	-	50,000,000	-	-	-	-	
Treasury bills - 3 months	January 18, 2018	-	500,000,000	-	500,000,000	-	-	-	-	
Treasury bills - 3 months	May 25, 2017	-	212,500,000	-	212,500,000	-	-	-	-	
Treasury bills - 3 months	October 12, 2017	-	2,075,000,000	-	2,075,000,000	-	-	-	-	
Treasury bills - 3 months	January 04, 2018	-	550,000,000	-	550,000,000	-	-	-	-	
Treasury bills - 3 months	April 27, 2017	100,000,000	-	100,000,000	-	-	-	-	-	
Treasury bills - 3 months	May 11, 2017	50,000,000	-	50,000,000	-	-	-	-	-	
Treasury bills - 3 months	September 28, 2017	-	500,000,000	-	500,000,000	-	-	-	-	
Treasury bills - 3 months	February 15, 2018	-	1,000,000,000	-	1,000,000,000	-	-	-	-	
Treasury bills - 3 months	August 17, 2017	-	275,000,000	-	275,000,000	-	-	-	-	
Treasury bills - 3 months	February 01, 2018	-	500,000,000	-	500,000,000	-	-	-	-	
Treasury bills - 3 months	December 07, 2017	-	300,000,000	-	300,000,000	-	-	-	-	
Treasury bills - 3 months	August 03, 2017	-	550,000,000	-	550,000,000	-	-	-	-	
Treasury bills - 3 months	July 06, 2017	-	150,000,000	-	150,000,000	-	-	-	-	
Treasury bills - 3 months	March 30, 2017	-	250,000,000	-	250,000,000	-	-	-	-	
Treasury bills - 3 months	August 31, 2017	-	500,000,000	-	500,000,000	-	-	-	-	
Treasury bills - 6 months	February 16, 2017	100,000,000	100,000,000	-	200,000,000	-	-	-	-	
Treasury bills - 6 months	January 19, 2017	16,000,000	-	16,000,000	-	-	-	-	-	
As at March 31, 2018										
As at June 30, 2017					289,595		289,584	(11)		

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	Note	(Un-audited) March 31, 2018	(Audited) 30 June, 2017
7. ADVANCES, PREPAYMENTS AND PROFIT RECEIVABLES		(Rupees in '000)	
Prepayments		7	134
Profit receivable on saving accounts		1,052	1,784
Advance against tax deducted against bank profit		262	249
Other Receivable		66	-
		1,387	2,167
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	8.1.1	1,769	1,197
Provision for Federal Excise Duty and related taxes on:	8.1.2		
-Management fee		11,933	11,933
-Sales load		-	-
Brokerage payable		12	42
Capital gain tax		199	11,404
Auditor's remuneration		409	-
Payable Payable to Pakistan Credit Rating Agency		66	-
Printing and related expenditure		35	-
Others		407	276
		14,830	24,852

8.1 Provision for Sindh Workers' Welfare Fund & Federal Excise Duty

8.1.1 There is no change in the status of the SWWF as reported in the annual financial statements of the Fund for the year ended June 30, 2017. Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2018 would have been higher by Re. 0.182 per unit (June 30, 2017 Re. 0.096 per unit).

8.1.2 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2017. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2018 would have been higher by Re.1.228 per unit (June 30, 2017: Re. 0.956 per unit).

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2018 and June 30, 2017 other than those disclosed in note 8.1

10. TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations,2008. The management intends to

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

distribute at least 90% of income to be earned during current year to the unit holders, therefore, no provision for taxation has been recorded in this condensed interim financial information.

11. EARNINGS PER UNIT

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

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, its parent and the related subsidiaries of the parent, associated companies / undertakings of the Management Company, its parents and the related subsidiaries, other funds managed by the Management Company, post employment benefit funds of the Management Company, employment funds of the parent, subsidiaries and its associated undertakings. It also includes the Central Depository Company of Pakistan Limited being the Trustee of the Fund, the directors and officers of the Management Company and any person or Company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund

Transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with the market rates.

"Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed respectively."

12.1 "The details of transactions carried out by the Fund with connected persons / related parties and balances with them at the period end, other than those which have been disclosed elsewhere in this condensed interim financial information, are as follows:"

	Unaudited	
	Nine Month Ended	
	March 31,	
	2018	2017
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited		
Remuneration of the Management Company (including indirect taxes)	4,177	7,140
Allocated expenses (including indirect taxes)	678	1,182
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	2,034	-
MCB Bank Limited		
Profit on bank deposits	212	291
Bank Charges	13	-
Purchase of securities - Face Value 125,000,000 (2017: Face value: 300,000,000)	123,466	297,980
Sale of securities - Face Value 500,000,000 (2016: Face value: 1,370,000,000)	-	1,492,757
Silk Bank Limited		
Purchase of securities - Face Value 527,500,000 (2017: Face value: Nil)	522,327	-
Arif Habib Limited - Brokerage House		
Brokerage expense*	1	19
Next Capital Limited - Brokerage House		
Brokerage expense*	3	2

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

12.2 Balance outstanding as at the period / year end are as follows:

	(Un-audited)	(Audited)
	March 31,	June 30,
	2018	2017
	(Rupees in '000)	
MCB-Arif Habib Savings and Investments Limited		
Management fee payable	263	719
Sindh sales tax payable on management fee	34	93
Allocated expenses payable	43	122
MCB Financial Services Limited		
Remuneration payable	200	-
Sindh sales tax payable on trustee fee	26	-
MCB Bank Limited		
Bank deposits**	2,232	6,499
Profit receivable on bank deposits	97	96
Next Capital Limited - Brokerage House		
Brokerage payable*	3	-

* The amount disclosed represents the amount of brokerage paid / payable 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.

** This includes Rs 2.2 million (June 30, 2017: 6.5 million) in saving accounts carrying profit at the rate of 3.75% (June 30, 2017: 3.75%) per annum.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

12.3 Transactions during the period with connected persons / related parties in units of the Fund:

	For Nine Months ended March 31, 2018							
	As at July 01, 2017	Issued for cash	Redeemed	As at March 31, 2018	As at July 01, 2017	Issued for cash	Redeemed	As at March 31, 2018
	Units ----- (Rupees in '000) -----							
Associated Companies								
Arif Habib Dolmen REIT Management Limited	2,250	-	-	2,250	113	-	-	117
Key management personnel								
	-	2,904	2,904	-	-	150	150	-
Mandate Under Discretionary Portfolio Services	146,410	-	-	146,410	7,361	-	-	7,619
Unit holders holding 10% or more units	3,645,465	5,026,790	3,999,870	4,672,385	183,292	253,915	202,761	243,136

	For Nine Months ended March 31, 2017							
	As at July 01, 2016	Issued for cash	Redeemed	As at March 31, 2017	As at July 01, 2016	Issued for cash	Redeemed	As at March 31, 2017
	Units ----- (Rupees in '000) -----							
Associated Companies								
Arif Habib Dolmen REIT Management Limited	2,121	-	-	2,121	106	-	-	113
Key management personnel								
	-	12,292	-	12,292	-	650	-	655
Unit holders holding 10% or more units	11,312,798	-	2,049,515	9,263,283	534,457	-	104,452	493,586

13. EXPENSE RATIO

Total expense ratio of the Fund is 0.89% as on March 31, 2018 (March 31, 2017: 0.54%) and this includes 0.23% (March 31, 2017: 0.17%) representing government Levy on the Fund such as Sales tax, Sindh Workers' Welfare Fund, SECP fee, etc.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

14. GENERAL

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and disclosure. No significant rearrangement or reclassification has been made in this condensed interim financial information, except for the impacts of change in accounting policies as disclosed in note 3.1.

15. DATE OF AUTHORISATION

15.1 This condensed interim financial information was authorized for issue by the Board of Directors of the Management Company on April 19, 2018.

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



Chief Executive Officer



Chief Financial Officer



Director