



MCB-ARIF HABIB
Savings and Investments Limited

AM2
BY PACRA

QUARTERLY REPORT

MARCH
2019
(UNAUDITED)

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

MCB CASH MANAGEMENT OPTIMIZER

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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
Risk Management Committee	Mr. Mirza Qamar Beg Mr. Ahmed Jahangir Mr. Nasim Beg	Chairman Member Member
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 Faysal Bank Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited Zarai Traqiati Bank Limited Habib Bank Limited National Bank of Pakistan Bank of Punjab Limited	
Auditors	A.F Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
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, 2019

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **MCB Cash Management Optimizer's** Nine Months Report for the period ended March 31, 2019.

MARKET & ECONOMIC REVIEW

Economy and Money Market Review

At the onset of the fiscal year, the economy inherited deep challenges in the form of external crisis as it was facing a huge current account deficit along with depleting foreign reserves. To cope with the underlying challenges, the central bank took major policy actions (currency depreciation of 16% along with interest rate hike of 425 bps in the current fiscal year). Stabilization efforts finally paid off as indicated by a declining current account deficit, which shrank by 22% during the first 8 months of FY19. Moreover, the recent trend is even more promising as current account deficit for Feb'19 was recorded below USD 400 million, a 3 year low.

While the government remained tentative about IMF program signup, it was able to secure funding from friendly allies which has bridged the gap in external account balance for short term. Saudi Arabia, UAE & China provided balance of payment support to the tune of USD 8 billion. Meanwhile Saudi Arabia announced USD 20 billion of investments for Pakistan, along with providing a USD 3 billion deferred credit facility for oil.

GDP growth is expected to set in a range of 2.5-3.0% as last year's record twin deficits restrict the ability of the government to carry on expansionary fiscal policies. Large scale manufacturing (LSM) is already down by 1.5% during the 7MFY19, while weak agricultural growth (cotton and wheat are expected to miss the targets) along with a considerable decline in Retail and Wholesale trade (Import Compression) will slowdown the overall aggregate demand during the current year.

Amid currency depreciation and utility prices adjustment, CPI has also indicating higher inflationary pressures and the inflation which on average has yet remained below 7% for the year but now looking to remain near 9% in coming months which is also likely to continue to remain in the next fiscal year due to utility tariff adjustments along with the lagged impact of currency depreciation. Central bank raised the interest rates by 500 bps during the current year owing to anticipated higher inflation and a weak balance of payment profile.

The government has indicated that it is close to sign the IMF program. Alongside, the government will have to address the key structural issues to tread on the path of long term sustainable economic growth.

The yield curve showed an upward trajectory during the fiscal year due to continued expectations of monetary tightening by the market participants. During the first 9 months, State Bank of Pakistan increased the policy rate by 425 bps in line with the expectations of most of the market. Several PIB auctions during the period under review had to be rejected by State Bank of Pakistan due to thin volume and participation at higher levels. Concerns over external front kept market participants at bay from longer tenor Treasury instruments similarly participation in Pakistan Investment Bonds also price in healthy liquidity premium. During the period under review, 314.38 billion worth of GOP Ijara Sukuk matured against which no fresh GOP Ijara Sukuk were issued by SBP.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 8.21% close to its benchmark return of 8.08%. As at March 31, 2019, WAM stood at 14 days in line with our view on interest rates going forward. The fund had exposure of 13.2% in term deposits with banks while exposure in cash decreased to 78.1% from 99.5%.

The Net Assets of the Fund as at March 31, 2019 stood at Rs. 11,979 million as compared to Rs. 11,993 million as at June 30, 2018 registering a decrease of -0.12%.

The Net Asset Value (NAV) per unit as at March 31, 2019 was Rs.100.9258 as compared to opening NAV of Rs. 105.9707 per unit as at June 30, 2018 registering a decrease of Rs. 5.0449 per unit.

MARKET & ECONOMY - FUTURE OUTLOOK

The tough measures taken by the incumbent government in the form of currency adjustments and monetary tightening for the purpose of reducing aggregate demand to control external imbalances is bearing fruit. The current account balance has begun to reflect the policy adjustments with the beginning 2 months of the current calendar registering decline of more than 50% in current account balance. The external account is expected to remain at sustainable levels with the impetus

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

expected to come from lagged increase in exports. The balance of payments support availed from friendly nations would be adequate to support financing of the remaining year. Subsequently, we expect normalized PKR/USD adjustment given the Real Effective Exchange Rate is close to its fundamental value.

However, the entrance into IMF program is likely to provide the much needed financial stability relative to external inflows through multilateral agencies along with better policy management related to dealing with structural issues in the economy.

In IMF program, focus is expected to shift towards fiscal side. The substantial curtailment of development budget has failed to curtail the fiscal deficit given the higher cost of borrowing for the government and sluggish performance in revenue collection due to relief in income tax, curtailment of telecom duties and import slowdown. The impact of monetary tightening is expected to be more visible in this half towards expenditures side. The revenue shortfall is expected to lead towards a fiscal deficit of more than 6% for this year. The focus of next budget is expected to be towards revenue generation measures particularly, higher taxation, duties, etc.

Inflationary pressures are expected to become more visible as reflected in the recent reading of 9.4% as lagged impacts of currency depreciation, gas price increase and electricity price adjustments are incorporated. However, most of the monetary tightening has been done to reflect the upcoming inflationary pressures and room for further tightening would remain in the range of 50 bps.

For the remaining year, the economic growth is expected to remain on a slower trajectory as currency adjustments and tighter monetary policy will rein on the consumption patterns. However, increased power supply along with the documentation of economy may provide a respite to the economic managers during this critical juncture. We share the optimism on better governance & long term prospects for economic revival amid more focused and sincere efforts to address chronic issues on economic front by the new government; however, the path is likely to be tough and with a number of potentially unpopular policy steps.

We believe equity markets preempted the economic conditions and as such it is important to consider whether all the economic developments are priced in or not. Therefore, overall valuations and fundamentals of universe companies do play an important role. The overall strategy should tilt towards defensive sectors (E&Ps, Power, Fertilizers) while sector which will benefit from changing dynamics on macro front such as rising interest rates (Commercial Banks) should be overweight. In addition to that, government's strong focus on reviving exports should provide a boost to the outlook of export oriented sectors such as Textiles & IT. Despite being negative on cyclical sectors, we believe there will be distressed assets and quality companies which should be looked into as they have a tendency to provide abnormal returns.


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, 2019



Nasim Beg
Vice Chairman / Director

کہ کچھ اثاثہ جاتی اور quality کمپنیاں مشکلات سے دوچار ہوں گی جن پر توجہ دی جانی چاہیے کیونکہ یہ غیر معمولی منافع کی صلاحیت رکھتی ہیں۔

اظہارِ تشکر

بورڈ فنڈ کے قابلِ قدر سرمایہ کاروں، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور فنڈ کے ٹرسٹیز کی مسلسل پشت پناہی اور تعاون کے لئے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز مینجمنٹ ٹیم کی کاوشوں کو بھی سراہتے ہیں۔

من جانب ڈائریکٹرز،



نسیم بیگ
وائس چیئرمین / ڈائریکٹر



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
19 اپریل، 2019ء

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 8.21% تھا جو 8.08% بیچ مارک منافع کے قریب تھا۔ 31 مارچ 2019ء کو WAM ۱۴ دنوں پر تھا جو انٹریسٹ کی بڑھتی ہوئی شرحوں پر ہمارے نظریے کے ساتھ ہم آہنگ تھا۔ فنڈ کی 13.2% شمولیت بینکوں کے ساتھ ٹرم ڈپازٹس میں تھی، جبکہ نقد میں شمولیت 99.5% سے کم ہو کر 78.1% ہو گئی۔

31 مارچ 2019ء کو فنڈ کے net اثاثہ جات 11,979 ملین روپے تھے، جو 30 جون 2018ء کی سطح 11,993 ملین روپے کے مقابلے میں 0.12% کمی ہے۔

31 مارچ 2019ء کو فنڈ کی net اثاثہ جاتی قدر (NAV) فی یونٹ 100.9258 روپے تھی، جو 30 جون 2018ء کی ابتدائی سطح 105.9707 روپے فی یونٹ کے مقابلے میں 5.0449 روپے فی یونٹ کمی ہے۔

مارکیٹ اور معیشت - مستقبل کا منظر

موجودہ حکومت نے خارجی عدم توازن پر قابو پانے کے لیے مجموعی طلب میں کمی کرنے کے مقصد سے روپے کی قدر میں کمی بیشی اور مالیاتی تنگی کی صورت میں جو سخت اقدامات کیے تھے ان کے ثمرات حاصل ہو رہے ہیں۔ موجودہ کیلنڈر کے ابتدائی دو ماہ کے ساتھ ہی کرنٹ اکاؤنٹ میں پالیسی کی تبدیلیوں کی عکاسی ہونے لگی ہے اور 50% سے زائد کمی ہوئی۔ برآمدات میں سست رفتار اضافے سے ملنے والی متوقع قوت سے خارجی اکاؤنٹ کے پائیدار سطحوں پر برقرار رہنے کی توقع ہے۔ ادائیگیوں کے توازن کے ضمن میں دوستانہ ممالک سے حاصل ہونے والا تعاون سال کے بقیہ حصے کے دوران رقم کی فراہمی کے لیے کافی ہوگا۔ بعد ازاں، Real Effective شرح مبادلہ اپنی بنیادی قدر کے قریب ہے جس کے باعث پاکستانی روپے اور امریکی ڈالر میں عمومی باہمی کمی بیشی متوقع ہے۔

آئی ایم ایف پروگرام میں توجہ کا رخ مالیاتی جانب منتقل ہونے کا امکان ہے۔ ترقیاتی بجٹ میں قابل ذکر کمی کے نتیجے میں مالیاتی خسارے میں کمی نہیں ہو سکی جس کی وجہ حکومت کے لیے حصول قرض کی بلند تر قیمت، اور آمدنی ٹیکس میں چھوٹ، ٹیلی کام محصولات میں کمی اور درآمدات میں سست روی کے باعث آمدنی جمع کرنے کی سست رفتار کارکردگی ہے۔ مالیاتی تنگی کے اثرات رواں ششماہی میں اخراجات کی جہت میں مزید ظاہر ہونے کی توقع ہے۔ کم آمدنی کے نتیجے میں رواں سال 6% سے زیادہ مالیاتی خسارہ ہونے کا امکان ہے۔ اگلے بجٹ کی زیادہ توجہ متوقع طور پر آمدنی پیدا کرنے کے اقدامات، بلند تر ٹیکس اور محصولات وغیرہ کی طرف ہوگی۔

افراط زر کے دباؤ متوقع طور پر مزید ظاہر ہوں گے جیسا کہ روپے کی قدر میں کمی کے سست رفتار اثرات، گیس کی قیمت میں اضافہ اور بجلی کی قیمت میں کمی بیشی کو شامل کرنے پر 9.4% کی حالیہ سطح سے عکاسی ہوتی ہے۔ تاہم زیادہ تر مالیاتی تنگی آئندہ افراط زر کے دباؤ کی عکاسی کے لیے کی گئی ہے، اور مزید تنگی کی وسعت 50 bps کی حد میں رہے گی۔ سال کے باقی حصے میں معاشی ترقی متوقع طور پر نسبتاً سست روی کا شکار رہے گی کیونکہ کرنسی میں کمی بیشی اور مالیاتی پالیسی میں مزید تنگی کھپت کے رجحان پر حاوی رہے گی۔ تاہم بجلی کی پہلے سے زیادہ فراہمی کے ساتھ ساتھ معیشت کی دستاویزی کی بدولت اس مشکل موڑ پر معاشی منتظمین کو سہولت فراہم ہوگی۔ نئی حکومت معاشی میدان کے دیرینہ مسائل کے حل پر توجہ دینے کی زیادہ مرکوز اور مخلص کاوشیں کر رہی ہے، چنانچہ ہم بہتر حکومت داری اور معاشی بحالی کے طویل المیعاد امکانات کے حوالے سے پُر امید ہیں؛ تاہم راستہ متوقع طور پر دشوار اور ممکنہ ناپسندیدہ پالیسی اقدامات سے پُر ہوگا۔

ہم سمجھتے ہیں کہ ایکویٹی مارکیٹس نے معاشی حالات کی قبل از وقت حفاظت کی؛ چنانچہ یہ دیکھنا ضروری ہے کہ تمام معاشی ترقیات کی قیمت کا تعین کر دیا گیا ہے یا نہیں۔ لہذا مجموعی تخمینہ جات اور عالمگیر کمپنیوں کی بنیاديات اہم کردار ادا کرتی ہیں۔ مجموعی لائحہ عمل کا جھکاؤ دفاعی شعبوں کی طرف ہونا چاہیے (E&Ps، بجلی، کھاد)، جبکہ وہ شعبے جو کلاں معاشیات کے میدان میں تبدیل ہوتے ہوئے محرکات مثلاً انٹریسٹ کی شرحوں میں اضافے سے مستفید ہوں گے (کمرشل بینک) اُن کا وزن زیادہ ہونا چاہیے۔ علاوہ ازیں، برآمدات کی بحالی پر حکومت کی بھرپور توجہ کی بدولت برآمداتی شعبوں مثلاً ٹیکسٹائل اور IT کے لیے مستقبل کے امکانات روشن ہوں گے۔ گردش شعبوں کے حوالے سے منفی سوچ کے باوجود ہم سمجھتے ہیں

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی طرف سے ایم سی بی کیش مینجمنٹ آپٹیمائزر کی 31 مارچ 2019ء کو ختم ہونے والے نو ماہ کی رپورٹ پیش خدمت ہے۔

مارکیٹ اور معیشت کا جائزہ

معیشت اور بازار زر کا جائزہ

مالی سال کے آغاز ہی سے معیشت کو کرنٹ اکاؤنٹ کے خطرے خسارے اور غیر ملکی ذخائر میں کمی کے باعث خارجی بحران کی شکل میں سنگین چیلنجز وراثت میں ملے۔ ان مسائل سے نمٹنے کے لیے مرکزی بینک نے اہم پالیسی اقدامات اٹھائے (موجودہ مالی سال میں روپے کی قدر میں 16% کمی اور انٹریسٹ کی شرح میں 425 bps اضافہ)۔ بالآخر استحکام کی کوششوں کے ثمرات حاصل ہوئے اور مالی سال 2019ء کے پہلے آٹھ ماہ کے دوران کرنٹ اکاؤنٹ کے خسارے میں 22% کمی ہوئی۔ مزید برآں، حالیہ رجحان زیادہ اُمید افزا ہے کیونکہ فروری 2019ء کا کرنٹ اکاؤنٹ کا خسارہ 400 بلین ڈالر سے کم تھا جو گزشتہ 3 برسوں کی پست ترین سطح ہے۔

اگرچہ حکومت آئی ایم ایف پروگرام کے حوالے سے غیر یقینی صورتحال سے دوچار رہی لیکن دوستانہ اتحادیوں سے رقم حاصل کرنے میں کامیاب ہوئی جس کی بدولت مختصر میعاد کے لیے خارجی اکاؤنٹ میں موجود خلا پُر ہوگئی۔ سعودی عرب، متحدہ عرب امارات اور چین نے ادائیگیوں کے توازن میں 8 بلین ڈالر تک کی معاونت فراہم کی، جبکہ سعودی عرب نے پاکستان کے لیے 20 بلین ڈالر کی سرمایہ کاریوں کے اعلان کے ساتھ ساتھ تیل کے شعبے میں 3 بلین ڈالر کی پیشگی ادائیگی کی سہولت فراہم کی۔

مجموعی ملکی پیداوار (GDP) میں 2.5 سے 3 فیصد تک ترقی متوقع ہے کیونکہ گزشتہ برس بلند ترین جڑواں خساروں کے سبب توسیعی مالیاتی پالیسیاں جاری رکھنے کی حکومتی صلاحیت متاثر ہوئی۔ وسیع پیمانے کی مینوفیکچرنگ (LSM) مالی سال 2019ء کے ساتویں ماہ میں پہلے ہی پست سطح پر ہے، جبکہ کمزور زرعی ترقی (کپاس اور گندم ہدف تک نہیں پہنچ سکیں گے) کے ساتھ ساتھ خوردہ اور تھوک تجارت میں قابل ذکر کمی (درآمداتی کمپیشن) کے باعث موجودہ سال کے دوران کل مجموعی طلب سست روی کا شکار ہوگی۔

روپے کی قدر اور بجلی اور گیس وغیرہ کی قیمتوں میں کمی کے ساتھ ساتھ CPI افراط زر کے دباؤ میں اضافے کی نشاندہی کرتا رہا ہے۔ افراط زر کا اوسط اس سال 7% سے کم رہا لیکن آنے والے مہینوں میں تقریباً 9% پر قائم رہنے کے لیے پُر امید ہے، اور توقع ہے کہ سطح بجلی اور گیس وغیرہ کی قیمتوں میں کمی پیشی کے ساتھ ساتھ روپے کی قدر میں کمی کے سبب رواثر کے باعث اگلے مالی سال میں برقرار رہے گی۔ افراط زر میں متوقع مزید اضافے اور ادائیگیوں کے توازن کی کمزور صورتحال کے باعث موجودہ سال میں مرکزی بینک نے انٹریسٹ کی شرحوں میں 500 bps اضافہ کیا۔

حکومت نے اشارہ دیا ہے کہ وہ آئی ایم ایف پروگرام پر عنقریب دستخط کرنے والی ہے۔ ساتھ ساتھ حکومت کو اہم ترین بنیادی مسائل پر توجہ دینی ہوگی تاکہ طویل المیعاد پائیدار معاشی ترقی کی راہ پر گامزن ہو سکے۔

دوران مالی سال مارکیٹ کے شرکاء کی مالیاتی تنگی کی مسلسل توقعات کے باعث پیداواری خم بلندی کی طرف گامزن رہا۔ پہلے نو ماہ کے دوران اسٹیٹ بینک آف پاکستان نے پالیسی شرح میں 425 bps اضافہ کیا جو مارکیٹ کے بڑے حصے کی توقعات کے مطابق تھا۔ زیر جائزہ مدت کے دوران پاکستان انویسٹمنٹ بانڈز کی متعدد نیلامیوں کو کمزور حجم اور بلند سطحوں پر شرکت کے باعث اسٹیٹ بینک آف پاکستان کو مسترد کرنا پڑا۔ خارجی میدان میں خدشات نے مارکیٹ کے شرکاء کو طویل المیعاد ڈریزری انسٹرومنٹس سے دور رکھا۔ زیر جائزہ مدت کے دوران 314.38 بلین مالیت کے حکومت پاکستان اجارہ سلک کی مدت مکمل ہوئی، اور ان کی جگہ اسٹیٹ بینک آف پاکستان کی طرف سے تازہ سلک جاری نہیں کیے گئے۔

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

		(Un-Audited) March 31, 2019	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	9,439,071	12,057,809
Investments	5	2,553,211	-
Advances, deposits, prepayments and other receivable		97,032	55,391
Total assets		12,089,314	12,113,200
LIABILITIES			
Payable to the Management Company		10,056	10,254
Payable to Central Depository Company of Pakistan Limited - Trustee		917	1,011
Payable to Securities and Exchange Commission of Pakistan		7,750	9,576
Accrued expenses and other liabilities	6	91,457	99,703
Total liabilities		110,180	120,544
NET ASSETS		<u>11,979,134</u>	<u>11,992,656</u>
Unit holders' fund (as per statement attached)		<u>11,979,134</u>	<u>11,992,656</u>
Contingencies and Commitments	7		
		(Number of units)	
NUMBER OF UNITS IN ISSUE		<u>118,692,535</u>	<u>113,169,596</u>
		(Rupees)	
NET ASSETS VALUE PER UNIT		<u>100.9258</u>	<u>105.9707</u>

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

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (Un-Audited) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Note	Nine months period ended		Quarter ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		(Rupees in '000)		(Rupees in '000)	
INCOME					
Capital (loss) / gain on sale of investments - net		(7,268)	7,314	6,103	6,586
Profit on term deposit and letter of placements		81,718	56,178	47,929	23,542
Profit on bank deposits		491,561	446,368	156,539	134,876
Income from government securities		343,065	62,481	88,485	44,318
Income from commercial papers		38,774	1,356	18,832	-
		947,850	573,697	317,887	209,322
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		-	38	-	38
Total income		947,850	573,735	317,887	209,360
EXPENSES					
Remuneration of Management Company		73,415	57,299	23,537	20,862
Sindh Sales tax and Federal Excise Duty on Management fee		9,544	7,449	3,060	2,712
Remuneration of Central Depository Company of Pakistan Limited - Trustee		7,890	7,095	2,314	2,522
Sindh Sales tax on remuneration of Central Depository Company of Pakistan Limited- Trustee		1,026	922	301	327
Annual fee of Securities and Exchange Commission of Pakistan		7,750	6,758	2,198	2,459
Allocated expenses and related taxes		9,018	10,182	1,858	3,705
Legal and professional		135	154	45	65
Brokerage expenses		296	197	60	117
Auditor's remuneration		792	796	340	246
Other expenses		740	578	309	272
Total operating expenses		110,606	91,430	34,022	33,287
Net income from operating activities		837,244	482,305	283,865	176,073
Provision for Sindh Workers' Welfare Fund (SWWF)	6.1	16,745	9,646	5,678	3,521
Net income for the period before taxation		820,500	472,659	278,187	172,552
Taxation	8	-	-	-	-
Net income for the period after taxation		820,500	472,659	278,187	172,552
Allocation of net income for the period:					
Net income for the period		820,500	472,659	278,187	172,552
Income already paid on units redeemed		(57,481)	(124,235)	(27,680)	(36,196)
		763,019	348,424	250,507	136,356
Accounting income available for distribution					
- Relating to capital gains		-	6,589	5,701	6,151
- Excluding capital gains		763,019	341,835	244,806	130,205
		763,019	348,424	250,507	136,356
Earnings per unit	9				

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

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2019

	Nine Months period ended		Quarter ended	
	March 31, 2019 (Rupees in '000)	March 31, 2018 (Rupees in '000)	March 31, 2019 (Rupees in '000)	March 31, 2018 (Rupees in '000)
Net income for the period after taxation	820,500	472,659	278,187	172,552
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>820,500</u>	<u>472,659</u>	<u>278,187</u>	<u>172,552</u>

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

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (Un-Audited) FOR THE NINE MONTHS ENDED MARCH 31, 2019

Note	Nine months period ended March 31, 2019			Nine months period ended March 31, 2018			
				(Rupees in '000)			
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) on FVTOCI (Previously: 'AFS')	Total
Net assets at beginning of the period	11,617,232	375,424	11,992,656	10,040,074	44,614	8,317	10,093,005
Issue of 310,184,920 units - including additional units (2018:163,222,370 units)							
- Capital value (at net asset value per unit at the beginning of the period)	29,872,047	-	29,872,047	16,409,430	-	-	16,409,430
- Element of income	45,353	-	45,353	368,630	-	-	368,630
	29,917,401	-	29,917,401	16,778,060	-	-	16,778,060
Redemption of 304,661,980 units (2018: 110,387,725 units)							
- Capital value (at net asset value per unit at the beginning of the period)	(29,316,742)	-	(29,316,742)	(11,097,742)	-	-	(11,097,742)
- Element of income	(1,633)	(57,481)	(59,114)	(99,338)	(124,235)	-	(223,573)
	(29,318,375)	(57,481)	(29,375,856)	(11,197,080)	(124,235)	-	(11,321,315)
Total comprehensive income for the period	-	820,500	820,500	-	472,659	-	472,659
Final Distribution for the year ended June 30, 2018 (including additional units) at the rate of Rs. 5.4255 per unit (Declared on July 04, 2018)	-	-	-	-	-	-	-
Interim distribution during the period (including additional units)	(283,195)	(330,807)	(614,002)	-	-	-	-
	(43,464)	(718,100)	(761,564)	-	-	-	-
	(326,659)	(228,407)	(555,066)	-	472,659	-	472,659
Net assets at end of the period	11,889,599	89,536	11,979,134	15,621,054	393,038	8,317	16,022,409
Undistributed income brought forward comprising of:							
- Realised		375,424			44,614		
- Unrealised (loss) / gain		-			-		
		375,424			44,614		
Accounting income available for distribution							
- Relating to capital gains		-			6,589		
- Excluding capital gains		763,019			341,835		
		763,019			348,424		
Cash distribution during the period		1,048,907			-		
Undistributed income carried forward		89,536			393,038		
Undistributed income carried forward							
- Realised		89,536			393,000		
- Unrealised		-			38		
		89,536			393,038		
		(Rupees)			(Rupees)		
Net assets value per unit at beginning of the period		105.9707			100.5342		
Net assets value per unit at end of the period		100.9258			104.5656		

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

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine months period ended	
	March 31, 2019	March 31, 2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	820,500	472,659
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'	7,268	(38)
Capital (loss) / gain on sale on investments - net		(7,314)
		(7,352)
	827,767	465,307
Decrease in assets		
Investments	(2,560,479)	(190,439)
Prepayments and profit receivable	(41,641)	(10,620)
	(2,602,120)	(201,059)
(Decrease) / Increase in liabilities		
Payable to Management Company	(198)	4,802
Payable to Central Depository Company of Pakistan Limited - Trustee	(94)	456
Payable to Securities and Exchange Commission of Pakistan	(1,826)	1,471
Payable Against Purchase Of Investment - money market	-	546,398
Accrued expenses and other liabilities	(8,246)	(30,578)
	(10,364)	522,549
Net cash (used in) / generated operating activities	(1,784,717)	786,797
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issuance and conversion of units (excluding additional units)	29,590,742	16,778,060
Payment against redemption and conversion of units	(29,375,856)	(11,321,315)
Distributions made during the period	(1,048,907)	-
Net cash (used in) / generated from financing activities	(834,021)	5,456,745
Net (decrease) / increase in cash and cash equivalents	(2,618,738)	6,243,542
Cash and cash equivalents at beginning of the period	12,057,809	9,307,714
Cash and cash equivalents at end of the period	9,439,071	15,551,256

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

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** MCB Cash Management Optimizer (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited), as Management Company and the Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on July 10, 2009 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 30, 2009 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, Centre Point, Off Shaheed-e-Millat Expressway, Near KPT Interchange, Karachi, Pakistan.
- 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 and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. Unit holders are divided into plan 'A' and plan 'B'. The unit holders under plan "A" are entitled for bonus units as well as cash dividend, whereas unit holders under plan "B" are entitled for cash dividend. The units are listed on Pakistan Stock Exchange (PSX). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4** The Fund primarily invests in a mix of short term corporate debt and government securities, repurchase agreements, term deposit and money market placements with scheduled banks.
- 1.5** The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2++ (AM two plus plus) dated 08 April 2019 to the Management Company and has assigned stability rating of "AA (f)" (Double A; fund rating) dated 28 December 2018 to the Fund.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

- 2.1.1** This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
 - 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 requirement of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC rules, the NBFC Regulations and requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.1.2** 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 2018.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

2.1.3 In the current year, the Fund has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after July 01, 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Fund has elected not to restate comparatives in respect of the classification and measurement of financial instruments. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2019 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2018, 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' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2018.

2.1.4 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.

2.1.5 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 state of affairs of the Fund.

2.1.6 This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 "The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 3.3."

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. 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, 2018.

3.3 Standards and amendments to published accounting and reporting standards that are effective in the current period

"Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities."

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption. There is no impact on the condensed interim income statement, condensed interim statement of comprehensive income and condensed interim cash flow statement. There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2018 that have a material effect on the condensed interim financial statements of the Fund

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

"There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2019. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements."

		(Un-Audited) March 31, 2019	(Audited) June 30, 2018
		----- (Rupees in '000) -----	
4	BALANCES WITH BANKS		
	In current accounts	4.1 7,151	9,332
	In saving accounts	4.2 9,431,920	12,048,477
		<u>9,439,071</u>	<u>12,057,809</u>

4.1 This represents balance maintained with MCB Bank Limited.

4.2 These carry profit at the rates ranging between 3.75% to 11.2 % (2018: 3.75% and 6.9%) per annum and include Rs.0.725 million maintained with MCB Bank Limited, (a related party) which carries profit at the rate of 8% per annum.

		(Un-Audited) March 31, 2019	(Audited) June 30, 2018
		----- (Rupees in '000) -----	
5	INVESTMENTS		
	Note		
5.1	Investments at fair value through profit or loss'		
	Term deposit receipts	5.1.1 1,600,000	-
	Commercial papers	5.1.2 953,211	-
	Market Treasury Bills	5.1.3 -	-
		<u>2,553,211</u>	<u>-</u>

5.1.1 Term deposit receipt:

Particulars	Profit / mark-up rates	Issue date	Maturity date	At March 31, 2019	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
----- (Rupees in '000) ----- % -----						
Habib Bank Limited	11.17%	11-Mar-19	11-Apr-19	1,200,000	10.02%	47.00%
The Bank of Punjab	11.00%	28-Jan-19	29-Apr-19	400,000	3.34%	15.67%

As at March 31, 2019

1,600,000

-

As at June 30, 2018

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

5.1.2 Commercial Papers

Particulars	Profit / mark-up rates	Issue date	Maturity date	Face Value	Amortised Cost at March 31, 2019	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
(Rupees in '000)						%	
K-Electric Limited-II	11.75%	1-Mar-19	2-Sep-19	1,000,000	953,211	7.96%	37.33%
As at March 31, 2019					953,211		
As at June 30, 2018					-		

5.1.3 Market treasury bills

Name of Security	Issue Date	Face value				As at 31 March 2019			Market value	
		As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at March 31, 2019	Carrying value	Market value	Unrealized gain / (loss)	As a percentage of net assets	As a percentage of total investments
----- (Rupees in '000) -----										
<u>Market treasury bills - 3 months</u>										
Market treasury bills	11-Oct-18	-	32,945,000	32,945,000	-	-	-	-	-	-
Market treasury bills	28-Feb-19	-	6,000,000	6,000,000	-	-	-	-	-	-
Market treasury bills	19-Jul-18	-	12,765,000	12,765,000	-	-	-	-	-	-
Market treasury bills	6-Dec-18	-	19,875,000	19,875,000	-	-	-	-	-	-
Market treasury bills	7-Jun-18	-	1,000,000	1,000,000	-	-	-	-	-	-
Market treasury bills	3-Jan-19	-	4,035,000	4,035,000	-	-	-	-	-	-
Market treasury bills	14-Feb-19	-	15,100,000	15,100,000	-	-	-	-	-	-
Market treasury bills	2-Aug-18	-	5,000,000	5,000,000	-	-	-	-	-	-
Total as at March 31, 2019						<hr/> <hr/>				
Total as at June 30, 2018						<hr/> <hr/>				

6 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-Audited) March 31, 2019	(Audited) June 30, 2018
		(Rupees in '000)	
Provision for Sindh Workers' Welfare Fund	6.1	35,452	18,708
Provision for Federal Excise Duty and related taxes on:	6.2		
-Management fee		54,267	54,267
-Sales load		19	19
Brokerage payable		32	47
Withholding Tax Payable		708	22,253
Auditor's remuneration		371	594
Printing and related expenditure		55	40
Others		553	3,775
		91,457	99,703

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

6.1 Provision for Sindh Workers' Welfare Fund

There is no change in the status of the SWWF as reported in the annual financial statements of the Fund for the year ended June 30, 2018. Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2019 would have been higher by Re.0.2987 per unit (June 30, 2018 Re.0.1653 per unit).

6.2 Federal Excise Duty and related tax payable

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2018. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2019 would have been higher by Re. 0.4572 per unit (June 30, 2018: Re. 0.4795 per unit).

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2019 and June 30, 2018.

8 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The management intends to distribute the income to be earned by the Fund during the year ending June 30, 2019 to the unit holders in cash in the manner as explained above. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

9 EARNINGS PER UNIT

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

10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the holding company of the Management Company, the Trustee, directors and key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Constitutive documents of the Fund.

The transactions with connected persons / related parties are in the normal course of business and are carried out on agreed terms at contracted rates.

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 STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019**

	<u>Nine months period ended</u> <u>March 31,</u>	
	2019	2018
	(Unaudited)	
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited		
Remuneration of the Management Company (including indirect taxes)	82,959	64,748
Allocated expenses (including indirect taxes)	9,018	10,182
	<u>Nine months period ended</u> <u>March 31,</u>	
	2019	2018
	(Unaudited)	
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	8,916	8,017
MCB Bank Limited		
Profit on bank deposits	753	258
Bank Charges	72	25
Sale of securities - Face Value Rs. 8,250,000,000 (2018: Rs. 4,015,000,000)	8,193,772	3,968,413
Silk Bank Limited		
Buy of securities - Face Value Rs. 6,950,000,000 (2018: Nil)	6,822,763	-
Sale of securities - Face Value Rs. 29,429,200,000 (2018: Rs. 8,173,000,000)	28,959,876	8,064,294
Arif Habib Limited - Brokerage House		
Brokerage expense*	-	6
Next Capital Limited - Brokerage House		
Brokerage expense*	-	31
	(Un-Audited)	(Audited)
	March 31,	June 30,
	2019	2018
	----- (Rupees in '000) -----	
10.1 Balance outstanding as at the period / year end are as follows:		
MCB-Arif Habib Savings and Investments Limited		
Management fee payable	8,594	8,027
Sindh sales tax payable on management fee	1,118	1,044
Allocated expenses payable	344	1,183
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	812	895
Sindh sales tax payable on trustee fee	105	116
MCB Bank Limited		
Bank deposits	7,876	10,050
Profit receivable on bank deposits	323	328
Arif Habib Limited - Brokerage House		
Brokerage payable*	-	7
Next Capital Limited - Brokerage House		
Brokerage payable*	-	4

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

* 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.

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

For nine months ended March 31, 2019 (Unaudited)										
As at July 01, 2018	Issued for cash	Bonus	Redeemed	As at March 31, 2019	As at July 01, 2018	Issued for cash	Bonus	Redeemed	As at March 31, 2019	
Units					(Rupees in '000)					
Associated Companies										
MCB - Arif Habib Savings and Investments Limited - Management Company	4,005,352	25,168,452	-	27,036,331	2,137,473	424,450	2,517,595	-	2,725,402	215,726
Adamjee Insurance Company Limited	2,550,579	268,484	-	-	2,819,063	270,287	13,250	-	-	284,516
Nishat Mills Limited Employees Provident Fund Trust	133,739	6,673,284	-	6,573,489	233,534	14,172	670,433	-	661,764	23,570
Adamjee Insurance Co Limited Employees Provident Fund	432,553	1,023,745	-	1,018,478	437,820	45,838	100,969	-	102,522	44,187
MCB Financial Seivces Limited	574,808	138,029	-	-	712,836	60,913	13,680	-	-	71,944
D.G. Khan Cement Company Ltd	2	0	-	-	2	-	-	-	-	-
Security General Insurance Company Ltd	-	999,135	-	999,135	-	-	100,458	-	100,638	-
Adamjee Insurance Co.Ltd. Employees Gratuity Fund	-	500,624	-	281,498	219,126	-	50,337	-	28,341	22,115
Security General Insurance Co. Ltd. Employees Provident Fund Trust	40,384	4,629	-	-	45,013	4,280	453	-	-	4,543
Key management personnel	8,771	217,465	-	158,949	67,287	929	21,832	-	15,999	6,791
Mandate Under Discretionary Portfolio Services										
	6,398,863	27,943,828	-	20,699,563	13,643,127	678,092	2,792,186	-	2,085,639	1,376,943
Unit holders holding 10% or more units*	-	55,886,106	-	34,561,415	21,324,692	-	5,619,080	-	3,490,707	2,152,211

* These persons became connected persons / related parties during the period due to acquiring unit holding of more than 10% of net assets of the Fund.

For nine months ended March 31, 2018 (Unaudited)										
As at July 01, 2017	Issued for cash	Bonus	Redeemed	As at March 31, 2018	As at July 01, 2017	Issued for cash	Bonus	Redeemed	As at March 31, 2018	
Units					(Rupees in '000)					
Associated Companies										
MCB - Arif Habib Savings and Investments Limited - Management Company	3,821,036	3,545,711	-	3,703,932	3,662,815	384,145	362,647	-	378,500	382,888
Adamjee Insurance Co. Ltd.	10,916,806	-	-	8,366,227	2,550,579	1,097,512	-	-	850,000	266,622
Nishat Mills Limited Employees Provident Fund Trust	4,820,874	4,197,433	-	7,566,948	1,451,359	484,663	429,725	-	769,020	151,716
Adamjee Life Assurance Co. Ltd.-Nuil Fund	-	96,938	-	96,938	-	-	10,000	-	10,132	-
Adamjee Insurance Co Limited Employees Provident Fund	-	432,553	-	432,553	-	44,628	-	-	-	45,216
			-	-	-			-	-	
MCB Financial Sevcies Limited	526,148	67,650	-	-	593,798	52,896	7,000	-	-	62,072
D.G. Khan Cement Company Ltd	-	2	-	-	2		0	-	-	0.22
Nishat Power Limited Employees Provident Fund Trust	88,437	19,445	-	15,752	92,130	8,891	2,006	-	1,628	9,631
Adamjee Insurance Co.Ltd. Employees Gratuity Fund	135,991	276,623	-	227,279	185,335	13,672	28,599	-	23,244	19,374
Adamjee Insurance Co.Ltd Employees Provident Fund	279,638	546,420	-	454,089	371,969	28,113	56,508	-	46,437	38,883
Security General Insurance Co. Ltd. Employees Provident Fund Trust	30,559	9,825	-	-	40,384	3,072	1,000	-	-	4,221
Key management personnel	9,713	85,517	-	85,711	9,519	976	8,847	-	8,907	995
Mandate Under Discretionary Portfolio Services	11,520,460	14,930,519	-	12,733,226	13,717,753	1,158,200	1,530,356	-	1,305,687	1,433,970
Unit holders holding 10% or more units	-	28,136,645	-	9,893,828	18,242,817	-	2,927,000	-	1,029,499	1,906,993

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

11 TOTAL EXPENSE RATIO

The total expense ratio of the Fund from July 1, 2018 to March, 2019 is 0.9%. (March 31, 2018: 0.84%) The total expense ratio includes 0.24% (March 31, 2018: 0.21%) representing government levy and SECP fee. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme for a collective investment scheme categorized as Money Market Scheme.

12. INTERIM DISTRIBUTION DURING THE PERIOD

-----March 31, 2019-----					
----- (Unaudited) -----					
	Rate per unit	Declaration date	Bonus Distribution		Total Distribution
			Units	Amount	
--- (Rupees in '000) ----					
For the period ended 5 Aug 2018	Re 0.6385	Aug 06, 2018	-	-	79,526
For the period ended 19 Aug 2018	Re 0.2540	Aug 20, 2018	-	-	29,994
For the period ended 09 Sep 2018	Re 0.3899	Sep 10, 2018	-	-	47,282
For the period ended 23 Sep 2018	Re 0.2667	Sep 24, 2018	-	-	32,015
For the period ended 05 Oct 2018	Re 0.2837	Oct 08, 2018	-	-	40,646
For the period ended 19 Oct 2018	Re 0.2986	Oct 22, 2018	-	-	44,744
For the period ended 07 Nov 2018	Re 0.3276	Nov 08, 2018	-	-	55,766
For the period ended 16 Nov 2018	Re 0.2637	Nov 19, 2018	-	-	47,899
For the period ended 07 Dec 2018	Re 0.3782	Dec 10, 2018	-	-	68,890
For the period ended 21 Dec 2018	Re 0.3604	Dec 24, 2018	-	-	63,961
For the period ended 18 Jan 2019	Re 0.7131	Jan 21, 2019	-	-	80,514
For the period ended 01 Feb 2019	Re 0.3385	Feb 04, 2019	-	-	37,586
For the period ended 15 Feb 2019	Re 0.3868	Feb 18, 2019	-	-	44,834
For the period ended 01 Mar 2019	Re 0.3667	Mar 04, 2019	-	-	44,955
For the period ended 15 Mar 2019	Re.0.3718	Mar 18, 2019	-	-	42,951
			<hr/>	<hr/>	<hr/>
			-	-	761,564

13. GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

13.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. However, no significant rearrangements or reclassifications were made in these condensed interim financial statements to report.

14. DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on April 19, 2019 by the Board of Directors of the Management Company.

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



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

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