



**Bachat** ka Doosra Naam

**Quarterly Report**  
**September 30, 2012**  
**(Unaudited)**



Funds Under Management  
of  
Arif Habib Investments Limited (A subsidiary of MCB Bank Limited)

**MCB**  
**CASH MANAGEMENT OPTIMIZER**

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# FUND'S INFORMATION

<b>Management Company</b>	Arif Habib Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
<b>Board of Directors of the Management Company</b>	Mian Mohammad Mansha Mr. Nasim Beg Mr. Yasir Qadri Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Mahmood Ahmad	Chairman(subject to the approval of SECP) Executive Vice Chairman Chief Executive Officer (subject to the approval of SECP) Director (subject to the approval of SECP) Director (subject to the approval of SECP) Director (subject to the approval of SECP) Director Director (subject to the approval of SECP)
<b>Audit Committee</b>	Mr. Haroun Rashid Mr. Nasim Beg Mr. Samad A. Habib Mr. Ali Munir	Chairman Member Member Member
<b>Human Resource Committee</b>	Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jehangir Mr. Yasir Qadri	Chairman Member Member Member Member
<b>Company Secretary &amp; CFO of the Management Company</b>	Mr. Muhammad Saqib Saleem	
<b>Trustee</b>	Central Depository Company of Pakistan Limited CDC House, 990B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi-74400	
<b>Bankers</b>	MCB Bank Limited Habib Metro Bank Limited Bank Al-Falah Limited Habib Bank Limited Faysal Bank Limited United Bank Limited National Bank of Pakistan Standard Chartered Bank Pakistan Limited Allied Bank Limited Askari Bank Limited	
<b>Auditors</b>	KPMG Taseer Hadi & Co. Chartered Accountants 1st Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road, Karachi - 75530	
<b>Legal Advisor</b>	Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
<b>Transfer Agent</b>	Arif Habib Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
<b>Rating</b>	AM2 - Management Quality Rating assigned by PACRA	

# REPORT TO THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2012

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present MCB Cash Management Optimizer's accounts review for the first quarter ended September 30th 2012.

## ECONOMY AND MONEY MARKET OVERVIEW

On the macroeconomic front, CPI inflation continued to maintain its downward trajectory amid lower food inflation and gas prices with 1Q FY13 CPI inflation averaging at 9.2%. Although current account balance remained comfortable during 2MFY13 with a sizeable surplus of US\$ 919 million courtesy release of coalition support fund proceeds by the US, weaker financial and capital account coupled with sizeable repayments (including IMF) continued to put pressure on the FX reserves, which eventually came down to below US\$ 14.5 billion. On the fiscal front, the government has continued to rely on domestic sources of funding with YTD GoP borrowing from banking system has risen to PKR 173 billion by Sep'28 2012. Taking comfort from benign CPI inflation and release of CSF payments by the US as well as the need to stimulate real economic engine & private investments in the country, the State Bank of Pakistan lowered its policy discount rate by 150 bps to 10.5% in its Aug'12 monetary policy statement.

In the money market, short term market rates remained largely on the higher side amid tight liquidity scenario in the system with few exceptions where the market witnessed floors also. The SBP has continued to inject significant amount of liquidity in the system through OMOs during the quarter. Given a downward trajectory in YoY CPI inflation coupled with SBP monetary easing stance, the yield curve has adjusted significantly downwards during the period. 1 year PKRV adjusted downwards by 198 bps to 10.0%, while longer tenure 10 year PKRV adjusted downwards by 182 bps to 11.5% during the quarter under review.

## FUND PERFORMANCE

During the quarter under review, the fund generated an annualized return of 10.9% as against its benchmark return of 5.9%, an out performance of 5.0%. The fund increased its portfolio WAM significantly to around 70-90 days range in order to take advantage of the monetary easing by the SBP.

The fund was around 82% invested in T-Bills at the quarter-end while the rest was placed in TDRs, cash and bank deposits.

The Net Asset of the Fund as at September 30, 2012 stood at Rs.9,529 million as compared to Rs 18,971 million as at June 30 2012 registering a decrease of 49.77%

The Net Asset Value (NAV) per unit as at September 30, 2012 was Rs. 100.2412 as compared to opening NAV of Rs. 100.1703 per unit as at June 30, 2012 registering an increase of Re. 0.0709 per unit

## Income Distribution

During the Quarter The Management Company has announced the following interim distribution

Date of distribution	Per unit distribution
28-Sept-2012	2.6745

## FUTURE OUTLOOK

Taking comfort from lower CPI inflation trajectory, the Central bank has decided to lower its policy discount rate further by 50 bps to 10.0% in its Oct'12 monetary policy statement. Going forward, we believe that the sustainability of external account, in addition of lower inflation, would be a key factor in shaping up interest rate direction. The Government bond market, however, is likely to remain active going forward as single digit range of YoY CPI Inflation for at least next few months would keep market players' expectations of downward yield curve adjustment intact.

In this fast changing interest rate environment, the fund would deploy its assets in attractive low risk instruments with a strong focus on its portfolio's duration to take advantage of the changing interest rate scenario.

## 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,

**Yasir Qadri**  
Chief Executive Officer  
Dated: October 25, 2012

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2012

	Note	Un-Audited Sept 30, 2012 ----- (Rupees in '000) -----	Audited June 30, 2012 -----
<b>ASSETS</b>			
Bank balances		1,553,607	2,770,702
Investments	4	8,298,972	13,465,964
Term Deposit Receipts	5	250,000	2,785,000
Profit and other receivables		8,393	42,431
Preliminary expenses and floatation costs		1,995	2,246
<b>Total assets</b>		<b>10,112,967</b>	<b>19,066,343</b>
<b>LIABILITIES</b>			
Payable to the Management Company	6	10,724	21,715
Payable to the Trustee		738	1,248
Payable to the Securities and Exchange Commission of Pakistan		2,306	9,772
Payable against purchase of investments		495,656	-
Accrued and other liabilities		74,549	62,245
<b>Total liabilities</b>		<b>583,972</b>	<b>94,980</b>
<b>NET ASSETS</b>		<b>9,528,995</b>	<b>18,971,363</b>
Unit holders' fund (as per statement attached)		<b>9,528,995</b>	<b>18,971,363</b>
<b>(Number of units)</b>			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>95,060,656</b>	<b>189,391,069</b>
<b>(Rupees)</b>			
<b>NET ASSET VALUE PER UNIT</b>		<b>100.24</b>	<b>100.17</b>

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

  
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Chief Executive Officer

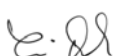
For Arif Habib Investments Limited  
(Management Company)

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

## FOR THE QUARTER ENDED SEPTEMBER 30, 2012

	Note	September 30, 2012	September 30, 2011
		----- (Rupees in '000) -----	
<b>INCOME</b>			
Capital gain on sale of investments		12,696	28,143
Income from government securities		318,254	326,765
Income on Reverse Repo		256	-
Profit on bank deposits and term deposit receipts		30,583	46,873
		361,789	401,782
Net unrealised appreciation on re-measurement of investments classified as ' financial assets at fair value through profit or loss'		21,534	(30,385)
		383,323	371,396
<b>EXPENSES</b>			
Remuneration of the Management Company		41,976	42,491
Remuneration of the Trustee		2,555	2,339
Annual fee - Securities and Exchange Commission of Pakistan		2,306	2,075
Brokerage and settlement charges		269	426
Amortisation of preliminary expenses and floatation costs		252	252
Auditors' remuneration		308	221
Other expenses		205	263
		47,871	48,067
<b>Net income from operating activities</b>		335,452	323,329
Element of (loss) and capital (losses) included in the prices of units issued less those in units redeemed		(75,752)	(64,525)
Provision for Workers' Welfare Fund	7	5,196	(4,284)
<b>Net income for the period before taxation</b>		254,505	254,521
Taxation	8	-	-
<b>Net income for the period after taxation</b>		254,505	254,521
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		254,505	254,521
<b>Earnings per unit</b>	9		
The annexed notes form an integral part of these financial statements.			

  
 Chief Executive Officer

For Arif Habib Investments Limited  
(Management Company)

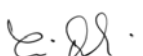
  
 Director

# CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

## FOR THE QUARTER ENDED SEPTEMBER 30, 2012

	September 30, 2012	September 30, 2011
	----- (Rupees in '000) -----	
Net Income brought forward	32,255	25,946
Interim distributions during the period ended September 30:		
- Cash distribution	(5,330)	(60,096)
- Bonus distribution	(242,437)	(209,841)
Element of (loss) / income and capital (losses) / gains included in the prices of units issued less those in units redeemed - amount forms part of the unit holders' fund	(16,064)	4,755
Total comprehensive income for the period	254,505	254,521
<b>Undistributed income carried forward</b>	<b>22,928</b>	<b>15,284</b>

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

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

For Arif Habib Investments Limited  
(Management Company)

  
\_\_\_\_\_  
Director



**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2012**

	September 30, 2012	September 30, 2011
	----- (Rupees in '000) -----	
<b>Net asset at the beginning of the period</b>	<b>18,971,363</b>	<b>10,393,121</b>
Issue of 43,542,850 units (September 30, 2011: 48,020,189 units)	<b>4,409,512</b>	4,871,638
Issue of 2,420,245 bonus units (September 30, 2011: 2,098,413 Bonus Units)	<b>242,437</b>	209,841
Redemption of 140,293,508 units (September 30, 2011: 69,123,069 units)	<b>(14,176,806)</b>	(7,051,206)
	<b>(9,524,858)</b>	(1,969,727)
Element of loss and capital losses included in prices of units issued less those in units redeemed	<b>75,752</b>	64,525
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	<b>21,534</b>	(30,385)
Capital gain on sale of investments	<b>12,696</b>	28,143
Other operating income	<b>220,274</b>	256,763
Net income for the period	<b>254,505</b>	254,521
Interim distributions during the period ended September 30, 2012:		
- Cash distribution	<b>(5,330)</b>	(60,096)
- Bonus distribution	<b>(242,437)</b>	(209,841)
<b>Net assets as the close of the period</b>	<b>9,528,995</b>	<b>8,472,503</b>

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

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

For Arif Habib Investments Limited  
(Management Company)

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

## FOR THE QUARTER ENDED SEPTEMBER 30, 2012

	Note	September 30, 2012	September 30, 2011
----- (Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		254,505	254,521
<b>Adjustments for non-cash charges and other items:</b>			
Capital gain on sale of investments		(12,696)	(28,143)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(21,534)	30,385
Amortisation of preliminary expenses and floatation costs		252	252
Element of losses and capital losses included in prices of units issued less those in units redeemed		75,752	64,525
		<u>296,278</u>	<u>321,540</u>
<b>(Increase) / decrease in assets</b>			
Investments - net		(2,530,727)	4,822,059
Other receivables		34,038	29,275
		<u>(2,496,689)</u>	<u>4,851,334</u>
<b>Increase / (decrease) in liabilities</b>			
Payable to the Management Company		(10,991)	1,919
Payable to the Trustee		(510)	(6)
Payable to the Securities and Exchange Commission of Pakistan		(7,466)	(4,783)
Accrued and other liabilities		502,630	32,361
		<u>483,662</u>	<u>29,491</u>
<b>Net cashflow used in operating activities</b>		<u>(1,716,749)</u>	<u>5,202,365</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from issue of units		4,409,512	4,871,638
Net payments on redemption of units		(14,176,806)	(7,051,206)
Cash dividend paid		-	(60,096)
<b>Net cash generated from financing activities</b>		<u>(9,767,294)</u>	<u>(2,239,664)</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>		<u>(11,484,043)</u>	<u>2,962,701</u>
<b>Cash and cash equivalents at the beginning of the period</b>		<u>16,329,963</u>	<u>4,547,176</u>
<b>Cash and cash equivalents at the end of the period</b>	10	<u><u>4,845,920</u></u>	<u><u>7,509,877</u></u>

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

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

For Arif Habib Investments Limited  
(Management Company)

  
\_\_\_\_\_  
Director

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2012**

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**1 LEGAL STATUS AND NATURE OF BUSINESS**

MCB Cash Management Optimizer (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 Asset Management Company Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.

Based on shareholders' resolutions of MCB-AMC and Arif Habib Investments Limited (AHI) the two companies have merged as of 27th June 2011 through operation of an order from the SECP issued under Section 282L of the Companies Ordinance 1984 (Order through letter no. SCD/NBFC-II/MCBAMCL & AHIL/271/2011 dated June 10, 2011 ). AHI being a listed company is the surviving entity and in compliance of SBP's approval, it is a subsidiary of MCB Bank. However subsequent to the completion of the merger, the SECP issued an order postponing the effective date of the merger to 30th July 2011 (through letter no. SCD/PR & DD/AMCW/MCB-AMCL & AHI/348/2011 dated June 27, 2011). Since the merger had already taken place and the subsequent order of the SECP could not be complied with, the Company has sought a ruling by the honourable SHC. The honourable SHC has held the SECP's subsequent order in abeyance and instructed SECP to treat the companies as merged pending a final ruling. Irrespective of the final ruling, the Fund's assets and NAV remain unaffected.

**1.1** The Management Company of the Fund has been licensed to act as Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi.

**1.2** The Fund is an open end mutual fund 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 the Lahore Stock Exchange.

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.

**1.3** The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2 to the Management Company and a fund stability rating of AA(f) to the Fund.

**2 Statement of compliance**

**2.1** These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'.

**2.2** These condensed interim financial statements are unaudited.

**2.3** The directors of the asset management company declare that these financial statements give a true and fair view of the Fund.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2012.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2012**

Note                      September 30,                      June 30  
2012                      2012  
----- (Rupees in '000) -----

**4 INVESTMENTS**

Financial assets at fair value through profit or loss - held for trading

- Investment in government securities	4.1	8,298,972	12,917,014
- Pakistan Investment Bonds		-	548,950
		<u>8,298,972</u>	<u>13,465,964</u>

**4.1 Financial assets at fair value through profit or loss - held for trading**  
**- Investment in government securities - Market Treasury Bills**

Government securities	Face Value					Balance as at September 30, 2012			Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 1, 2012	Purchased during the period	Disposed	Matured	As at Sept 30, 2012	Carrying Value	Market value	Appreciation / (diminution)		
	Rupees in '000									
Treasury Bills - 1 year	1,120,740	12,360,050	7,417,900	2,052,090	4,010,800	3,933,782	3,940,608	6,826	41.35%	47.48%
Treasury Bills - 6 months	1,039,000	7,636,095	2,918,500	1,825,095	3,931,500	3,803,426	3,818,122	14,695	40.07%	46.01%
Treasury Bills - 3 months	10,868,000	13,653,405	20,057,500	3,918,905	545,000	540,230	540,243	12	5.67%	6.51%
Totals - September 30, 2012						8,277,438	8,298,972	21,534	87.09%	100%
Totals: June 30, 2012						1,280,352	12,917,014	36,662	68.08%	95.92%

**- Investment in government securities - Pakistan Investment Bond**

Government securities	Face Value					Balance as at September 30, 2012			Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 1, 2012	Purchased during the period	Disposed	Matured	As at Sept 30, 2012	Carrying Value	Market value	Appreciation / (diminution)		
	Rupees in '000									
PIB - 3 years	550,000	-	550,000	-	-	-	-	-	0.00%	0.00%
Totals - September 30, 2012						-	-	-	-	-
Totals: June 30, 2012						548,892	548,950	58	2.89%	4.08%

September 30,                      June 30  
2012                      2012  
----- (Rupees in '000) -----

**5 TERM DEPOSIT RECEIPTS**

Term Deposit Receipts	<u>250,000</u>	2,785,000
	<u>250,000</u>	<u>2,785,000</u>

**6 Payable to the Management Company**

Management Company's remuneration	9,127	36,630
Sindh Sales Tax on Management Company's remuneration	1,460	5,861
Sales load payable to management company	136	-
	<u>10,724</u>	<u>42,491</u>

During the period Securities and Exchange Commission of Pakistan approve first supplemental offering document. As per the amended offering document front end load of 0.75% is charged with effect from September 04, 2012.

**7 PROVISION FOR WORKERS' WELFARE FUND**

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

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2012**

During the year ended June 30 2011, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the SHC.

However, considering the unit holding structure of the Fund which is highly concentrated on few large ticket investors coupled with the recent changes in tax laws, the Management Company, as a matter of abundant caution and in order to protect the interests of small investors/unit holders, has decided to retain and continue to charge provision for WWF.

During the quarter the Fund charged Rs.5.196 million on account of WWF. The aggregate amount of WWF charged as on September 30, 2012 is Rs. 66.557 million. If the same were not made the NAV of the fund would have been higher by Rs. 0.7002 per unit.

**8 TAXATION**

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current year as the Management Company has distributed at least 90 percent of the Fund's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its unit holders.

**9 EARNINGS / (LOSS) 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.

	<b>September 30, 2012</b>	<b>September 30, 2011</b>
	----- (Rupees in '000) -----	
<b>10 CASH AND CASH EQUIVALENTS</b>		
Bank balances	1,553,607	1,842,277
Term Deposit Receipts	250,000	5,267,600
Treasury bill	3,042,313	400,000
	<b>4,845,920</b>	<b>7,509,877</b>

**11 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES**

- 11.1** Connected persons of the Fund include the Management Company, other collective investment, schemes being managed by the Management Company, MCB Bank Limited being the parent company of the Management Company, the Trustee, directors and key management personnel, other associated undertaking and investors holding 10% or more units of the Fund.
- 11.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 11.3** Remuneration payable to the Management Company and the fee payable to the Trustee are determined in accordance with the provisions of the NBFC Rules 2003, the NBFC Regulations 2008 and Trust Deed respectively.
- 11.4** 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:

	<b>September 30, 2012</b>	<b>September 30, 2011</b>
	----- (Rupees in '000) -----	
<b>Transactions with connected persons during the period</b>		
<b>MCB Bank Limited</b>		
Profit received on deposit accounts	6,450	13,380
Redemption of units: 69,330,200 units (Sept 2011: Nil units)	6,966,083	-
<b>Arif Habib Investment Limited</b>		
Remuneration of the Management Company	41,976	42,491
Issue of bonus units: nil (Sept 2011: 19,077 units)	-	1,908
Redemption of units: 145,512 units (Sept 2011: Nil units)	14,698	-
Sale load payable	136	-
<b>Staff Provident Fund of Management Company</b>		
Issue of bonus units: 118 (Sept 2011: 679 units)	12	68
Redemption of units: 19,750 (Sept 2011: 4,465 units)	2,000	450

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2012**

	September 30, 2012	September 30, 2011
	----- (Rupees in '000) -----	
<b>Central Depository Company of Pakistan Limited-Trustee</b>		
Fee charged during the period	2,555	2,339
<b>Adamjee Insurance Company Limited</b>		
Issue of units: 11,468,105 (Sept 2011: 16,689,450 units)	1,173,954	1,700,000
Issue of bonus units: 209,036 (Sept 2011: 136,087 units)	20,939	13,609
Redemption of units: 8,411,638 (Sept 2011: 21,967,451 units)	858,267	2,250,000
<b>Adamjee Life Assurance Comapany Limited</b>		
Issue of units: 205,207 (Sept 2011: 33,848 units)	20,960	3,400
Issue of bonus units: 10,708 (Sept 2011: 1,848 units)	1,072	185
Redemption of units: 159,443 (Sept 2011: 9,932 units)	16,300	1,000
<b>Pakistan Petroleum Limited</b>		
Issue of units: 1,364 (Sept 2011: Nil units)	137	-
Issue of bonus units: 323,725 (Sept 2011: 339,978 units)	32,428	33,998
Redemption of units: Nil (Sept 2011: Nil units)	-	-
<b>Key Management Personnel</b>		
Issue of units: 33,085 (Sept 2011: 14,129 units)	3,395	1,425
Issue of bonus units: 2,107 (Sept 2011: 742 units)	211	74
Redemption of units: 68,738 (Sept 2011: 12,220 units)	6,975	1,246
	September 30 2012	June 30 2012
	----- (Rupees in '000) -----	
<b>11.5 Amount outstanding as at period end</b>		
<b>MCB Bank Limited</b>		
Bank balance	93,909	119,348
Profit receivable on deposit accounts	4,372	2,404
Units held: Nil ( June 30, 2012: 69,330,201)	-	6,944,827
<b>Arif Habib Investments Limited</b>		
Remuneration payable to the Management Company	10,588	21,715
Sale load payable to management company	136	
Units held: Nil (June 30, 2012: 145,512)	-	14,576
<b>Central Depository Company of Pakistan Limited-Trustee</b>		
Fee payable	738	1,248
<b>Staff Provident Fund of Management Company</b>		
Units held: 4,528 (June 30, 2012: 24,161)	454	2,420

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2012**

	<b>September 30 2012</b>	<b>June 30 2012</b>
	----- (Rupees in '000) -----	
<b>Adamjee Insurance Company Limited</b>		
Units held: 8,038,273 (June 30, 2012: 1,002,404)	<b>805,766</b>	100,411
<b>Adamjee Life Assurance Comapany Limited</b>		
Units held: 411,773 (June 30, 2012: 4,125,666)	<b>41,277</b>	413,269
<b>Pakistan Petroleum Limited</b>		
Units held: 12,448,506 (June 30, 2012: 12,123,416)	<b>1,247,853</b>	1,213,725
<b>Key Management Personnel</b>		
Units held : 81,054 (June 30, 2012: 75,307)	<b>8,125</b>	7,544

**12 DATE OF AUTHORISATION FOR ISSUE**

These financil statements were authorised for issue on **October 25, 2012** by the Board of Directors of the Management Company.

**13 GENERAL**

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

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

**For Arif Habib Investments Limited  
(Management Company)**

  
\_\_\_\_\_  
Director

Please find us on



by typing: **Bachat Ka Doosra Naam**

**Arif Habib Investments Limited (A subsidiary of MCB Bank Limited)**

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