



**Bachat** ka Doosra Naam

# Quarterly Report

March 31, 2013  
(Unaudited)



Funds Under Management  
of  
Arif Habib Investments Limited



# **Vision**

To become synonymous with Savings.

# **Mission**

To become a preferred Savings and Investment Manager in the domestic and regional markets, while maximizing stakeholder's value.

# **Core Values**

The Company takes pride in its orientation towards client service. It believes that its key success factors include continuous investment in staff, systems and capacity building, and its insistence on universal best practices at all times.



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**MCB**  
**DYNAMIC CASH FUND**

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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 &amp; Remuneration Committee</b>	Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Yasir Qadri	Chairman Member Member Member Member
<b>Company Secretary &amp; Chief Operating Officer</b>	Mr. Muhammad Saqib Saleem, ACA	
<b>Chief Financial Officer</b>	Mr. Umair Ahmed, ACA	
<b>Trustee</b>	Central Despository 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 Bank Al-Falah Limited Habib Metropolitan Bank Limited Faysal Bank Limited NIB Bank Limited Allied Bank Limited Bank Islami Pakistan Limited	
<b>Auditors</b>	M. Yousuf Adil Saleem & Co. Chartered Accountant Cavish Court, 8-35 Block 7-8 KUSHU, Shara-e-Faisal Karachi	
<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 OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Dynamic Cash Fund's** accounts review for the nine months ended March 31st 2013.

## ECONOMY AND MONEY MARKET OVERVIEW

On the macroeconomic front, Mar' 13 YoY CPI inflation of 6.57% was lowest since Aug'07, with 9M FY13 average CPI at 7.98%.CPI inflation may dip further in April and remain in the lower range for the next few months. However, with the base effect neutralizing CPI would start rising again expectedly towards the later part of the year. On the other hand, external current account had witnessed significant pressures during the past few months and changed its course during Feb'13 by posting a CA Deficit of US\$ 596 million - taking the 8M FY13 CAB to a deficit of US\$ 700 million. FX reserves continued to remain under pressure amid weaker financial account flows and heavy debt repayments including that of IMF during Mar' 13- touching US\$ 12.37 billion mark, as of Mar' 22 2013. On the fiscal front, the government's reliance on domestic sources for fiscal funding has continued with YTD borrowing from banking system stood at an alarming level of PKR 937billion by Mar'22 2013. With stressing its concerns on the external and fiscal accounts, the State Bank of Pakistan took comfort from declining inflationary trend and lowered its policy discount rate cumulatively by 250 bps to 9.5% during the period under review.

The short term money market rates remained in the higher range during most part of the period owing to relatively tight liquidity position in the system with few exceptions where the market witnessed floors also. SBP continued to inject sizeable amount through Open Market Operations to provide needed liquidity in the market. 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 246 bps to 9.51%, while longer tenure 10 year PKRV adjusted downwards by 139 bps to 11.89% during the period under review.

## FUND PERFORMANCE

During the quarter under review, the fund generated an annualized return of 10.2% as against its benchmark return of 10%.

In order to capitalize on the declining interest rate scenario that lasted up to the end of HY13, fund increased its portfolio duration by increasing allocation in PIBs and longer tenure T-Bills. After realizing the capital gains, the fund gradually started to switch its exposure from PIBs to short-end papers. At period-end, the fund was 12.7% invested in PIBs and 19.7% in GoP Ijarah Sukuk and 16.6% in TFCs.

The Net Asset of the Fund as at March 31, 2013 stood at Rs.11.5835 billion as compared to Rs.6.6962 billion as at June 30, 2012 registering an increase of 72.99%.

The Net Asset Value (NAV) per unit as at March 31, 2013 was Rs. 101.59 as compared to opening NAV of Rs.101.45 per unit as at June 30, 2012 registering an increase of Rs. 0.14 per unit.

## Income Distribution

During the period The Management Company has announced the following interim distribution:

Date of distribution	Per unit distribution
September 27, 2012	3.0133
December 26, 2012	2.4902
March 26, 2013	1.9045

# **REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013**

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## **FUTURE OUTLOOK**

Going forward despite continued lower range of CPI inflation, further rate cut seems a distant possibility given deteriorating fiscal and external accounts, significant IMF repayments ahead and alarming monetary growth - while the potential return to the IMF may result in a cycle of monetary tightening by end of 2Q CY13. Government bond market, which remained active for last few months on the back of soft inflation numbers and expected monetary easing, has started to become relatively less active, especially on the longer end, with the anticipation of no rate cut and possible rate hikes in the next 2-4 months. In this backdrop, the activities are expected to be concentrated at short-end Treasury Bills going forward. In a fast changing interest rate environment, the fund would continue to maintain its focus on the credit quality of the portfolio while exploiting attractive opportunities in the market.

## **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: April 24, 2013

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2013

	Note	Un-audited March 31, 2013 ----- (Rupees in '000) -----	Audited June 30, 2012 ----- (Rupees in '000) -----
<b>Assets</b>			
Balances with banks		852,032	2,147,211
Investments	5	10,673,087	4,505,117
Profit and other receivables	6	153,414	115,214
Security deposits and prepayments		3,360	3,299
<b>Total assets</b>		<b>11,681,893</b>	<b>6,770,841</b>
<b>Liabilities</b>			
Payable to Arif Habib Investments Limited - Management Company		16,840	9,530
Payable to Central Depository Company - Trustee		814	515
Annual fee payable to the Securities and Exchange Commission of Pakistan		4,828	4,388
Accrued expenses and other liabilities	7	75,957	60,195
<b>Total liabilities</b>		<b>98,439</b>	<b>74,628</b>
<b>NET ASSETS</b>		<b>11,583,454</b>	<b>6,696,213</b>
<b>Unit holders' fund</b>		<b>11,583,454</b>	<b>6,696,213</b>
(Number of units)			
Number of units in issue		114,025,991	66,006,910
----- (Rupees) -----			
Net assets value per unit (Face value per unit Rs. 100/- each)		<b>101.59</b>	101.45

The annexed notes form an integral part of this condensed interim financial information.

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

For Arif Habib Investment Limited  
(Management Company)

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

		Nine Months ended March 31,		Quarter ended March 31,	
	Note	2013	2012	2013	2012
		------(Rupees in '000)-----			
<b>Income</b>					
Income from government securities		406,850	278,006	167,265	93,325
Income from term finance certificates		209,147	174,967	63,937	68,857
Capital gain / (loss) on sale of investments		84,900	797	(5,639)	(9,092)
Profit on bank deposits and term deposit receipts		102,586	94,757	40,823	32,153
Income from money market placements		-	4,194	-	4,121
		803,483	552,721	266,386	189,364
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.3.7	20,505	22,484	(27,473)	24,705
(Provision) / Reversal against debt securities	5.3.5	(72,687)	(47,097)	19,593	(26,833)
<b>Total income</b>		751,301	528,108	258,506	187,236
<b>Operating expenses</b>					
Remuneration of the Arif Habib Investments Limited - Management Company		96,560	62,306	39,551	22,615
Sales tax on remuneration of the Management Company		15,450	9,969	6,329	3,618
Remuneration of the Central Depository Company - Trustee		5,707	4,109	2,240	1,453
Annual fee - Securities and Exchange Commission of Pakistan		4,828	3,116	1,978	1,130
Securities transaction cost		1,329	971	468	281
Amortisation of preliminary expenses and floatation costs		-	1,526	-	366
Auditors' remuneration		820	779	254	260
Other expenses		813	885	309	249
<b>Total operating expenses</b>		125,507	83,661	51,129	29,972
<b>Net income for the period</b>		625,794	444,447	207,377	157,264
Element of income / (loss) and capital gains / included in the prices of units issued less those in units redeemed		42,977	13,819	15,095	7,152
Provision for Workers' Welfare Fund	7.1	(13,375)	(1,756)	(4,449)	-
<b>Net income for the period before taxation</b>		655,396	456,510	218,023	164,416
Taxation	8	-	-	-	-
<b>Net income for the period after taxation</b>		655,396	456,510	218,023	164,416
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		655,396	456,510	218,023	164,416
Earnings per unit	9				

The annexed notes form an integral part of this condensed interim financial information.

  
Chief Executive Officer

For Arif Habib Investment Limited  
(Management Company)

  
Director

# CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

	Nine Months ended March 31,		Quarter ended March 31,	
	2013	2012	2013	2012
	----- (Rupees in '000) -----			
<b>Undistributed income brought forward</b>	<b>95,555</b>	<b>65,630</b>	<b>144,171</b>	<b>196,247</b>
Interim distribution for the quarter ended September 30, 2012 at Rs 3.0133 per unit (2011: 3.3774) (Date of distribution September 28, 2011)				
- Cash	-	(13,793)	-	-
- Bonus	(201,680)	(156,301)	-	-
Interim distribution for the half year ended December 31, 2012 at Rs 2.4902 per unit (2011: 3.4026) (Date of distribution December 27, 2012)				
- Cash	-	(23,698)	-	(23,698)
- Bonus	(225,497)	(173,811)	-	(173,811)
Interim distribution for the nine months ended March 31, 2013 at Rs 1.9045 per unit (2012: 1.6677) (Date of distribution March 26, 2013)				
- Cash	-	(11,623)	-	(11,623)
- Bonus	(212,372)	(92,963)	(212,372)	(92,963)
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - amount that forms part of the unit holders' fund	<b>69,489</b>	<b>18,846</b>	<b>31,069</b>	<b>10,229</b>
Total comprehensive income for the period	<b>655,396</b>	<b>456,510</b>	<b>218,023</b>	<b>164,416</b>
<b>Undistributed income carried forward</b>	<b>180,891</b>	<b>68,797</b>	<b>180,891</b>	<b>68,797</b>

The annexed notes form an integral part of this condensed interim financial information.

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

For Arif Habib Investment Limited  
(Management Company)

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

	Nine Months ended March 31,		Quarter ended March 31,	
	2013	2012	2013	2012
	------(Rupees in '000)-----			
<b>Net assets at beginning of the period</b>	<b>6,696,213</b>	<b>5,019,700</b>	<b>9,399,793</b>	<b>5,800,841</b>
Issue of 85,150,597 units (2012: 48,015,136 units) and 39,246,859 units (2012: 14,527,827 units) for the nine months and quarter respectively	<b>8,542,205</b>	4,926,058	<b>3,828,445</b>	1,492,351
Redemption of 43,435,781 units (2012: 37,977,702 units) and 19,870,852 units (2012: 9,311,526 units) for the nine months and quarter respectively	<b>(4,267,383)</b>	(3,893,867)	<b>(1,847,712)</b>	(969,667)
Issue of 1,988,029 bonus units in respect of interim distribution for the quarter ended September 30, 2012	<b>201,680</b>	-	-	-
Issue of 2,222,806 bonus units in respect of interim distribution for the half year ended December 31, 2012	<b>225,497</b>	-	-	-
Issue of 2,093,430 bonus units in respect of interim distribution for the nine months ended March 31, 2013	<b>212,372</b>	-	<b>212,372</b>	-
Issue of 4,188,871 bonus units relating to the period ended March 31, 2012	-	423,075	-	266,774
	<b>4,914,371</b>	1,455,266	<b>2,193,105</b>	789,458
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed				
- amount representing (income) / loss and capital (gains) - transferred to income statement	<b>(42,977)</b>	(13,819)	<b>(15,095)</b>	(7,152)
- amount representing (income) / loss that forms part of unit holders'- fund transferred to distribution statement	<b>(69,489)</b>	(18,846)	<b>(31,069)</b>	(10,229)
	<b>(112,466)</b>	(32,665)	<b>(46,164)</b>	(17,381)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing unrealised income	<b>69,489</b>	18,846	<b>31,069</b>	10,229
<b>Net income for the period</b>	<b>655,396</b>	456,510	<b>218,023</b>	164,416
Interim distribution for the quarter ended September 30, 2012 at Rs 3.0133 per unit (2011: 3.3774) (Date of distribution September 28, 2011)				
- Cash	-	(13,793)	-	-
- Bonus	<b>(201,680)</b>	(156,301)	-	-
Interim distribution for the half year ended December 31, 2012 at Rs 2.4902 per unit (2011: 3.4026) (Date of distribution December 27, 2012)				
- Cash	-	(23,698)	-	(23,698)
- Bonus	<b>(225,497)</b>	(173,811)	-	(173,811)
Interim distribution for the nine months ended March 31, 2013 at Rs 1.9045 per unit (2012: 1.6677) (Date of distribution March 26, 2013)				
- Cash	-	(11,623)	-	(11,623)
- Bonus	<b>(212,372)</b>	(92,963)	<b>(212,372)</b>	(92,963)
<b>Net assets as at end of the period</b>	<b>11,583,454</b>	<b>6,445,468</b>	<b>11,583,454</b>	<b>6,445,468</b>

The annexed notes form an integral part of this condensed interim financial information.

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

  
**Chief Executive Officer**

  
**Director**

# CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

	Nine Months ended March 31,		Quarter ended March 31,	
	2013	2012	2013	2012
	----- (Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income before taxation	655,396	456,510	218,023	164,416
<b>Adjustments</b>				
Profit on bank deposits and term deposit receipts	(102,586)	(94,757)	(40,823)	(32,153)
Income from money market placements	-	(4,194)	-	(4,121)
Net unrealised diminution / (appreciation) in the fair value of investments classified 'as financial assets at fair value through profit or loss'	(20,505)	(22,484)	27,473	(24,705)
Provision / (Reversal) against debt securities	72,687	47,097	(19,593)	26,833
Amortisation of preliminary expenses and floatation costs	-	1,526	-	366
Element of income / (losses) and capital gains / (losses) included in prices of units issued less those in units redeemed	(42,977)	(13,819)	(15,095)	(7,152)
Net cash flows from operations before working capital changes	562,015	(83,094)	169,985	(38,698)
<b>Working capital changes</b>				
<i>(Increase)/decrease in assets</i>				
Investments - net	(4,133,626)	(380,499)	(2,442,840)	288,606
Receivable against sale of investments	-	-	-	-
Security deposits and prepayments	(61)	279	(141)	72
Other receivables	(29,705)	(46,518)	12,669	(45,543)
	(4,163,392)	(426,738)	(2,430,312)	243,135
<i>Increase/(decrease) in liabilities</i>				
Payable to Arif Habib Investments Limited - Management Company	7,310	3,489	3,311	788
Payable to Central Depository Company - Trustee	299	111	134	31
Payable to Securities and Exchange Commission of Pakistan	440	(797)	1,978	1,130
Payable against redemption of units	-	-	(73,388)	-
Accrued expenses and other liabilities	15,762	1,179	5,590	273,263
	23,811	3,982	(62,375)	275,212
Profit received on bank deposit and term deposit receipts	94,091	89,757	42,480	36,745
Income received from money market placements	-	4,194	-	4,121
<b>Net cash (used in) / generated from operating activities</b>	(3,483,475)	41,074	(2,280,222)	682,697
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net receipt against issue of units	8,542,205	4,656,598	3,828,445	1,222,891
Net payments on redemption of units	(4,267,383)	(3,893,867)	(1,847,712)	(969,667)
Cash distributions during the period	-	(49,114)	-	(35,321)
<b>Net cash generated from financing activities</b>	4,274,822	713,617	1,980,733	217,903
Net increase / (decrease) in cash and cash equivalents during the period	791,347	754,691	(299,489)	849,062
Cash and cash equivalents at beginning of the period	3,171,567	2,250,955	4,262,403	2,156,584
Cash and cash equivalents as at end of the period	3,962,914	3,005,646	3,962,914	3,005,646

The annexed notes form an integral part of this condensed interim financial information.

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

For Arif Habib Investment Limited  
(Management Company)

  
\_\_\_\_\_  
Director



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

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## 1. LEGAL STATUS AND NATURE OF BUSINESS

MCB Dynamic Cash Fund (the Fund) was established under a Trust Deed dated, November 09, 2006, executed between MCB Asset Management Company Limited (now merged with and into Arif Habib Investments Limited) as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was amended through a supplemental Trust Deed dated January 21, 2007. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) as a Collective Investment Scheme under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 on December 12, 2006.

Based on shareholder's resolution of MCB Asset Management Company Limited and Arif Habib Investments Limited the two companies merged as of June 27, 2011 through operation of an order from the SECP issued under Section 282L of the Companies Ordinance 1984 (order through letter no. SCD/NBFC-II/MCBAMCL & AHIL/271/2011 dated June 10, 2011). Arif Habib Investments Limited 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 July 30, 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 subsequent order of the SECP could not be complied with, the company has sought a ruling by the honorable Sindh High Court (SHC). The honorable Sindh High Court (SHC) has held the SECP's subsequent order in abeyance and instruct the SECP to treat the companies as merged pending the final ruling. Irrespective of the final ruling, the Fund's assets and NAV remain unaffected.

The Management Company of the Fund has been licensed to act as an 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.

The Fund has been categorised as an open ended fixed income mutual fund and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The units are listed on the Lahore Stock Exchange.

The Fund primarily invests in money market and other short-term instruments which includes short-term corporate debt and government securities, repurchase agreements and spread transactions. The Fund may also invest a portion of the fund in medium term assets in order to provide higher return to the unit holders.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2 dated June 11, 2012 to the Management Company and a rating of "A+(f)" dated May 08, 2012 to the Fund.

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund and figures have been rounded off to the nearest thousand Rupees unless otherwise specified.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

## 2. STATEMENT OF COMPLIANCE

- 2.1 This condensed interim financial information 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.
- 2.2 This condensed interim financial information comprise of condensed interim statement of assets and liabilities, condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof. 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'. It does not include all the information and disclosures made in the annual published financial statement and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2012. Comparative information of the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

interim statement of movement in unit holders' fund for the nine months period ended March 31, 2013 and the three months quarter ended March 31, 2013 are un-audited and have been included to facilitate comparison.

- 2.3 This condensed interim financial information is Un-audited. The directors of the asset management company declare that this condensed interim financial information give a true and fair view of the Fund.

## 3. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

- 3.1 The accounting policies and the methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in preparing the financial statements of the Fund for the year ended June 30, 2012.

- 3.2 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, significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2012.

## 4. FINANCIAL RISK MANAGEMENT

The Fund's risk management policies are consistent with those objectives and policies which were disclosed in the financial statement of the Fund as at and for the year ended June 30, 2012.

	Un-audited March 31, 2013	Audited June 30, 2012
Note		
	Rupees in '000	

## 5. INVESTMENTS

Financial assets at fair value through profit or loss

Government securities	5.1	<b>8,230,845</b>	1,583,254
Listed debt securities	5.2	<b>1,260,118</b>	1,042,732
Unlisted debt securities	5.3	<b>682,124</b>	879,131
		<b>10,173,087</b>	3,505,117
Loans and receivables	5.4	<b>500,000</b>	1,000,000
		<b>10,673,087</b>	4,505,117

### 5.1 Government Securities

Name of investee company	Face Value					Balance as at March 31, 2013			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 during the period	Matured during the year	As at March 31, 2013	Carrying value	Market value	Appreciation / (diminution)		
-----Rupees in '000-----										
Treasury Bills - 12 Month	-	15,947,000	14,129,250	1,607,750	210,000	449,782	449,561	(221)	3.88%	4.21%
Treasury Bills - 6 months	-	9,450,000	8,212,500	92,500	1,145,000	884,773	884,475	(298)	7.64%	8.29%
Treasury Bills - 3 months	25,000	13,469,500	8,932,500	1,397,000	3,165,000	3,111,272	3,110,882	(390)	26.86%	29.15%
National Saving Bonds	89,900	-	-	89,900	-	-	-	-	0.00%	0.00%
Pakistan Investment Bonds - 10 years	-	100,000	100,000	-	-	-	-	-	0.00%	0.00%
Pakistan Investment Bonds - 05 years	52,700	725,000	775,000	-	2,700	2,684	2,721	37	0.02%	0.03%
Pakistan Investment Bonds - 03 years	-	1,921,000	471,000	-	1,450,000	1,479,288	1,477,892	(1,396)	12.76%	13.85%
GoP Ijara Certificate-3 years	1,417,000	1,291,000	410,000	-	2,298,000	2,303,570	2,305,313	1,743	19.90%	21.60%
<b>Total - March 31, 2013</b>	1,584,600	42,903,500	33,030,250	3,187,150	8,270,700	8,231,369	8,230,845	(525)	71.06%	77.12%
<b>Total - June 30, 2012</b>	1,749,900	26,202,700	18,051,000	8,317,000	1,584,600	1,591,588	1,583,254	(8,334)	23.64%	35.14%

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

	Note	Un-audited March 31, 2013	Audited June 30, 2012
		Rupees in '000	
<b>5.2 Listed debt securities</b>	5.2.1	1,260,118	1,052,246
Less: Provision as on July 1			
Saudi Pak Leasing Company Limited		(9,514)	-
Less: Provision charged during the period	5.2.2	-	(9,514)
Add: Reversal of provision during the period	5.2.2	9,514	-
		<b>1,260,118</b>	<b>1,042,732</b>

## 5.2.1 Listed debt securities - term finance certificates

Certificates have a face value of Rs. 5,000/- each unless stated otherwise.

Name of investee company	Number of Certificates					Balance as at March 31, 2013			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	Matured during the period	Disposed during the period	As at Mar 31, 2013	Carrying value	Market value	Appreciat ion / (diminutio n)		
	-----Number of Certificates-----					-----Rupees in '000-----				
<b>Commercial banks</b>										
Allied Bank Ltd (December 6, 2006, issue)	11,800	-	-	1,000	10,800	54,362	54,645	283	0.47%	0.51%
Allied Bank Ltd (August 28, 2009, issue)	10,000	-	-	1,000	9,000	45,312	43,412	(1,900)	0.37%	0.41%
Askari Bank Ltd -I (February 4, 2005, issue)	13,405	-	13,405	-	-	-	-	-	0.00%	0.00%
Askari Bank Ltd -III (November 18, 2009, issue)	23,000	-	-	-	23,000	121,468	119,186	(2,282)	1.03%	1.12%
Faysal Bank Limited TFC - I (November 12, 2007)	7,515	-	-	-	7,515	37,762	38,017	255	0.33%	0.36%
NIB Bank Limited (March 05, 2008)	43,808	1,000	-	-	44,808	222,625	223,480	855	1.93%	2.09%
Faysal Bank (formerly Royal Bank of Scotland February 10, 2005)	300	-	300	-	-	-	-	-	0.00%	0.00%
Soneri Bank Limited (May 05, 2005)	4,050	-	-	-	4,050	5,042	5,042	-	0.04%	0.05%
United Bank Limited -I (September 08, 2006, issue)	15,000	-	-	-	15,000	36,996	37,894	898	0.33%	0.36%
United Bank Limited -TFC (August 10, 2004)	3,100	-	3,100	-	-	-	-	-	0.00%	0.00%
United Bank Ltd TFC - IV (February 14, 2008, issue)	79,008	-	-	-	79,008	397,601	402,726	5,125	3.48%	3.77%
Bank Alfalah Limited-V (February 20, 2013)	-	63,781	-	-	63,781	318,905	318,905	-	2.75%	2.99%
<b>Fertilizer</b>										
Engro Chemical Pakistan Ltd - 111 (November 30, 2007, issue)	162	-	-	-	162	800	769	(31)	0.01%	0.01%
<b>Leasing Companies</b>										
Saudi Pak Leasing Company Limited (March 13, 2010)	10,000	-	-	-	10,000	17,184	16,042	(1,142)	0.14%	0.15%
<b>Total - March 31, 2013</b>	221,148	64,781	16,805	2,000	267,124	1,258,057	1,260,118	2,061	10.88%	11.81%
<b>Total - June 30, 2012</b>						1,037,792	1,052,246	14,454	15.7%	23.4%

**5.2.2** Saudi Pak Leasing Company Limited, has started defaulting in Principal repayments since October 2011. The Fund has made a provision against the amount of redemption receivable, not received since the date of default. Total amount of Rs. 9,514 million has been setoff against the redemption receivable. The terms of repayment of Saudi Pak Leasing Company Limited TFCs were restructured on July 13, 2012, after which it started making regular payments against redemption amount receivable as per the restructured redemption schedule.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013**

		<b>Un-audited March 31, 2013</b>	<b>Audited June 30, 2012</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	

<b>5.3 Unlisted debt securities</b>	5.3.1	<b>892,175</b>	1,010,424
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Less: Provision as on July 1

Maple Leaf Cement Factory Limited - II	<b>13,310</b>	-
Maple Leaf Cement Factory Limited - I	<b>50,279</b>	-
New Allied Electronics Industries (Private) Limited	<b>22,337</b>	57,571
New Allied Electronics Industries (Private) Limited	<b>35,063</b>	
Security Leasing Corporation Limited - Sukuk Bonds	<b>5,229</b>	6,305
Security Leasing Corporation Limited - Term Finance Certificates	<b>5,075</b>	-
	<b>131,293</b>	63,876

Less: Provision charged during the period

Maple Leaf Cement Factory Limited - I	5.3.2	<b>102,372</b>	50,279
Maple Leaf Cement Factory Limited - II		-	13,310
Security Leasing Corporation Limited - Sukuk Bonds	5.3.4	-	5,229
Security Leasing Corporation Limited - Term Finance Certificates	5.3.4	-	5,075
		<b>102,372</b>	73,893

Add: Reversal of provision during the period

Maple Leaf Cement Factory Limited - II	5.3.3	<b>13,310</b>	-
New Allied Electronics Industries (Private) Limited		-	171
Security Leasing Corporation Limited - Sukuk Bonds	5.3.4	<b>5,229</b>	6,305
Security Leasing Corporation Limited - Term Finance Certificates	5.3.4	<b>5,075</b>	-
		<b>23,614</b>	6,476
		<b>682,124</b>	879,131

**5.3.1 Unlisted debt securities - term finance certificates and other securities**

Name of investee company	Number of Certificates				Balance as at March 31, 2013					
	As at July 1, 2012	Purchased during the period	Matured during the period	Disposed during the period	As at Mar 31, 2013	Carrying value	Market value	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investment
	-----Number of Certificates-----					-----Rupees in '000-----				
Askari Bank Ltd - II (October 31, 2005)	6,980	-	-	-	6,980	34,905	35,060	155	0.30%	0.33%
Askari Bank Limited IV (PPTFC)	95	-	-	-	95	97,999	102,891	4,892	0.89%	0.96%
Bank AlFalah Limited-IV (December 2, 2009)	8,500	-	-	-	8,500	44,784	44,424	(360)	0.38%	0.42%
Bank AlFalah Limited -II (November 23, 2004, issue)	12,079	-	12,079	-	-	-	-	-	0.00%	0.00%
Bank AlFalah Limited-IV (December 2, 2009) Fixed	18,700	-	-	465	18,235	95,386	98,788	3,402	0.85%	0.93%
Engro Chemical Pakistan Limited- Perpetual TFC - IV (March 18, 2008)	2,419	-	-	-	2,419	11,502	10,771	(731)	0.09%	0.10%
Jahangir Siddiqui Company Ltd-V (July 04, 2007)	24,000	-	-	-	24,000	59,390	59,898	508	0.52%	0.56%
JDW Sugar Mills Ltd-PPTFCs (June 23, 2008)	15,000	-	-	-	15,000	19,751	20,045	294	0.17%	0.19%
Maple Leaf Cement Factory Limited - I (December 03, 2009)	71,000	-	-	-	71,000	190,172	200,503	10,331	1.73%	1.88%
Maple Leaf Cement Factory Limited - II (March 31, 2010)	2,662	-	2,662	-	-	-	-	-	0.00%	0.00%
New Allied Electronics Industries (Pvt) Ltd (May 15, 2007)	10,400	-	-	-	10,400	22,337	22,337	-	0.19%	0.21%
New Allied Electronics Industries (Pvt) Ltd -Sukuk 1 (July 25, 2007)	112,000	-	-	-	112,000	35,063	35,063	-	0.30%	0.33%
Security Leasing Corporation Limited -PPTFC (March 28, 2010)	10,000	-	-	-	10,000	6,486	5,255	(1,231)	0.05%	0.05%
Security Leasing Corporation Limited - Sukuk (March 18, 2010)	5,000	-	-	-	5,000	5,431	4,391	(1,040)	0.04%	0.04%
Standard Chartered Bank Pakistan Limited PPTFC	50,000	-	-	-	50,000	250,000	252,749	2,749	2.18%	2.37%
<b>Total - December 31, 2012</b>	<b>348,835</b>	<b>-</b>	<b>14,741</b>	<b>465</b>	<b>333,629</b>	<b>873,206</b>	<b>892,175</b>	<b>18,969</b>	<b>7.70%</b>	<b>8.36%</b>
<b>Total - June 30, 2012</b>						<b>998,718</b>	<b>1,010,424</b>	<b>11,706</b>	<b>15%</b>	<b>22%</b>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

**5.3.2** Maple Leaf Cement Factory Limited - I defaulted in coupon payments in September 2011, December 2011, March 2012, and June 2012, however all these payments were received by September 30, 2012 including coupon due on September 03, 2012. Coupon due on December 03, 2012 and March 03, 2013 were timely paid by the issuer. The TFC will be reclassified as performing once all conditions mentioned in circular 33 of 2012 for reclassification are met. Accordingly the fund has suspended further accrual of markup there against. The Board of Directors have approved a discretionary provision of Rs. 102.373 million against principal amount outstanding during the period.

**5.3.3** Maple Leaf Cement Factory Limited - II due to be fully redeemed on March 31, 2012 and the issuer defaulted on the entire repayment. The Fund had, therefore, set off the entire amount receivable on redemption, which amounted to Rs. 13.310 million as on June 30, 2012. However, during the current period, the Fund has reversed the entire provision of Rs. 13.310 million received during the period.

**5.3.4** Security Leasing company Limited TFCs and Sukuks were reclassified by Mutual Fund Association of Pakistan as performing debt security on March 15, 2013. Hence provision amounting to Rs. 5.229 million and 5.075 million against Sukuks and TFCs have been reversed during the period.

	Un-audited		Audited	
	March		June	
	31, 2013		30, 2012	
	.....(Rupees in '000).....			
	Listed debt securities	Unlisted debt securities	Total	
5.3.5 Movement in provision against debt securities				
Opening balance	9,514	131,293	140,807	63,876
Add : Charge for the period	-	102,372	102,372	83,407
Less: Reversal of provision	6,071	23,614	29,685	6,476
Charge / (Reversal) for the period - net	(6,071)	78,758	72,687	76,931
Less: Set off against redemption receivable *	3,443	-	3,443	-
Closing balance	-	210,051	210,051	140,807

\* Board of Directors has set off the provision against redemption receivable amounting to Rs. 3.443 million and reversed the provision of amount Rs. 6.071 million during the period.

## **5.3.6 COMPLIANCE WITH THE INVESTMENT CRITERIA AS SPECIFIED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

The Securities and Exchange Commission of Pakistan vide circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the circular. Arif Habib Investments Limited (Management Company) classified MCB Dynamic Cash Fund (the Fund) as 'Income Scheme' in accordance with the said circular. As at March 31, 2013, the Fund is compliant with all the requirements of the said circular except for:

i) Rating of securities in the portfolio in the following cases are lower than investment grade, which is against clause 9(v):

Category of non-compliant investment	Type of Investment / Name of Company	Outstanding face value	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
-----Rupees in '000'-----							
Investment in Debt securities							
	a) Maple Leaf Cement Factory Limited - I	327,622	200,503	152,652	47,851	0.41%	0.41%
	b) New Allied Electronics Industries (Pvt.) Limited	22,337	22,337	22,337	-	0.00%	0.00%
	c) New Allied Electronics Industries Pvt. Limited - Sukuk	35,063	35,063	35,063	-	0.00%	0.00%
	d) Security Leasing Corporation Limited TFC	8,968	5,255	-	5,255	0.05%	0.04%
	e) Security Leasing Corporation Limited Sukuk Certificates	7,478	4,391	-	4,391	0.04%	0.04%
	f) Saudi Pak Leasing Company Limited	31,150	16,042	-	16,042	0.14%	0.14%

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013**

	Note	Un-audited March 31, 2013	Audited June 30, 2012
		(Rupees in '000)	
<b>5.3.7 Net unrealized diminution on re-measurement of investments classified as financial assets at fair value through profit or loss'</b>			
Carrying value investments	5.1, 5.2.1 & 5.3.1	10,362,632	3,628,098
Market value investments	5.1, 5.2.1 & 5.3.1	10,383,138	3,645,924
		<u>20,505</u>	<u>17,826</u>

**5.4 Loans and receivables**

Particulars	Closing balance as at March 31, 2013	Value as a percentage of net assets	Value as a percentage of investment
	(Rupees in '000)	----- % -----	
Term deposit receipts	500,000	4.32	4.68
<b>Total - March 31, 2013</b>	<u>500,000</u>		
<b>Total - June 30, 2012</b>	<u>1,000,000</u>	14.93	22.20

	Note	Un-audited March 31, 2013	Audited June 30, 2012
		(Rupees in '000)	
<b>6. PROFIT, DEPOSIT AND OTHER RECEIVABLES</b>			
Profit on term deposits		25,134	16,885
Profit on savings deposits		5,162	4,916
Income accrued on term finance certificates		40,315	52,157
Profit receivable on government securities		73,854	28,724
Others		8,949	12,532
		<u>153,414</u>	<u>115,214</u>

**7. ACCRUED EXPENSES AND OTHER LIABILITIES**

Provision for Workers' Welfare Fund	7.1	71,780	58,404
Auditors' remuneration		496	570
Withholding tax payable		64	56
Sales load payable		2,512	641
Others		1,105	524
		<u>75,957</u>	<u>60,195</u>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013

## 7.1 PROVISION FOR WORKERS' WELFARE FUND

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

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on July 8, 2010 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.

Subsequent to 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. In March 2013 a larger bench of the Sindh High Court (SHC) in various constitutional petitions declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, do not suffer from any constitutional or legal infirmity.

However, as per our legal counsel the stay granted to Collective Investment Schemes (CIS) remains intact and the constitution petitions filed by the CIS to challenge the Workers Welfare Fund contribution have not been affected SHC judgment. Considering the unit holding structure of the funds concentrated on few large ticket investors, coupled with the recent changes in Tax Laws, the Management Company as a matter of abundant precaution has continue to charge provision for WWF, amounting to Rs. 71.780 million (including Rs. 13.375 million for the current period) in order to protect the interest of unit holders.

## 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 provision for taxation as the Management Company, on behalf of the Scheme, intends to distribute at least 90 percent of the Fund's accounting income for the current year as reduced by capital gains (whether realised or unrealised) to its unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 9. EARNINGS PER UNIT

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

Un-audited March 31, 2013	Audited June 30, 2012
(Rupees in '000)	

## 10. CASH AND CASH EQUIVALENTS

Bank balances	852,032	2,147,211
Term Deposit Receipts	-	1,000,000
Treasury bills	3,110,882	24,356
	3,962,914	3,171,567

## 11. TRANSACTIONS WITH CONNECTED PERSONS

- 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 holding company of the Management Company, the Trustee, directors and key management personnel and other associated undertakings.

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Remuneration to the Management Company and the Trustee are determined in accordance with the provisions of the Non-Banking Finance Companies & Notified Entities Regulations, 2008 and the Trust Deed of the Fund. All other transactions with connected persons are in the normal course of business and are carried out on agreed terms.

**11.2 Details of transactions with connected persons are as follows:**

	Un-audited			
	Nine Months ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	(Rupees '000)			
<b>Arif Habib Investments Limited</b>				
Remuneration	112,010	72,275	45,880	26,233
Issue of 1,540,598 units (2012: 2,364,874 units)	160,370	245,630	53,795	75,110
Redemption of 1,194,372 units (2012: 1,613,249 units)	122,501	165,000	103,000	33,000
Distribution of 314,996 Bonus units (2012: 224,839 units)	31,955	22,709	8,183	13,514
<b>Central Depository Company of Pakistan Limited</b>				
Remuneration and Settlement Charges for the period	5,857	4,118	2,240	1,456
<b>MCB Bank Limited</b>				
Bank Markup for the period	11,522	31,040	1,367	11,779
Bank charges	40	11	19	2
<b>MCB Employees Provident Fund</b>				
Distribution of 63,537 Bonus units (2012: 65,938 units)	6,446	6,660	1,707	4,067
<b>MCB Employees Pension Fund</b>				
Distribution of 63,537 Bonus units (2012: 65,938 units)	6,446	6,660	1,707	4,067
<b>Adamjee Insurance Company Limited</b>				
Issue of 4,717,285 units (2012: 3,871,318 units)	488,318	406,000	488,318	-
Redemption of 4,717,285 units (2012: 2,776,438 units)	481,102	286,746	481,102	-
Distribution of 666,636 Bonus units (2012: 656,412 units)	67,628	66,298	17,910	42,673
<b>D.G Khan Cement Company Limited - Employees Provident Fund Trust</b>				
Distribution of 191 bonus units (2012: 198 units)	19	20	5	12
<b>Staff Provident Fund of Management Company</b>				
Issue of 24,539 units (2012: Nil units)	2,538	-	1,015	-
Redemption of 17,063 units (2012: Nil units)	1,750	-	1,750	-
Distribution of 1,253 Bonus units (2012: 1,155 units)	127	117	44	117
<b>Adamjee Life Assurance Company Limited</b>				
Issue of 11,778 Units (2011: Nil units)	1,194	-	-	-
Redemption of 27,214 units (2011: Nil units)	2,828	-	-	-
Distribution of 785 bonus units (2011: Nil units)	79	-	-	-
<b>Adamjee Insurance Company Limited - Employees Provident Fund</b>				
Issue of 979,784 units (2012: Nil units)	101,823	-	-	-
Redemption of 495,832 units (2011: Nil units)	50,318	-	-	-
Distribution of 21,188 Bonus units (2012: Nil units)	2,149	-	944	-
<b>Adamjee Life Assurance Company Limited - Investment Multiplier Fund</b>				
Issue of 9,746 Units (2012: Nil units)	1,015	-	-	-
Redemption of 9,985 units (2012: Nil units)	1,018	-	1,018	-
Distribution of 239 Bonus units (2012: Nil units)	24	-	-	-



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		Un-audited			
		Half year ended		Quarter ended	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
		(Rupees '000)			
<b>Adamjee Life Assurance Company Limited - NUIL Fund</b>					
Issue of 667,335 Units (2012: Nil units)		69,528	-	59,378	-
Distribution of 14,351 Bonus units (2012: Nil units)		1,456	-	1,274	-
<b>Adamjee Life Assurance Company Limited - Investment Secure Fund</b>					
Issue of 685,154 Units (2012: Nil units)		71,456	-	60,392	-
Distribution of 14,412 Bonus units (2012: Nil units)		1,462	-	1,308	-
<b>Adamjee Life Assurance Company Limited - Investment Secure Fund II</b>					
Issue of 407,328 Units (2012: Nil units)		42,529	-	37,555	-
Redemption of 73,929 units (2012: Nil units)		7,600			
Distribution of 7,443 Bonus units (2012: Nil units)		755	-	637	-
<b>Key management personnel</b>					
Issue of 202,454 units (2012: 12,768 units)		21,108	1,541	5,981	635
Redemption of 78,072 units (2012: 14,247 units)		8,002	1,032	5,603	470
Distribution of 10,806 Bonus units (2012: 5,570 units)		1,096	233	399	29
				Un-audited March 31, 2013	Audited June 30, 2012
				(Rupees in '000)	
11.3	Amount outstanding as at period / year end				
<b>Arif Habib Investments Limited</b>					
Remuneration				16,840	9,530
Front End Load				2,512	-
4,377,361 units held as at March 31, 2013 (June 30, 2012: 3,716,139 units)				485,661	376,907
<b>Central Depository Company of Pakistan Limited</b>					
Security deposit				200	200
Remuneration and settlement charges payable				814	515
<b>MCB Bank Limited</b>					
Bank balance				18,137	43,142
Profit receivable on deposit accounts				494	675
<b>MCB Employees Provident Fund</b>					
913,119 units held as at March 31, 2013 (June 30, 2012: 849,582 units)				92,760	86,168
<b>MCB Employees Pension Fund</b>					
913,119 units held as at March 31, 2013 (June 30, 2012: 849,582 units)				92,760	86,168
<b>Staff Provident Fund of Management Company</b>					
23,608 units held as at March 31, 2013 (June 2012: 14,879 units)				2,398	1,509
<b>Adamjee Insurance Company Limited</b>					
9,580,727 units held as at March 31, 2013 (June 30, 2012: 8,914,091 units)				973,269	904,106

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2013**

	<b>Un-audited March 31, 2013 (Rupees in '000)</b>	<b>Audited June 30, 2012</b>
<b>Adamjee Life Assurance Company Limited</b> 89 units held as at March 31, 2013 (June 30, 2012: 26,340 units)	<b>9</b>	2,672
<b>Adamjee Insurance Company Limited - Employees Provident Fund</b> 505,140 units held as at March 31, 2013 (June 30, 2012: Nil units)	<b>51,315</b>	-
<b>D.G Khan Cement Company Limited - Employees Provident Fund Trust</b> 2,747 units held as at March 31, 2013 (June 30, 2012: 2,556 units)	<b>279</b>	259
<b>Adamjee Life Assurance Company Limited NUIL Fund</b> 681,686 units held as at March 31 2013 (June 30 2012: Nil)	<b>69,250</b>	-
<b>Adamjee Life Assurance Company Limited - Investment Secure Fund</b> 699,566 units held as at March 31 2013 (June 30 2012: Nil)	<b>71,066</b>	-
<b>Adamjee Life Assurance Company Limited - Investment Secure Fund II</b> 340,842 units held as at March 31 2013 (June 30 2012: Nil)	<b>34,625</b>	-
<b>Key management personnel</b> 202,766 units held as at March 31, 2013 (June 30, 2012: 67,578 units)	<b>20,595</b>	6,855

**12. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information has been authorised for issue in the meeting of the Board of Directors of the Management Company held on April 24, 2013.



**Chief Executive Officer**

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



**Director**

Please find us on



by typing: **Bachat Ka Doosra Naam**

## **Arif Habib Investments Limited**

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