

Half Year Report
December 31, 2012
(Unaudited)



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

Management Company	Arif Habib Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Board of Directors of the Management Company	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)
Audit Committee	Mr. Haroun Rashid Mr. Nasim Beg Mr. Samad A. Habib Mr. Ali Munir	Chairman Member Member Member
Human Resource Committee	Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Yasir Qadri	Chairman Member Member Member Member
Company Secretary & Chief Operating Officer	Mr. Muhammad Saqib Saleem	
Chief Financial Officer	Mr. Umair Ahmed	
Trustee	Central Depository Company of Pakistan Limited CDC House, 990B Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi-74400	
Bankers	MCB Bank Limited Bank Al-Falah Limited Habib Metro Bank Limited Bank Al-Habib Limited Faysal Bank Limited NIB Bank Limited Allied Bank Limited Bank Islami Pakistan Limited	
Auditors	M. Yousuf Adil Saleem & Co. Chartered Accountant Cavish Court, 8-35 Block 7-8 KUSHU, Shara-e-Faisal Karachi	
Legal Advisor	Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
Transfer Agent	Arif Habib Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Rating	AM2 - Management Quality Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

Dear Investor,

On behalf of the Board of Directors, I am pleased to present MCB Dynamic Cash Fund's accounts review for the half year ended December 31st 2012.

ECONOMY AND MONEY MARKET OVERVIEW

On the macroeconomic front, CPI inflation continued to maintain its downward trajectory amid lower food inflation and downward adjustments in gas prices with 1H FY13 CPI inflation averaging at 8.3%. Although current account balance remained comfortable during 1H FY13 with a decent surplus of US\$ 250 million courtesy release of two tranches of Coalition Support Fund proceeds by the US worth around US\$ 1.9 billion, weaker financial account coupled with sizeable repayments (including IMF) continued to put significant pressure on the FX reserves, which eventually came down to a level of around US\$ 13.5 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 644 billion by Dec'28 2012. Despite highlighting 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.

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 continued to inject significant amount of liquidity in the system through OMOs during the period. 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 267 bps to 9.3%, while longer tenure 10 year PKRV adjusted downwards by 180 bps to 11.5% during the period under review.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 11.1% as against its benchmark return of 10.2%, an out performance of 0.9% due to well-timed accumulation of longer tenure Government papers well ahead of the downward adjustments in the yield curve.

The fund remained significantly invested in PIBs and longer tenure T-Bills almost throughout the period with a focus on keeping its portfolio duration at a higher level in order to capitalize on the declining interest rates scenario. After realizing the capital gains, the fund gradually started to switch its exposure from PIBs to short-end papers and GoP Ijarah Sukuk. At period-end, the fund was 24.2% invested in GoP Ijarah Sukuk, 18.7% in TFCs, and 49.8% in TDRs, cash and bank deposits as they were offering attractive returns near Dec-end.

The Net Asset of the Fund as at December 31, 2012 stood at Rs. 9,399.79 million as compared to Rs 6,696 million as at June 30 2012 registering as an increase of 40.37%

The Net Asset Value (NAV) per unit as at December 31, 2012 was Rs. 101.5573 as compared to opening NAV of Rs. 101.4471 per unit as at June 30, 2012 registering an increase of Re. 0.1102 per unit

Income Distribution

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

Date of distribution	Per unit distribution
September 28, 2012	3.0133
December 27, 2012	2.4902

FUTURE OUTLOOK

Despite receiving another tranche of CSF as well as continued lower range of CPI inflation, we believe that further rate cut would be difficult given deteriorating fiscal and external accounts, significant IMF repayments ahead and alarming monetary growth - while the potential return to the IMF would result in a cycle of monetary tightening by 2Q CY13 in our opinion. The 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 inactive or relatively less active with the anticipation of no rate cut and possible rate hikes in the next 4-6 months. In this backdrop, the activities are expected to be concentrated at short-end papers 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
February 04, 2013

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400. Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



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TRUSTEE REPORT TO THE UNIT HOLDERS

MCB DYNAMIC CASH FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

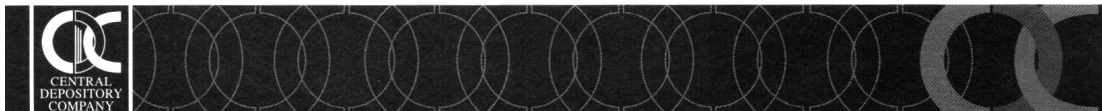
We Central Depository Company of Pakistan Limited, being the Trustee of MCB Dynamic Cash Fund (the Fund) are of the opinion that Arif Habib Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2012 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

A handwritten signature in black ink, appearing to read 'Muhammad Hanif Jakhura', is written over a horizontal line.

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 22, 2013



AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Deloitte.

M. Yousuf Adil Saleem & Co

Chartered Accountants
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Karachi-75350
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AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of MCB Dynamic Cash Fund (the Fund) as at December 31, 2012, and the related condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unit holder's fund together with the notes forming part thereof (here-in-after referred to as the 'interim financial information'), for the half year ended December 31, 2012. The Management Company (Arif Habib Investments Limited) is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unit holder's fund for the quarters ended December 31, 2012 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Member of
Deloitte Touche Tohmatsu Limited

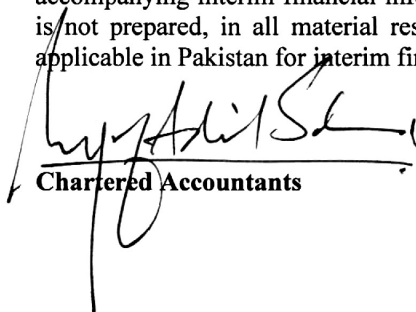
AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Deloitte.

M. Yousuf Adil Saleem & Co
Chartered Accountants

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants

Engagement Partner
Mushtaq Ali Hirani

Karachi
Dated: February 4, 2013

Member of
Deloitte Touche Tohmatsu Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2012

	Note	Un-audited December 31, 2012 ----- (Rupees in '000) -----	Audited June 30, 2012 ----- (Rupees in '000) -----
Assets			
Balances with banks		3,462,403	2,147,211
Investments	5	5,677,245	4,505,117
Profit and other receivables	6	167,740	115,214
Advance against subscription of TFCs		250,000	-
Security deposits and prepayments		3,219	3,299
Total assets		9,560,607	6,770,841
Liabilities			
Payable to Arif Habib Investments Limited - Management Company		13,529	9,530
Payable to Central Depository Company - Trustee		680	515
Annual fee payable to the Securities and Exchange Commission of Pakistan		2,850	4,388
Payable against redemption of units		73,388	-
Accrued expenses and other liabilities	7	70,367	60,195
Total liabilities		160,814	74,628
NET ASSETS		9,399,793	6,696,213
Unit holders' fund (as per statement attached)		9,399,793	6,696,213
(Number of units)			
Number of units in issue		92,556,554	66,006,910
----- (Rupees) -----			
Net assets value per unit (Face value per unit Rs. 100/- each)		101.56	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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

		Half year ended		Quarter ended	
		December 31,		December 31,	
	Note	2012	2011	2012	2011
		----- (Rupees in '000) -----			
Income					
Income from government securities		239,585	184,681	121,940	87,949
Income from term finance certificates		145,210	106,110	74,280	61,102
Capital gain on sale of investments		90,539	9,889	49,056	7,960
Profit on bank deposits and term deposit receipts		61,763	62,604	43,946	34,551
Income from money market placements		-	73	-	-
		537,097	363,357	289,222	191,562
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.3.7	47,978	(2,221)	(24,260)	(8,416)
Provision against debt securities	5.3.5	(92,280)	(20,264)	(11,584)	(26,378)
Total income		492,795	340,872	253,378	156,768
Operating expenses					
Remuneration of the Arif Habib Investments Limited - Management Company		57,009	39,691	32,008	20,332
Sales tax on remuneration of the Management Company		9,121	6,351	5,121	3,254
Remuneration of the Central Depository Company - Trustee		3,467	2,656	1,897	1,351
Annual fee - Securities and Exchange Commission of Pakistan		2,850	1,986	1,600	1,017
Securities transaction cost		861	690	517	356
Amortisation of preliminary expenses and floatation costs		-	1,160	-	580
Auditors' remuneration		566	519	312	240
Other expenses		504	636	288	367
Total operating expenses		74,378	53,689	41,743	27,497
Net income for the period		418,417	287,183	211,635	129,271
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed		27,882	6,667	20,118	6,115
Provision for Workers' Welfare Fund	7.1	(8,926)	(1,756)	(4,635)	-
Net income for the period before taxation		437,373	292,094	227,118	135,386
Taxation	8	-	-	-	-
Net income for the period after taxation		437,373	292,094	227,118	135,386
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		437,373	292,094	227,118	135,386
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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Half year ended December 31,		Quarter ended December 31,	
	2012	2011	2012	2011
	------(Rupees in '000)-----			
Undistributed income brought forward	95,555	65,630	108,327	55,383
Interim distribution for the half year ended December 31, 2011 at Rs 3.3774 per unit (Date of distribution September 29, 2011)				
- Cash	-	(13,793)	-	-
- Bonus	-	(156,301)	-	-
Interim distribution for the three months ended September 30, 2012 at Rs 3.0133 per unit (Date of distribution September 28, 2012)				
- Bonus	(201,680)	-	-	-
Interim distribution for the half year ended December 31, 2012 at Rs 2.4902 per unit (Date of distribution December 27, 2012)				
- Bonus	(225,497)	-	(225,497)	-
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	38,420	8,617	34,223	5,478
Net income for the period after taxation	437,373	292,094	227,118	135,386
Undistributed income carried forward	144,171	196,247	144,171	196,247

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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Half year ended December 31,		Quarter ended December 31,	
	2012	2011	2012	2011
	------(Rupees in '000)-----			
Net assets at beginning of the period	6,696,213	5,019,700	6,999,244	5,246,312
Issue of 45,903,738 units (2011: 33,487,309 units) and 33,240,866 units (2011: 21,466,994 units) for the six months and quarter respectively	4,713,760	3,433,707	3,581,479	2,198,383
Redemption of 23,564,929 units (2011: 28,666,176 units) and 11,816,286 units (2011: 17,467,572 units) for the six months and quarter respectively	(2,419,671)	(2,924,200)	(1,387,930)	(1,773,125)
Issue of 1,988,029 bonus units in respect of interim distribution for the quarter ended September 30, 2012	201,680	-	-	-
Issue of 2,222,806 bonus units in respect of interim distribution for the half year ended December 31, 2012	225,497	-	225,497	-
Issue of 1,547,538 bonus units relating to the period ended December 31, 2011	-	156,301	-	-
	2,721,266	665,808	2,419,046	425,258
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	(27,882)	(6,667)	(20,118)	(6,115)
- amount representing (income) / loss that forms part of unit holders'- fund transferred to distribution statement	(38,420)	(8,617)	(34,223)	(5,478)
	(66,302)	(15,284)	(54,341)	(11,593)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing unrealised income	38,420	8,617	34,223	5,478
Net income for the period	437,373	292,094	227,118	135,386
Interim distribution for the three months ended September 30, 2012 at Rs 3.0133 per unit (Date of distribution September 28, 2012)				
- Cash	-	-	-	-
- Bonus	(201,680)	-	-	-
Interim distribution for the half year ended December 31, 2012 at Rs 2.4902 per unit (Date of distribution December 27, 2012)				
- Cash	-	-	-	-
- Bonus	(225,497)	-	(225,497)	-
Interim distribution for the half year ended December 31, 2011 at Rs 3.3774 per unit (Date of distribution September 29, 2011)				
- Cash	-	(13,793)	-	-
- Bonus	-	(156,301)	-	-
Net assets as at end of the period	9,399,793	5,800,841	9,399,793	5,800,841

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 CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Half year ended December 31,		Quarter ended December 31,	
	2012	2011	2012	2011
	------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income before taxation	437,373	292,094	227,118	135,386
Adjustments				
Income from government securities	(239,585)	(184,681)	(121,940)	(87,949)
Income from term finance certificates	(145,210)	(106,110)	(74,280)	(61,102)
Profit on bank deposits and term deposit receipts	(61,763)	(62,604)	(43,946)	(34,551)
Income from money market placements	-	(73)	-	-
Net unrealised diminution in the fair value of investments classified 'as financial assets at fair value through profit or loss'	(47,978)	2,221	24,260	8,416
Provision / (Reversal) against debt securities	92,280	20,264	11,584	26,378
Amortisation of preliminary expenses and floatation costs	-	1,160	-	580
Element of income / (losses) and capital gains / (losses) included in prices of units issued less those in units redeemed	(27,882)	(6,667)	(20,118)	(6,115)
Net cash flows from operations before working capital changes	7,235	(44,396)	2,678	(18,957)
Working capital changes				
<i>(Increase)/decrease in assets</i>				
Investments - net	(1,440,786)	(394,482)	97,300	(33,580)
Receivable against sale of investments	-	(309,187)	-	(309,187)
Security deposits and prepayments	80	207	60	93
Advance against subscription of TFCs	(250,000)	-	(250,000)	-
Other receivables	(34,213)	(975)	(37,877)	(606)
	(1,724,919)	(704,437)	(190,517)	(343,280)
<i>Increase/(decrease) in liabilities</i>				
Payable to Arif Habib Investments Limited - Management Company	3,999	2,701	314	1,288
Payable to Central Depository Company - Trustee	165	80	(359)	57
Payable to Securities and Exchange Commission of Pakistan	(1,538)	(1,927)	1,600	1,017
Payable against redemption of units	73,388	-	73,388	-
Payable against purchase of investments	-	91,794	-	91,794
Accrued expenses and other liabilities	10,172	(272,084)	3,313	(881)
	86,186	(179,436)	78,256	93,275
Income received from government securities	227,244	160,660	165,163	141,929
Income received on term finance certificates	149,390	124,439	76,243	49,531
Profit received on bank deposit and term deposit receipts	51,611	53,012	19,434	28,860
Income received from money market placements	-	73	-	-
Net cash (used in) / generated from operating activities	(1,203,253)	(590,085)	151,257	(48,642)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net receipt against issue of units	4,713,760	3,433,707	3,581,479	2,198,383
Net payments on redemption of units	(2,419,671)	(2,924,200)	(1,387,930)	(1,773,125)
Cash distributions during the period	-	(13,793)	-	-
Net cash generated from financing activities	2,294,089	495,714	2,193,549	425,258
Net increase / (decrease) in cash and cash equivalents during the period	1,090,836	(94,371)	2,344,806	376,616
Cash and cash equivalents at beginning of the period	3,171,567	2,250,955	1,917,597	1,779,968
Cash and cash equivalents as at end of the period	4,262,403	2,156,584	4,262,403	2,156,584

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

For Arif Habib Investment Limited
(Management Company)


Chief Executive Officer


Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

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.

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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

interim statement of movement in unit holders' fund for the six months period ended December 31, 2012 and the three months period ended December 31, 2012 are un-audited and have been included to facilitate comparison.

2.3 This condensed interim financial information is Un-audited. However, limited scope review has been performed by the statutory auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and this condensed interim financial information are being circulated to the unit holders as required under the NBFC Regulations.

2.4 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 except for.

a) Basis of valuation of debt securities

The investment of the Fund in debt securities is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 1 dated January 6, 2009 as amended by Circular No. 33 dated October 24, 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

b) Impairment of financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the income statement.

Provision for non-performing debt securities and other exposures is made in accordance with the criteria specified in Circular No. 1 dated January 6, 2009 as amended by Circular No. 33 dated October 24, 2012 and Circular No. 13 dated May 4, 2009 issued by SECP. The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company.

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.

3.3 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund except where changes affected presentation and disclosures in this condensed interim financial information.

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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012**

	Note	Un-audited December 31, 2012	Audited June 30, 2012
		Rupees in '000	
5. INVESTMENTS			
Financial assets at fair value through profit or loss			
Government securities	5.1	2,588,890	1,583,254
Listed debt securities	5.2	1,045,562	1,042,732
Unlisted debt securities	5.3	742,793	879,131
		4,377,245	3,505,117
Loans and receivables	5.4	1,300,000	1,000,000
		5,677,245	4,505,117

5.1 Government Securities

Name of investee company	Face Value					Balance as at December 31, 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 during the period	Matured during the year	As at December 31, 2012	Carrying value	Market value	Appreciation / (diminution)		
Rupees in '000										
Treasury Bills - 1 year	-	13,048,500	11,440,750	1,607,750	-	-	-	-	0.00%	0.00%
Treasury Bills - 6 months	-	6,355,000	6,075,500	92,500	187,000	179,597	179,665	68	1.91%	3.16%
Treasury Bills - 3 months	25,000	6,684,500	5,312,500	1,397,000	-	-	-	-	0.00%	0.00%
National Saving Bonds	89,900	-	-	-	89,900	89,900	89,900	-	0.96%	1.58%
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	2,738	54	0.03%	0.05%
Pakistan Investment Bonds - 03 years	-	21,000	21,000	-	-	-	-	-	0.00%	0.00%
GoP Ijara Certificate-3 years	1,417,000	1,291,000	410,000	-	2,298,000	2,303,570	2,316,587	13,017	24.65%	40.80%
Total - December 31, 2012	1,584,600	28,225,000	24,134,750	3,097,250	2,577,600	2,575,751	2,588,890	13,139	27.54%	45.60%
Total - June 30, 2012	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%

	Note	Un-audited December 31, 2012	Audited June 30, 2012
		Rupees in '000	
5.2 Listed debt securities	5.2.1	1,045,562	1,052,246
Less: Provison 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 duriing the period *	5.2.2	9,514	-
		1,045,562	1,052,246

* 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

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 December 31, 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	Matured during the period	Disposed during the period	As at Dec 31, 2012	Carrying value	Market value	Appreciation / (diminution)		
	-----Number of Certificates-----					-----Rupees in '000-----				
Commercial banks										
Allied Bank Ltd (December 6, 2006, issue)	11,800	-	-	-	11,800	59,395	59,918	523	0.64%	1.06%
Allied Bank Ltd (August 28, 2009, issue)	10,000	-	-	-	10,000	50,356	48,693	(1,663)	0.52%	0.86%
Askari Bank Ltd -I (February 4, 2005, issue)	13,405	-	-	-	13,405	66,811	66,798	(13)	0.71%	1.18%
Askari Bank Ltd -III (November 18, 2009, issue)	23,000	-	-	-	23,000	121,470	126,844	5,374	1.35%	2.23%
Faysal Bank Limited TFC - I (November 12, 2007)	7,515	-	-	-	7,515	37,762	38,081	319	0.41%	0.67%
NIB Bank Limited (March 05, 2008)	43,808	1,000	-	-	44,808	222,670	224,198	1,528	2.39%	3.95%
Faysal Bank (formerly Royal Bank of Scotland February 10, 2005)	300	-	-	-	300	376	375	(1)	0.00%	0.01%
Soneri Bank Limited (May 05, 2005)	4,050	-	-	-	4,050	5,042	5,028	(14)	0.05%	0.09%
United Bank Limited -I (September 08, 2006, issue)	15,000	-	-	-	15,000	49,471	50,742	1,271	0.54%	0.89%
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	397,681	403,016	5,335	4.29%	7.10%
Fertilizer										
Engro Chemical Pakistan Ltd - 111 (November 30, 2007, issue)	162	-	-	-	162	800	789	(11)	0.01%	0.01%
Leasing Companies										
Saudi Pak Leasing Company Limited (March 13, 2010)	10,000	-	-	-	10,000	17,984	21,080	3,096	0.22%	0.37%
Total - December 31, 2012	221,148	1,000	3,100	-	219,048	1,029,818	1,045,562	15,744	11.12%	18.42%
Total - June 30, 2012						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.

		Un-audited December 31, 2012	Audited June 30, 2012
	Note	31, 2012	30, 2012
		(Rupees in '000)	

5.3 Unlisted debt securities 5.3.1 **972,437** 1,010,424

Less: Provision as on July 1

Maple Leaf Cement Factory Limited - II	13,310	-
Maple Leaf Cement Factory Limited - I	50,279	-
New Allied Electronics Industries (Private) Limited	57,400	57,571
Security Leasing Corporation Limited - Sukkuk Bonds	5,229	6,305
Security Leasing Corporation Limited - Term Finance Certificates	5,075	-
	131,293	63,876

Less: Provision charged during the period

Maple Leaf Cement Factory Limited - I	5.3.2	102,373	50,279
Maple Leaf Cement Factory Limited - II		-	13,310
Security Leasing Corporation Limited - Sukkuk Bonds	5.3.4	1,202	5,229
Security Leasing Corporation Limited - Term Finance Certificates	5.3.4	2,170	5,075
		105,745	73,893

Add: Reversal of provision during the period

Maple Leaf Cement Factory Limited - II	5.3.3	7,394	-
New Allied Electronics Industries (Private) Limited		-	171
Security Leasing Corporation Limited - Sukkuk Bonds		-	6,305
		742,793	879,131

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

5.3.1 Unlisted debt securities - term finance certificates and other securities

Name of investee company	Number of Certificates					Balance as at December 31, 2012				
	As at July 1, 2012	Purchased during the period	Matured during the period	Disposed during the period	As at Dec 31, 2012	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	35,121	216	0.37%	0.62%
Askari Bank Limited IV (PPTFC)	95	-	-	-	95	97,999	102,193	4,194	1.09%	1.80%
Bank Alfalah Limited-IV (December 2, 2009)	8,500	-	-	-	8,500	44,784	44,431	(353)	0.47%	0.78%
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	99,034	3,648	1.05%	1.74%
Engro Chemical Pakistan Limited- Perpetual TFC - IV (March 18, 2008)	2,419	-	-	-	2,419	11,502	10,845	(657)	0.12%	0.19%
Jahangir Siddiqui Company Ltd-V (July 04, 2007)	24,000	-	-	-	24,000	119,270	120,077	807	1.28%	2.12%
JDW Sugar Mills Ltd-PPTFCs (June 23, 2008)	15,000	-	-	-	15,000	24,751	25,060	309	0.27%	0.44%
Maple Leaf Cement Factory Limited - I (December 03, 2009)	71,000	-	-	-	71,000	199,047	205,934	6,887	2.19%	3.63%
Maple Leaf Cement Factory Limited - II (March 31, 2010)	2,662	-	-	-	2,662	5,916	5,916	-	0.06%	0.10%
New Allied Electronics Industries (Pvt) Ltd (May 15, 2007)	10,400	-	-	-	10,400	22,337	22,337	-	0.24%	0.39%
New Allied Electronics Industries (Pvt) Ltd -Sukuk 1 (July 25, 2007)	112,000	-	-	-	112,000	35,063	35,063	-	0.37%	0.62%
Security Leasing Corporation Limited -PPTFC (March 28, 2010)	10,000	-	-	-	10,000	6,536	7,245	709	0.08%	0.13%
Security Leasing Corporation Limited - Sukuk (March 18, 2010)	5,000	-	-	-	5,000	5,846	6,431	585	0.07%	0.11%
Standard Chartered Bank Pakistan Limited PPTFC	50,000	-	-	-	50,000	250,000	252,750	2,750	2.69%	4.45%
Total - December 31, 2012	348,835	-	12,079	465	336,291	953,342	972,437	19,095	10.35%	17.13%
Total - June 30, 2012						998,718	1,010,424	11,706	15%	22%

5.3.2 Maple Leaf Cement Factory Limited - I defaulted in Profit payments in September 2011 and has not been paying the profit amount since then. The Board of Directors has approved a discretionary Provision of Rs. 102.373 million against principal amount outstanding as on December 31, 2012. The total provision against the securities during the period ended December 31, 2012 amounts to Rs. 152.652 million.

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 amount of Rs. 7.394 million received during the period.

5.3.4 The terms of repayment of Security Leasing company Limited TFCs and Sukuks were restructured in March 2011, after which it started making regular repayments. However, since March 2012, it started making part payments against the redemption amount receivable as per the Redemption Schedule. Therefore, the fund started to setoff the deficit amount not received from March 2012 to June 2012. The Board of directors has also approved a discretionary Provision of Rs. 3.372 million each against principal amount outstanding on both Sukuk Bonds and the Term Finance Certificates as on December 31, 2012. The total provision against the securities during the period ended December 31, 2012 amounts to Rs. 13.676 million.

	Un-audited December 31, 2012		Audited June 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	-	105,745	105,745	83,407
Less: Reversal of provision	6,071	7,394	13,465	6,476
Charge / (Reversal) for the period - net	(6,071)	98,351	92,280	76,931
Less: Set off against redemption receivable	3,443	-	3,443	-
Closing balance	-	229,644	229,644	140,807

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FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012**

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 Investment Limited (Management Company) classified MCB Dynamic Cash Fund (the Fund) as 'Income Scheme' in accordance with the said circular. As at December 31, 2012, 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	336,497	205,934	152,652	53,282	0.57%	0.56%
b)	Maple Leaf Cement Factory Limited - II	5,916	5,916	5,916	-	0.00%	0.00%
c)	New Allied Electronics Industries (Pvt.) Limited	22,337	22,337	22,337	-	0.00%	0.00%
d)	New Allied Electronics Industries Pvt. Limited - Sukuk	35,063	35,063	35,063	-	0.00%	0.00%
e)	Security Leasing Corporation Limited TFC	9,226	7,245	7,245	-	0.00%	0.00%
f)	Security Leasing Corporation Limited Sukuk Certificates	7,689	6,431	6,431	-	0.00%	0.00%
g)	Saudi Pak Leasing Company Limited	31,951	21,080	-	21,080	0.22%	0.22%

Un-audited
December 31,
2012
Note
(Rupees in '000)
Audited
June 30,
2012

5.3.7 Net unrealized diminution on re-measurement of investments classified as financial assets at fair value through profit or loss'

Carrying value investments	5.1, 5.2.1 & 5.3.1	4,558,911	3,628,098
Market value investments	5.1, 5.2.1 & 5.3.1	4,606,889	3,645,924
		47,978	17,826

5.4 Loans and receivables

Particulars	Profit / mark-up rate %	Maturity date	Closing balance as at December 31, 2012	Value as a percentage of net assets	Value as a percentage of investment
(Rupees in '000) ----- % -----					
Term deposit receipts	10.25%	4-Oct-13	500,000	5.32	8.81
Term deposit receipts	9.80%	6-Feb-13	700,000	7.45	12.33
Term deposit receipts	9.50%	5-Mar-13	100,000	1.06	1.76
Total - December 31, 2012			1,300,000		
Total - June 30, 2012	12.15 - 12.40	At various dates by July 2012	1,000,000	14.93	22.20

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FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012**

		Un-audited December 31, 2012	Audited June 30, 2012
	Note	(Rupees in '000)	
6. PROFIT, DEPOSIT AND OTHER RECEIVABLES			
Profit on term deposits		19,589	16,885
Profit on savings deposits		12,364	4,916
Income accrued on term finance certificates		47,977	52,157
Profit receivable on government securities		41,065	28,724
Others		46,745	12,532
		167,740	115,214
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Workers' Welfare Fund	7.1	67,330	58,404
Auditors' remuneration		569	570
Withholding tax payable		43	56
Sales load payable		1,522	641
Others		903	524
		70,367	60,195

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. The Management Company is hopeful that the decision of the LHC will lend further support to the constitutional petition which is pending in the Sindh High Court (SHC). 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. 67.330 million (including Rs. 8.926 million for the current period) in order to protect the interest of investors / unit holders.

The scheme has maintained provisions against Workers Welfare Fund Liability to the tune of Rs. 67.330 million, if the same were not made the NAV per unit/return would have been higher by Rs. 0.73/ 2.04%.

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.

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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 December 31, 2012	Audited June 30, 2012
(Rupees in '000)	

10. CASH AND CASH EQUIVALENTS

Bank balances	3,462,403	2,147,211
Term Deposit Receipts	800,000	1,000,000
Treasury bills due within 3 months	-	24,356
	4,262,403	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.

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.

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11.2 Details of transactions with connected persons are as follows:

	Un-audited			
	Half year ended		Quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	(Rupees '000)			
Arif Habib Investments Limited				
Remuneration	66,130	46,042	37,129	23,586
Issue of 1,020,950 units (2011: 1,640,142 units)	106,575	170,520	60,900	58,870
Redemption of 190,641 units (2011: 1,288,755 units)	19,501	132,000	7,501	104,000
Distribution of 234,332 Bonus units (2011: 91,036 units)	23,772	9,195	11,620	-
Sale load	-	20,576	-	14,472
Central Depository Company of Pakistan Limited				
Remuneration and settlement charges for the period	3,467	2,656	1,897	1,351
MCB Bank Limited				
Profit received on deposit accounts	10,155	19,261	6,156	5,594
Bank charges	21	9	14	9
MCB Employees Provident Fund				
Distribution of 46,709 Bonus units (2011: 25,670 units)	4,739	2,593	2,179	-
MCB Employees Pension Fund				
Distribution of 46,709 Bonus units (2011: 25,670 units)	4,739	2,593	2,179	-
Adamjee Insurance Company Limited				
Issue of Nil units (2011: 3,871,318 units)	-	406,000	-	406,000
Redemption of Nil units (2011: 2,776,438 units)	-	286,746	-	286,746
Distribution of 490,088 Bonus units (2011: 233,914 units)	49,718	23,625	22,857	-
D.G Khan Cement Company Limited - Employees Provident Fund Trust				
Distribution of 141 bonus units (2011: Nil units)	14	-	6	-
Staff Provident Fund of Management Company				
Issue of 14,770 units (2011: Nil units)	1,523	-	1,523	-
Distribution of 818 Bonus units (2011: Nil units)	83	-	38	-
Adamjee Life Assurance Company Limited				
Issue of 11,778 Units (2011: Nil units)	1,194	-	1,194	-
Redemption of 27,214 units (2011: Nil units)	2,828	-	2,828	-
Distribution of 784 bonus units (2011: Nil units)	79	-	-	-
Adamjee Insurance Company Limited - Employees Provident Fund				
Issue of 979,784 units (2011: Nil units)	101,823	-	101,823	-
Redemption of 495,832 units (2011: Nil units)	50,318	-	50,318	-
Distribution of 11,879 Bonus units (2011: Nil units)	1,205	-	1,205	-
Adamjee Life Assurance Company Limited - Investment Multiplier Fund				
Issue of 9,746 Units (2011: Nil units)	1,015	-	1,015	-
Distribution of 239 Bonus units (2011: Nil units)	24	-	24	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012**

		----- Un-audited -----			
		Half year ended		Quarter ended	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
		----- (Rupees '000) -----			
Adamjee Life Assurance Company Limited - NUIL Fund					
Issue of 97,527 Units (2011: Nil units)		10,150	-	10,150	-
Distribution of 1,790 Bonus units (2011: Nil units)		182	-	182	-
Adamjee Life Assurance Company Limited - Investment Secure Fund					
Issue of 106,282 Units (2011: Nil units)		11,064	-	11,064	-
Distribution of 1,521 Bonus units (2011: Nil units)		154	-	154	-
Adamjee Life Assurance Company Limited - Investment Secure Fund II					
Issue of 47,364 Units (2011: Nil units)		4,974	-	4,974	-
Distribution of 1,163 Bonus units (2011: Nil units)		118	-	118	-
Key management personnel					
Issue of 144,638 units (2011: 14,725 units)		15,127	1,541	12,655	635
Redemption of 23,367 units (2011: 10,130 units)		2,399	1,032	1,622	470
Distribution of 6,866 Bonus units (2011: 2,308 units)		697	233	438	29
				Un-audited December 31, 2012	Audited June 30, 2012
				(Rupees in '000)	
11.3	Amount outstanding as at period / year end				
Arif Habib Investments Limited					
Remuneration				13,529	9,530
4,780,780 units held as at December 31, 2012 (June 30, 2012: 3,716,139 units)				485,523	376,907
Central Depository Company of Pakistan Limited					
Security deposit				200	200
Remuneration and settlement charges payable				680	515
MCB Bank Limited					
Bank balance				34,252	43,142
Profit receivable on deposit accounts				478	675
MCB Employees Provident Fund					
896,292 units held as at December 31, 2012 (June 30, 2012: 849,582 units)				91,025	86,168
MCB Employees Pension Fund					
896,292 units held as at December 31, 2012 (June 30, 2012: 849,582 units)				91,025	86,168
Staff Provident Fund of Management Company					
30,467 units held as at June 30, 2012 (June 2012: 14,879 units)				3,094	1,509
Adamjee Insurance Company Limited					
9,404,179 units held as at December 31, 2012 (June 30, 2012: 8,914,091 units)				955,063	904,106

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012**

	Un-audited December 31, 2012	Audited June 30, 2012
	(Rupees in '000)	
Adamjee Life Assurance Company Limited		
Nil units held as at December 31, 2012 (June 30, 2012: 14,562 units)	-	14,652
Adamjee Insurance Company Limited - Employees Provident Fund		
495,831 units held as at December 31, 2012 (June 30, 2012: Nil units)	50,355	-
D.G Khan Cement Company Limited - Employees Provident Fund Trust		
2,697 units held as at December 31, 2012 (June 30, 2012: 2,556 units)	274	259
Adamjee Life Assurance Company Limited - Investment Multiplier Fund		
9,985 units held as at December 31 2012 (June 30 2012: Nil)	1,014	-
Adamjee Life Assurance Company Limited NUIL Fund		
99,317 units held as at December 31 2012 (June 30 2012: Nil)	10,086	-
Adamjee Life Assurance Company Limited - Investment Secure Fund		
107,803 units held as at December 31 2012 (June 30 2012: Nil)	10,948	-
Adamjee Life Assurance Company Limited - Investment Secure Fund II		
48,527 units held as at December 31 2012 (June 30 2012: Nil)	4,928	-
Key management personnel		
195,715 units held as at December 31, 2012 (June 30, 2012: 67,578 units)	19,876	6,855

12. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 04, 2013 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 Investment 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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