



Bachat ka Doosra Naam

Asset Manager Rating (By PACRA): **AM2+** (AM Two Plus)

Quarterly Report March 31, 2015 (Unaudited)



Funds Under Management
of
MCB-Arif Habib Savings and 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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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings and Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Board of Directors	Mian Mohammad Mansha Mr. Nasim Beg Mr. Yasir Qadri Dr. Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Mahmood Ahmad	Chairman Executive Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib	Chairman Member Member
Human Resource & Remuneration Committee	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Yasir Qadri	Chairman Member Member Member Member
Company Secretary & Chief Financial Officer	Mr. Muhammad Saqib Saleem	
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 Standard Chartered Bank Limited United Bank Limited Bank Al Falah Limited Faysal Bank Limited NIB Bank Limited	
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants 1st Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road, Karachi - 75530.	
Legal Advisor	Akhund Forbes D-21, Block-4, Scheme-5, Clifton, Karachi. Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
Transfer Agent	MCB-Arif Habib Savings and Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Rating	Asset Manager: "AM2+" (PACRA) Entity Ratings : "AA-" (PACRA)	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Dynamic Allocation Fund's** accounts review for the nine months ended March 31st 2015.

ECONOMY AND MONEY MARKET OVERVIEW

In the wake of lower oil prices, macro-environment has stabilized with strengthening outlook. With oil prices hovering around \$55 per barrels at the end of March, 2015 in the international market, the crude has fallen by more than 50% from its peak level of around \$114 per barrel touched in June, 2014, largely benefiting the country in the shape of soft inflation and lower oil import bill.

Hence, on the heels of stable food prices and cut in fuel prices in the domestic market, Consumer Price Inflation averaged around 5.14% during the first nine months of the current fiscal year. If oil prices stabilize below \$60 per barrel, CPI is expected to persist in lower range during the last quarter of the current fiscal year.

While the country's current account deficit summed to \$1.64 billion during the first eight months of the current fiscal year (as per latest available data) as opposed to deficit of \$ 2.4 billion during the corresponding period last year. With trade deficit largely unchanged compared to the previous year, improvement in the current account balance came from larger Collation Support Fund proceeds and higher remittances.

Import bill remained close to the last year's level, as benefit of lower oil bill was eroded by volumetric increase in imports of other segments. Whereas exports have slightly weakened in consideration of lower cotton prices, disruptive power supplies and the loss of competitiveness due to real exchange rate appreciation. With oil imports accounting for one-third of the country's total import bill, trade deficit is forecasted to narrow down in the coming months reflecting significant drop in oil prices.

Workers' Remittances summed to \$ 13.33 billion during the nine months period, marking a growth of 15 percent as compared to the corresponding period last year.

At the same time, financial account registered a surplus of \$ 2.5 billion as compared to a surplus of \$ 0.61 billion recorded during the same period last year. This is mainly due to increase in portfolio investments after the government successfully raised \$ 1 billion through Sukuk auction.

The country's FX reserves got an impetus from multilateral and bilateral disbursements, privatization proceeds, \$ 1 billion Sukuk auction, lower oil bill and SBP interventions. The reserves stood at around \$ 16 billion at the end of March, higher by around \$2 billion since the start of the current fiscal year. Out of total financing of around \$ 2.2 billion scheduled for FY15 under IMF Extended Fund Facility (EFF), the country has received two tranches of around \$ 540 million each during 9MFY15.

Keeping in view lower inflationary pressure along with improving outlook on the balance of payment, the government had announced cut in the discount rate in the monetary policy held in November, January and March, bringing the discount rate to 8 percent from 10 percent at the start of the year.

M2 has expanded by 4.87 percent during the 9MFY15 (till 27th March) as opposed to expansion of 5.21 percent during the same period last year. At the same time, the net borrowing from the banking system increased by Rs 521.62 billion as opposed to Rs 505.86 billion raised during the same period last year.

Money market remained quite active during the 9MFY15, largely due to declining interest rate scenario stemming from sharp decline in oil prices. Participation largely remained concentrated in longer tenure paper causing strain on short term liquidity as the government sold a total of Rs 850 billion worth of PIBs against a target of Rs 600 billion during the first three quarters.

EQUITIES MARKET OVERVIEW

Stock market remained highly volatile during the year. The benchmark KSE-100 index which had surged by 8.4 percent during 1HFY15 fell by 6 percent during the 3QFY15.

Weak fundamentals in Index heavy weights i.e. Banking and Oil & Gas Sectors, liquidity outflow from foreign investor accounts and certain steps from regulators aimed at improvement in market transparency unnerved few investor segments which triggered sharp correction in the market in the 3QFY15. This can be gauged from the fact that offshore investors remained net sellers,

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

with total outflow of around \$135 million in 3QFY15, as opposed to a net inflow of around \$121.5 million recorded during the 1HFY15.

Oil and Gas and Banking sectors remained the main contributors of dismal market performance during the third quarter. Declining trend with high volatility in oil prices didn't allowed Oil and Gas sector to perform while attractiveness of Banking sector was marred by regular reductions in discount rates. Monetary easing and low interest rate outlook on the back of lower expected inflation kept leveraged and high yielding sectors like Fertilizer and Electricity in the lime light. Cement sector was the beneficiary of both lower raw material and lower interest rate costs while Fertilizer and Electricity performed on the back of attractive yields.

The average turnover stood at around 197 million shares during the 9MFY15 as opposed to average volume of 214 million shares during the same period last year.

FUND PERFORMANCE

The fund posted a return of 15.08% during the period under review while since inception return of fund stood at 57.80%. On the equities front fund changed its overall equity and sector allocations several times in response to varying investment climate. End of the period equity allocation of fund was around 18.3% as compared to beginning of the period allocation of around 17.6%. The fund has remained focused on maintaining a balance between defensive high yielding and growth stocks. During the period under review, the fund mainly reduced its exposure Commercial Banks while increased its exposure towards Oil & Gas, Chemicals, and Electricity.

On the fixed income side, the fund significantly increased its exposure in Government papers to 59.4% from 43.4% at June 30, 2014 in order to capitalize on the downward adjustments in the yield curve that resulted in sizeable capital gains. Duration of fixed income portfolio was adjusted several times during the period to capitalize on the fluctuating liquidity and interest rates in the market. TFC exposure was reduced from 3.1% to 1.2% during the period.

The Net Asset of the Fund as at March 31, 2014 stood at Rs.1,840 million as compared to Rs 779 million as at June 30, 2014 registering a increase of 136.20%.

The Net Asset Value (NAV) per unit as at March 31, 2015 was Rs.82.7127 as compared to opening NAV of Rs.71.8713 per unit as at June 30, 2014 registering a increase of Rs. 10.8414 per unit.

FUTURE OUTLOOK

The government expects reserve position to improve further towards the end of the ongoing fiscal year on the back of significant improvement in foreign direct investments and pledges made by multilateral agencies. The government is eyeing to raise foreign inflows through offloading its stake in HBL and the country is also expected to receive next tranche of US\$ 550 million from IMF in April. Remittances are expected to grow further, however, political distraction in the Middle Eastern region and lower oil prices pose risk to the ongoing northward trend.

Due to subsiding cost pressure, we expect manufacturing sectors, primarily, Auto, Cement and Consumer sectors to outperform the broader market. Moreover, continuation of expansionary environment suggests high-dividend yield companies to stay in the limelight.

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
April 24, 2015

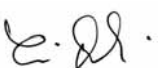
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 MARCH 2015

	Note	31 March 2015 (Unaudited) ----- Rupees in '000 -----	30 June 2014 (Audited)
Assets			
Balances with banks		381,810	96,667
Investments	7	1,651,025	510,520
Fair value of derivative transaction		-	-
Dividend and profit receivables		17,541	19,517
Receivable against sale of investment		-	142,712
Advances, deposits and prepayments		4,329	15,397
Receivable from National Clearing Company of Pakistan Limited		39,092	8,191
Total assets		2,093,797	793,004
Liabilities			
Payable to the Management Company		22,424	3,820
Payable to Central Depository Company of Pakistan Limited - Trustee		235	126
Payable to Securities and Exchange Commission of Pakistan		734	630
Fair value of Derivative Liability		-	10
Payable against redemption of units		19,429	-
Payable against purchase of investment		163,619	-
Accrued expenses and other liabilities	8	47,265	9,301
Total liabilities		253,706	13,887
Net assets		1,840,091	779,117
Unit holders' fund (as per statement attached)		1,840,091	779,117
Contingencies and commitments	9		
(Number of units)			
Number of units in issue (face value of units is Rs. 100 each)		22,246,768	10,840,442
(Rupees)			
Net asset value per unit		82.71	71.87

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

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


Chief Executive Officer


Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

	Nine months ended		Quarter ended	
Note	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rupees in '000			
Income				
Capital gain on sale of investments	103,566	13,349	65,487	10,848
Loss from spread transactions	-	-	-	-
Dividend income	12,163	13,273	8,098	1,980
Profit on bank deposits	15,039	6,980	5,902	2,538
Income from government securities	35,317	25,397	13,182	10,524
Income from term finance certificates	2,260	2,362	735	721
Other Income	19	17	8	6
	168,364	61,378	93,412	26,617
Net unrealised appreciation/(diminution) on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	5,505	3,890	(17,281)	2,279
Total income	173,869	65,268	76,131	28,896
Expenses				
Remuneration of the Management Company	15,445	9,119	6,913	3,348
Sindh Sales tax and Federal Excise Duty on Management Fee	5,159	3151	2,309	1,157
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,443	955	592	334
Annual fee to Securities and Exchange Commission of Pakistan	734	454	329	159
Brokerage and settlement charges	4,675	3,563	1,382	1,177
Amortisation of preliminary expenses	-	-	-	-
Auditor's remuneration	522	412	155	122
Other expenses	403	497	162	160
Total operating expenses	28,381	18,151	11,842	6,457
Net income from operating activities	145,488	47,117	64,289	22,439
Element of income and capital gains included in the prices of units issued less those in units redeemed	100,522	8,968	87,482	4,655
Provision for workers' welfare fund	8.2 (4,920)	(1,122)	(3,036)	(542)
Net income for the period before taxation	241,090	54,963	148,735	26,552
Taxation	10 -	-	-	-
Net income for the period after taxation	241,090	54,963	148,735	26,552

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

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


Chief Executive Officer

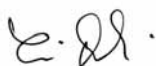

Director

**CONDENSED OTHER COMPREHENSIVE INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015**

	Nine months ended		Quarter ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	----- Rupees in '000 -----			
Net income for the period	241,090	54,963	148,735	26,552
Net unrealised (dimmiution)/appreciation during the period of investment classified as available-for-sale	(12,221)	120	(20,326)	120
Total other comprehensive income for the period	228,869	55,083	128,409	26,672

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015**

	Nine months ended		Quarter ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	----- Rupees in '000 -----			
Accumulated loss brought forward	(304,929)	(80,704)	(287,071)	(242,148)
Total comprehensive income for the period	228,869	55,083	128,412	26,672
Element of loss and capital losses included in the prices of units issued less those in units redeemed - amount representing unrealized diminution	(307,196)	(143,882)	(224,597)	(20,322)
Final Distribution @ Rs. Nil (2013: Rs. 12.9135) for the year ended 30 June 2014:				
- Cash dividend	-	(87)	-	-
- Bonus distribution Nil (2014:927,719 units)	-	(66,208)	-	-
Accumulated loss carried forward	(383,256)	(235,798)	(383,256)	(235,798)

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015**

	Nine months ended		Quarter ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	----- Rupees in '000 -----			
Net assets at beginning of the period	779,117	432,680	1,095,638	702,768
Issue of 9,630,118 (2014: 8,136,309*) units and 14,259,272 (2014: 2,470,094) units for the nine months and quarter ended respectively	1,154,243	599,354	803,268	188,328
Redemption of 1,210,422 (2014: 3,111,285) units and 2,225,838 (2014: 1,760,367) units for the nine months and quarter ended respectively	(221,615)	(231,766)	(99,744)	(133,025)
	932,628	367,588	703,524	55,303
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed				
- amount representing (income) and capital (gains) - transferred to income statement	(100,523)	(8,968)	(87,483)	(4,655)
- amount representing loss and capital losses transferred to distribution statement	307,196	143,882	224,597	20,322
	206,673	134,914	137,114	15,667
Element of (loss) and capital (losses) that forms part of unit holders' fund transferred to distribution statement	(307,196)	(143,882)	(224,597)	(20,322)
Net unrealised appreciation / (diminution) on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	5,505	3,890	(17,281)	2,279
Net unrealised (diminution) / appreciation on re-measurement of investment classified 'financial assets as 'available-for-sale'	(12,221)	120	(20,323)	120
Capital gain on sale of investments - net	103,567	13,349	65,488	10,848
Net income for the period	132,018	37,724	100,528	13,425
Total comprehensive income for the period.	228,869	55,083	128,412	26,672
Distribution during the period		(66,295)	-	-
Net assets at the end of the period	1,840,091	780,088	1,840,091	780,088

* This includes 927,719 units issued as bonus units.

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)


FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

	Nine months ended		Quarter ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	----- Rupees in '000 -----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	241,090	54,963	148,735	26,552
Adjustments				
Dividend income	(12,163)	(13,273)	(8,098)	(1,980)
Net unrealised (appreciation) / diminution on remeasurement of investment classified as 'financial assets at fair value through profit or loss'	(5,505)	(3,890)	17,281	(2,279)
Element of (income) and capital (gains) included in the prices of units issued less those in units redeemed	(100,522)	(8,968)	(87,482)	(4,655)
	(118,190)	(26,131)	(78,299)	(8,914)
Net cash generated from operations before working capital changes	122,900	28,832	70,436	17,638
Working capital changes				
<i>(Increase) / decrease in assets</i>				
Investments - net	(1,147,221)	(387,332)	(816,036)	(311,040)
Receivable against sale of investment	142,712	6,007	2,704	(4,121)
Profits Receivable and Prepayment	10,031	(9,342)	16,047	(11,734)
Advances	11,068	(32)	32	16,850
Security deposits	(30,901)	12,764	(37,866)	19,148
	(1,014,311)	(377,935)	(835,119)	(290,897)
<i>Increase / (decrease) in liabilities</i>				
Payable to the Management Company	18,604	1,186	16,604	(582)
Payable to Central Depository Company of Pakistan Limited - Trustee	109	61	64	2
Payable to Securities and Exchange Commission of Pakistan	104	221	329	159
Fair value of Derivative Liability	(10)	(243)	-	-
Payable against redemption of units	19,429	-	19,388	-
Payable against purchase of investment	163,619	-	136,587	-
Accrued expenses and other liabilities	37,964	2,867	33,879	1,381
	239,819	4,092	206,851	960
Dividend income received	4,107	13,366	465	1,980
Net cash used in operating activities	(647,485)	(331,645)	(557,367)	(270,319)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from issuance of units	1,154,243	533,146	803,268	188,328
Payments against redemption of units	(221,615)	(231,766)	(99,744)	(133,025)
Distribution during the period	-	(87)	-	-
Net cash generated from financing activities	932,628	301,293	703,524	55,303
Net increase / (decrease) in cash and cash equivalents	285,143	(30,352)	146,157	(215,016)
Cash and cash equivalents at beginning of the period	96,667	68,364	235,653	253,028
Cash and cash equivalents at end of the period	381,810	38,012	381,810	38,012

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

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


Chief Executive Officer


Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

MCB Dynamic Allocation Fund (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non Banking Finance Companies and Notified Entities Regulations, 2007 and was approved as an open end investment scheme by the Securities and Exchange Commission of Pakistan (SECP) on 17 December 2007. It was constituted under a Trust Deed dated 22 November 2007 between MCB Asset Management Company Limited (MCB-AMC) as the Management Company, a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited as the Trustee, also incorporated under the Companies Ordinance, 1984.

Pursuant to merger of MCB Asset Management Limited and Arif Habib Investment Limited, the name of the Management Company has been changed from Arif Habib Investment Limited to MCB-Arif Habib Savings and Investments Limited.

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

The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The units of the Fund can be transferred to / from the funds managed by the Management Company and can also be redeemed by surrendering to the Fund. The units are listed on the Lahore Stock Exchange.

Under circular 7 dated 6 March 2009 issued by the SECP, the Fund is categorised as an Asset Allocation Scheme. The Management Company is in the process of making requisite amendments in relation to categorisation, investment objectives and relevant benchmark in the constitutive documents of the Fund.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of 'AM2+' (positive outlook) to the Management Company and has assigned a "4-Star" to 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. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBC Rules), the Non- Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP) . In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, 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 directives issued by the Securities and Exchange Commission of Pakistan (SECP) have been followed.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2014.

The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2015 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2014, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the half year ended 31 March 2014.

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

information are unaudited.

2.2 The Directors of the asset management company declare that this condensed interim financial information give a true and fair view of the Fund.

2.3 This condensed interim financial information has been prepared on the basis of historical cost convention except that investments have been included at fair value.

2.4 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund and rounded to the nearest thousand rupees.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of this condensed interim financial information are the same as those applied in the preparation of financial statements for the year ended 30 June 2014.

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the fund operations and did not resulted in change to the funds operation and did not resulted in change in accounting policy of the fund except for, where applicable, change in presentation and additional disclosures.

4. ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2014.

5. FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2014.

6. INVESTMENTS

	Note	31 March 2015 (Unaudited)	30 June 2014 (Audited)
		---- Rupees in '000 ----	
Financial assets at fair value through profit or loss			
- Quoted equity securities	6.1	98,546	125,962
- Listed debt securities	6.2	24,103	24,699
- Government Securities	6.3	1,053,345	95,422
		<u>1,175,994</u>	<u>246,083</u>
Available for Sale			
- Quoted equity securities	6.4	283,863	11,218
- Government Securities	6.5	191,168	253,219
Total Investments		<u><u>1,651,025</u></u>	<u><u>264,437</u></u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

7.1 Held for trading investments

7.1.1 Quoted Equity securities

Name of investee company	As at 1 July 2014	Purchased during the period	Bonus/ rights issue during the period	Sales during the period	As at 31 March 2015	Carrying Cost as at 31 March 2015	Market value as at 31 March 2015	Appreciation/ (Diminution) as at 31 March 2015	Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
(Rupees in '000)											
Number of shares											
Oil and Gas											
Attock Petroleum Limited	-	64,100	-	(64,100)	-	-	-	-	0.00%	0.00%	
Attock Refinery Limited	-	7,500	-	7,500	-	-	-	-	0.00%	0.00%	
Hascol Petroleum Limited	-	113,500	-	(113,500)	-	-	-	-	0.00%	0.00%	
Oil and Gas Development Company Limited	-	77,500	-	(77,500)	-	-	-	-	0.00%	0.00%	
Pakistan Oilfields Limited	-	39,100	-	(39,100)	-	-	-	-	0.00%	0.00%	
Pakistan Petroleum Limited	-	317,500	-	(317,500)	-	-	-	-	0.00%	0.00%	
Pakistan State Oil Co Ltd.	-	81,500	-	(81,500)	-	-	-	-	0.00%	0.00%	
Shell (Pakistan) Limited	-	20,000	-	(20,000)	-	-	-	-	0.00%	0.00%	
Chemicals											
Dawood Hercules Corporation	-	146,500	-	(146,500)	-	-	-	-	0.00%	0.00%	
Engro Corporation Limited	-	173,500	-	(173,500)	-	-	-	-	0.00%	0.00%	
Engro Fertilizers Limited	-	425,000	-	(425,000)	-	-	-	-	0.00%	0.00%	
Fatima Fertilizers Company Limited	-	700,000	-	(700,000)	-	-	-	-	0.00%	0.00%	
Fauji Fertilizer Bin Qasim Limited	-	1,000,000	-	(866,500)	133,500	7,375	6,205	(1,170)	0.34%	0.38%	1.4292%
Fauji Fertilizer Company Limited	-	72,500	-	(72,500)	-	-	-	-	0.00%	0.00%	
Forestry (Paper and Board)											
Century Papers and Board Mills Limited	-	180,000	-	(180,000)	-	-	-	-	0.00%	0.00%	-
Industrial Metals and Mining											
Crescent Steel and Allied Products Limited	-	185,000	-	(185,000)	-	-	-	-	0.00%	0.00%	
International Industries Limited	-	190,000	-	(190,000)	-	-	-	-	0.00%	0.00%	
Construction & Materials											
Attock Cement Limited	-	50,000	-	(50,000)	-	-	-	-	0.00%	0.00%	
Cherat Cement	-	111,500	-	(111,500)	-	-	-	-	0.00%	0.00%	
D G Khan Cement Limited	-	393,500	-	(393,500)	-	-	-	-	0.00%	0.00%	
Fauji Cement Company Limited	-	1,131,500	-	(1,131,500)	-	-	-	-	0.00%	0.00%	
Kohat Cement Company Limited	-	60,000	-	(60,000)	-	-	-	-	0.00%	0.00%	
Lafarge Pakistan Cement Limited	-	6,014,500	-	(4,091,500)	1,923,000	32,444	29,364	(3,080)	1.60%	1.78%	13.2064%
Lucky Cement Limited	-	60,500	-	(60,500)	-	-	-	-	0.00%	0.00%	
Maple Leaf Cement	80,000	899,500	-	(979,500)	-	-	-	-	0.00%	0.00%	
Pioneer Cement Limited	-	145,000	-	(140,000)	5,000	423	393	(30)	0.02%	0.02%	-
						32,867	29,757	(3,110)	1.62%	1.80%	

Unless stated otherwise, the holdings are in ordinary shares of Rs. 10 each.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

Name of investee company	As at 1 July 2014	Purchased during the period	Bonus/ rights issue during the period	Sales during the period	As at 31 March 2015	Carrying Cost as at 31 March 2015	Market value as at 31 March 2015	Appreciation/ (Diminution) as at 31 March 2015	Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
Number of shares											
(Rupees in '000)											
General Industries											
Ghani Glass	-	5,000	-	(5,000)	-	-	-	-	0.00%	0.00%	
Packages Limited	9,700	-	-	(9,700)	-	-	-	-	0.00%	0.00%	
Thal Limited	-	44,100	-	(44,100)	-	-	-	-	0.00%	0.00%	
Engineering											
Al-Ghazi Tractors Limited	-	23,800	-	(23,800)	-	-	-	-	0.00%	0.00%	
Millat Tractors Limited	-	38,900	-	(38,900)	-	-	-	-	0.00%	0.00%	
Automobile and Parts											
Indus Motor Company Limited	-	36,000	-	(36,000)	-	-	-	-	0.00%	0.00%	
Pak Suzuki Motor Company Limited	-	125,000	-	(125,000)	-	-	-	-	0.00%	0.00%	
Food Producers											
Nestle Pakistan Limited	-	1,940	-	(1,940)	-	-	-	-	0.00%	0.00%	
Engro Foods Limited	-	90,000	-	(90,000)	-	-	-	-	0.00%	0.00%	
House hold goods											
Pak Elektron Limited	-	2,874,000	-	(2,874,000)	-	-	-	-	0.00%	0.00%	
Tariq Glass Industries Limited	-	100,000	-	(100,000)	-	-	-	-	0.00%	0.00%	
Personal Goods											
Kohinoor Textile Mills Limited	-	50,000	-	(50,000)	-	-	-	-	0.00%	0.00%	
Nishat Chunian limited	6,000	348,000	-	(354,000)	-	-	-	-	0.00%	0.00%	
Nishat Mills Limited	-	219,000	-	(219,000)	-	-	-	-	0.00%	0.00%	

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

Name of investee company	As at 1 July 2014	Purchased during the period	Bonus/ rights issue during the period	Sales during the period	As at 31 March 2015	Carrying Cost as at 31 March 2015	Market value as at 31 March 2015	Appreciation/ (Diminution) as at 31 March 2015	Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
Number of shares----- (Rupees in '000)-----											
Pharma and Bio Tech											
Searl Company	-	50,500	-	(50,500)	-	-	-	-	0.00%	0.00%	-
Electricity											
Engro Powergen Qadirpur Limited	-	47,689	-	(47,689)	-	-	-	-	0.00%	0.00%	-
The Hub Power Company Limited	310,000	1,428,500	-	(1,005,500)	733,000	53,275	62,584	9,309	3.40%	3.79%	6.33%
Kot Addu Power Company Limited	327,000	-	-	(327,000)	-	-	-	-	0.00%	0.00%	-
Lalpir Power Limited	-	200,000	-	(200,000)	-	-	-	-	0.00%	0.00%	-
Nishat Power Limited	42,000	-	-	(42,000)	-	-	-	-	0.00%	0.00%	-
Pakgen Power Limited	-	150,000	-	(150,000)	-	-	-	-	0.00%	0.00%	-
Commercial Banks											
Allied Bank Limited	-	70,000	-	(70,000)	-	-	-	-	0.00%	0.00%	-
Askari Bank Limited	-	380,000	-	(380,000)	-	-	-	-	0.00%	0.00%	-
Bank Al-Falah Limited	524,500	549,500	-	(1,074,000)	-	-	-	-	0.00%	0.00%	-
Bank Al-Habib Limited	160,000	400,000	-	(560,000)	-	-	-	-	0.00%	0.00%	-
Bank Of Punjab	-	230,000	-	(230,000)	-	-	-	-	0.00%	0.00%	-
Faysal Bank Limited	150,000	1,725,000	-	(1,725,000)	-	-	-	-	0.00%	0.00%	-
Habib Bank Limited	-	78,000	-	(78,000)	-	-	-	-	0.00%	0.00%	-
Habib Metro Bank Limited	402,000	1,150,000	-	(1,552,000)	-	-	-	-	0.00%	0.00%	-
MCB Bank Limited	-	24,500	-	(24,500)	-	-	-	-	0.00%	0.00%	-
National Bank of Pakistan Limited	50,000	393,000	-	(443,000)	-	-	-	-	0.00%	0.00%	-
Soneri Bank Limited	-	347,500	-	(347,500)	-	-	-	-	0.00%	0.00%	-
United Bank Limited	180,936	314,200	-	(495,136)	-	-	-	-	0.00%	0.00%	-
Non Life Insurance											
IGI Insurance Limited	38,800	50,000	-	(88,800)	-	-	-	-	0.00%	0.00%	-
Fixed Line Telecommunicati On											
P.T.C.L "A"	-	76,000	-	(76,000)	-	-	-	-	0.00%	0.00%	-
Multitilities (Gas And Water)											
Sui Northern Gas	-	18,500	-	(18,500)	-	-	-	-	0.00%	0.00%	-
Sui Southern Gas	-	10,000	-	(10,000)	-	-	-	-	0.00%	0.00%	-
Total - 31 March 2014											
						93,517	98,546	5,029	5.36%	5.97%	
Total - 30 June 2014						121,224	125,962	4,738	15.84%	24.66%	

7.1.1.1 Investments include shares with market value aggregating of Rs. 12,807 million (30 June 2014: 17.51 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in term of Circular No. 11 dated 23 October 2007 issued by the Securities and Exchange Commission of Pakistan.

7.1.1.2 Cost of investment of equity securities is Rs. 85,448 million (30 June 2014: Rs. 121.22 million).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

7.1.2 Term Finance Certificates

Name of investee company	Issue Date	As at 1 July 2014	Purchased during the period	Sold / matured during the period	As at 31 March 2015	Carrying Cost as at 31 March 2015	Market value as at 31 March 2015	Appreciation/ (Diminution) as at 31 March 2015	Market value as a percentage of net assets	Market value as a percentage of total investments
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-----Number of certificates----- (Rupees in '000) -----

Certificates having a face value of Rs. 5,000 each unless stated otherwise

Askari Bank Limited-I	18-Nov-09	2,998	-	-	2,998	14,568	14,078	(490)	0.77%	0.85%
Bank Alfalah Limited-V	20-Feb-13	2,000	-	-	2,000	10,124	10,025	(99)	0.54%	0.61%

Total - 31 March 2015						24,692	24,103	(589)	1.31%	1.46%
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Total - 30 June 2014						25,255	24,699	(556)	3.17%	4.83%
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7.1.3 Government Securities

Particulars	As at 1 July 2014	Purchased during the period	Sold during the period	Matured during the period	As at 31 March 2015	Carrying value	Market Value	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
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-----Face value----- (Rupees in '000) -----

Treasury bills

Treasury Bills - 3 Months	7.3.1	-	846,400	(20,000)	(243,900)	582,500	574,983	575,036	53	31.25%	34.83%
Treasury Bills - 6 Months	7.3.1	-	50,000	-	-	50,000	49,541	49,526	(15)	2.69%	3.00%
Treasury Bills - 1 year	7.3.1	-	819,235	-	(469,235)	350,000	332,332	331,931	(401)	18.04%	20.10%

Total - 31 March 2015						956,856	956,493	(363)	51.98%	57.93%
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Total - 30 June 2014						-	-	-	0.00%	0.00%
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Pakistan Investment Bond

PIB - 3 years	30,000	-	-	-	-	30,000	29,596	31,185	1,589	1.69%	1.89%
PIB - 5 years	65,000	-	-	-	-	65,000	65,826	65,667	(159)	3.57%	3.98%
PIB - 10 years	-	162,500	162,500	-	-	-	-	-	-	0.00%	0.00%

Total - 31 March 2015						95,422	96,852	1,430	5.26%	5.87%
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Total - 30 June 2014						95,864	95,422	(442)	12.00%	19.00%
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Total Investment in Government Securities - 31 March 2015

Total Investment in Government Securities - 31 March 2015						1,052,278	1,053,345	1,067	57.24%	63.80%
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Total Investment in Government Securities - 30 June 2014						95,864	95,422	(442)	12.00%	19.00%
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

7.2 Available for sale investments

7.2.1 Quoted equity securities

Name of investee company	As at 1 July 2014	Purchased during the period	Bonus/ rights issue during the period	Sales during the period	As at 31 March 2015	Carrying Cost as at 31 March 2015	Market value as at 31 March 2015	Appreciation/ (Diminution) as at 31 March 2015	Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
Number of shares											
(Rupees in '000)											
Unless stated otherwise, the holdings are in ordinary shares of Rs. 10 each.											
Oil and Gas											
Oil & Gas Development Co Ltd.	-	350,000	-	(100,000)	250,000	45,476	45,383	(93)	2.47%	2.75%	0.58%
Pakistan Petroleum Ltd	50,000	25,000	-	(75,000)	-	-	-	-	0.00%	0.00%	-
Pakistan State Oil Co Ltd.	-	25,500	-	(25,500)	-	-	-	-	0.00%	0.00%	-
						45,476	45,383	(93)	2.47%	2.75%	
Chemicals											
Engro Fertilizer Limited	-	26,500	-	(26,500)	-	-	-	-	0.00%	0.00%	-
Engro Corporation Limited	-	210,000	-	(210,000)	-	-	-	-	0.00%	0.00%	-
Fauji Fertilizer Bin Qasim Ltd.	-	450,000	-	(278,500)	171,500	8,504	7,971	(533)	0.43%	0.48%	1.84%
Fauji Fertilizer Co. Ltd.	-	401,000	-	-	401,000	54,077	53,429	(648)	2.90%	3.24%	3.15%
						62,581	61,400	(1,181)	3.33%	3.72%	
Construction & materials (Cement)											
D.G. Khan Cement	-	350,000	-	(350,000)	-	-	-	-	0.00%	0.00%	-
Fauji Cement Co Ltd	-	14,500	-	(14,500)	-	-	-	-	0.00%	0.00%	-
Lafarge Pakistan Cement Ltd	-	1,393,500	-	(41,000)	1,352,500	23,970	20,645	(3,325)	1.12%	1.25%	9.29%
Maple Leaf Cement Factory Ltd	-	200,000	-	(175,000)	25,000	1,302	1,201	(101)	0.07%	0.07%	0.47%
Pioneer Cement Ltd	-	250,000	-	(230,000)	20,000	1,783	1,572	(211)	0.09%	0.10%	0.88%
						27,055	23,418	(3,637)	1.28%	1.42%	
Electricity											
Kot Addu Power Company Limited	-	1,050,000	-	(793,500)	256,500	20,469	19,951	(518)	1.08%	1.21%	2.91%
Hub Power Company Ltd	-	450,000	-	-	450,000	37,402	38,421	1,019	2.09%	2.33%	3.89%
K-Electric Ltd	-	1,352,392	-	(499,000)	853,392	7,304	6,068	(1,236)	0.33%	0.37%	0.88%
Pakgen Power Limited	-	1,748,500	-	-	1,748,500	54,708	48,783	(5,925)	2.65%	2.95%	46.99%
						119,883	113,223	(6,660)	6.15%	6.86%	
General Industrials											
Cherat Packaging	-	41,300	-	(41,300)	-	-	-	-	0.00%	0.00%	-
Ghani Glass Limited	-	191,000	-	(191,000)	-	-	-	-	0.00%	0.00%	-
Packages Limited	-	41,500	-	(8,500)	33,000	21,726	18,315	(3,411)	1.00%	1.11%	3.78%
						21,726	18,315	(3,411)	1.00%	1.11%	
Commercial Banks											
Habib Metropolitan Bank	-	184,500	-	(184,500)	-	-	-	-	0.00%	0.00%	-
						-	-	-	0.00%	0.00%	
Non Life Insurance											
Adamjee Insurance Co. Ltd	-	200,000	-	(200,000)	-	-	-	-	0.00%	0.00%	-
						-	-	-	0.00%	0.00%	

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

Name of investee company	As at 1 July 2014	Purchased during the period	Bonus/ rights issue during the period	Sales during the period	As at 31 March 2015	Carrying Cost as at 31 March 2015	Market value as at 31 March 2015	Appreciation/ (Diminution) as at 31 March 2015	Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
Number of shares											
(Rupees in '000)											
Household Goods											
Pak Elektron Limited	-	25,500	-	(25,500)	-	-	-	-	0.00%	0.00%	
Forestry (Paper And Board)											
Century Paper & Board Mills	-	25,000	-	(25,000)	-	-	-	-	0.00%	0.00%	
Beverages											
Shezan International	-	4,650	-	-	4,650	5,882	4,363	(1,519)	0.24%	0.26%	5.81%
SOFTWARE AND COMPUTER SERVICES											
Systems Limited	-	365,000	-	-	365,000	14,600	17,761	3,161	0.97%	1.08%	36.43%
Total - 31 March 2015											
Total - 30 June 2014											
Cost of investment of equity securities is Rs. 52.33 million (30 June 2014; Rs. 11.197 million).											
Government Securities											
Face value											
(Rupees in '000)											
Pakistan Investment Bond											
PIB - 3 years	232,500	-	-	(200,000)	-	32,500	32,173	33,784	1,611	1.84%	1.61%
PIB - 5 years	-	50,000	50,000	-	-	50,000	55,220	55,214	(6)	3.00%	2.64%
PIB - 10 years	25,000	100,000	100,000	(25,000)	-	100,000	102,735	102,170	(565)	5.55%	4.88%
Total - 31 March 2015											
Total - 30 June 2014											
Total Investment in Government Securities - 31 March 2015											
Total Investment in Government Securities - 30 June 2014											

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

8. ACCRUED EXPENSES AND OTHER LIABILITIES

		31 March 2015 (Unaudited) (Rupees in '000)	30 June 2014 (Audited)
Auditor's remuneration payable		470	442
Brokerage payable		2,162	546
Provision for Federal Excise Duty and other related taxes	8.1	5,278	2,436
Provision for Workers' Welfare Fund	8.2	10,596	5,676
Advance against issuance of units		28,500	-
Others		258	201
		<u>47,264</u>	<u>9,301</u>

8.1. FEDERAL EXCISE DUTY ON REMUNERATION OF MANAGEMENT COMPANY

The Finance Act, 2013 introduced an amendment to Federal Excise Act 2005 where by Federal Excise Duty (FED) has been imposed at the rate of 16% of the services rendered by assets management companies. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honourable Sindh High Court (SHC), challenging the levy of Federal Excise Duty on Asset Management services after the eighteenth amendment. The SHC in its short order dated 4 September 2013 directed the FBR not to take any coercive action against the petitioners pursuant to impugned notices till next date of hearing. In view of uncertainty regarding the applicability of FED on asset management services, the management, as a matter of abundant caution, has decided to retain and continue with the provision of FED in this condensed interim financial information aggregating to Rs. 5.278 million as at 31 March 2015. In case, the suit is decided against the fund the same would be paid to management company, who will be responsible for submitting the same to authorities. Had the said provision of FED not been recorded in the books of account of the Fund, the Net Asset Value of the Fund would have been higher by Rs. 0.24 per unit as at 31 March 2015.

8.2. PROVISION FOR WORKER'S 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, challenging the applicability of WWF to the CISs, which is pending for adjudication.

On 15 July 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on 14 December 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.

During the year ended 30 June 2012, 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 filed by companies other than mutual funds 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

However, as per advice of legal counsel the stay granted to CIS remains intact and the constitution petitions filed by the CIS to challenge the WWF contribution have not been affected by the SHC judgment. In view of the aforementioned developments and uncertainties created by decision of SHC the Management company, as a matter of prudence has charged provision for WWF amounting to Rs. 10.596 million till March 2015.

Had the said provision of WWF not been recorded in the books of account of the fund, the NAV of the fund would have been higher by Rs. 0.48 per unit.

9. Contingencies and commitments

There were no contingencies and commitments as at 31 March 2015.

10. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders. The Management intends to distribute atleast 90% of the income earned by the fund by the year end to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance 2001. Accordingly, no provision for taxation has been made in this condensed interim financial information.

11. EARNINGS PER UNIT

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

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons of the Fund include the Management Company, other collective investment schemes being managed by the Management Company, the Trustees, directors and key management personnel and other associated undertakings.

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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

12.1 Details of transactions with the connected persons / related parties during the period are as follows:

	Nine months ended 31 March		Quarter ended 31 March	
	2015	2014	2015	2014
	(Unaudited)			
	Rupees in '000			
MCB-Arif Habib Savings and Investments Limited				
Remuneration of the Management Company (including indirect taxes)	20,604	12,270	9,222	4,505
Central Depository Company of Pakistan Limited				
Remuneration of the Trustee	1,443	955	592	334
CDC settlement charges	148	215	71	68
MCB Bank Limited				
Dividend income	37	207	-	207
Profit on bank deposits	3,119	3,119	(2,210)	1,863
Bank charges	12	12	(2)	7
Arif Habib Corporation				
Dividend income	-	2,824	-	-
D.G. Khan Cement				
Dividend income	175	335	-	-
Nishat Chunian Power Limited				
Dividend income	-	212	-	212
Nishat Mills Limited				
Dividend income	388	58	-	-
Nishat Power Limited				
Dividend income	-	426	-	417
Arif Habib Limited				
Brokerage expense	351	202	99	137
Next Capital Limited				
Brokerage expense	147	115	147	32

12.2 Balance outstanding as at the period / year end

	31 March 2015 (Unaudited)	30 June 2014 (Audited)
	Rupees in '000	
MCB-Arif Habib Savings and Investments Limited		
Remuneration payable to the Management Company	3,007	1,258
Sales tax payable on remuneration of Management	451	201
Sales load payable	18,966	2,361
Central Depository Company of Pakistan Limited		
Remuneration payable to the Trustee	235	126
CDC settlement charges	-	-
Security Deposits	100	100
MCB Bank Limited		
Bank deposits	2,963	94,005
Profit receivable	255	564
Nil shares held by the Fund (30 June 2014: nil shares)	-	-
Nishat Chunian Limited		
Nil shares held by the Fund (30 June 2014: 6,000 shares)	-	254
Nishat Power Limited		
Nil shares held by the Fund (30 June 2014: 42,000 shares)	-	1,494
Arif Habib Limited		
Brokerage *	71	71

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND THE QUARTER ENDED 31 MARCH 2015

* The amount disclosed represents the amount of brokerage paid to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter parties are not connected persons.

	Nine months ended 31 March 2015		Nine months ended 31 March 2014	
	Units	(Rupees in '000)	Units	(Rupees in '000)
	(Unaudited)		(Unaudited)	
Units sold to:				
MCB-Arif Habib Savings and Investments Limited	-	-	1,299,132	95,000
Greensstar Social marketing Pakistan Limited.	-	-	1,536,822	117,500
Adamjee life Insurance Company Limited (Income Multiplier Fund)	-	-	261,587	20,000
Key management personnel	59,311	4,350	28,052	2,154
Units redeemed by:				
Greensstar Social marketing Pakistan Limited.	274,648	-	-	-
MCB-Arif Habib Savings and Investments Limited	-	-	550,040	42,000
Bonus Units issued:				
MCB-Arif Habib Savings and Investments Limited	-	-	211,148	15,069
D. G Khan Cement Company Limited (Employees Provident Fund Trust)	-	-	4,032	288
Key management personnel	-	-	251	18
	Nine months ended 31 March 30 June 2015 2014 (Unaudited) (Audited) ---- Units ----		Nine months ended 31 March 30 June 2015 2014 (Unaudited) (Audited) ---- Rupees in '000 ----	
Units held by:				
MCB-Arif Habib Savings and Investments Limited	2,364	2,364,412	196	169,934
D. G Khan Cement Company Limited (Employees Provident Fund Trust)	29,253	29,253	2,420	2,102
Mandate under discretionary Portfolio	294,377	569,025	24,348	40,897
Adamjee life Assurance Company Limited (Income Multiplier Fund)	247,820	247,820	20,497	17,811
Key management personnel	90,652	31,341	7,498	2,253

13 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 24, 2015 by the Board of Directors of the Management Company.

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


Chief Executive Officer


Director

Please find us on



by typing: **Bachat Ka Doosra Naam**

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