



# 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.

## CONTENTS

---

Fund's Information	251
Report of the Directors of the Management Company	252
Condensed Interim Statement of Assets and Liabilities	254
Condensed Interim Income Statement (Un-audited)	255
Condensed Interim Distribution Statement (Un-audited)	256
Condensed Interim Statement of Movement in Unit Holders' Funds (Un-audited)	257
Condensed Interim Cash Flow Statement (Un-audited)	258
Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)	259

## FUND'S INFORMATION

<b>Management Company</b>	MCB-Arif Habib Savings and Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
<b>Board of Directors</b>	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
<b>Audit Committee</b>	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Yasir Qadri	Chairman Member Member Member Member
<b>Company Secretary &amp; Chief Financial Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Trustee</b>	Central Depository Company of Pakistan Limited CDC House, 990B Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi-74400	
<b>Bankers</b>	MCB Bank Limited Habib Metropolitan Bank Limited	
<b>Auditors</b>	KPMG Taseer Hadi & Co. Chartered Accountants 1st Floor, Sheikh Sultan Trust Building No. 2, Beaumont Road, Karachi-75530.	
<b>Legal Advisor</b>	Akhund Forbes D-21, Block-4, Scheme-5, Clifton, Karachi.  Bawany & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
<b>Transfer Agent</b>	MCB-Arif Habib Savings and Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
<b>Rating</b>	Asset Manager: "AM2+" (PACRA) Entity Ratings : "AA-" (PACRA)	

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR AND QUARTER ENDED 31 MARCH 2015

---

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Sarmaya Mehfooz Fund's** accounts review for the nine months ended March 31st 2015

### **Economy & Money Market Review**

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 Review**

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

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR AND QUARTER ENDED 31 MARCH 2015

---

sharp correction in the market in the 3QFY15. This can be gauged from the fact that offshore investors remained net sellers, 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 4.98% since inception as the fund was launched in December 2014. The fund was 25.0% allocated in equity investments, 27.6% in PIBs and 21.2% in Term Deposits.

The Net Asset of the Fund as at March 31, 2014 stood at Rs.713 million.

The Net Asset Value (NAV) per unit as at March 31, 2014 was Rs.104.9759.

### MARKET & ECONOMY - 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

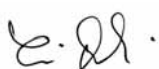
# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

## AS AT MARCH 31, 2015

	Note	(Un-audited) March 31, 2015 (Rupees in '000)
<b>ASSETS</b>		
Bank balances		38,330
Investments	4	675,062
Receivable against sale of investments		19,099
Profit and other receivables		14,842
Security deposits & Prepayments		2,869
Preliminary expenses and floatation costs		3,721
<b>Total assets</b>		753,923
<b>LIABILITIES</b>		
Payable to Management Company		7,328
Payable to Central Depository Company of Pakistan Limited - Trustee		80
Payable to the Securities and Exchange Commission of Pakistan		146
Payable against purchase of investments		30,784
Accrued expenses and other liabilities	5	2,830
<b>Total liabilities</b>		41,168
<b>NET ASSETS</b>		712,755
<b>Unit holders' fund (as per statement attached)</b>		712,756
<b>Contingencies and commitments</b>	6	
<b>NUMBER OF UNITS IN ISSUE</b>		6,789,706
<b>NET ASSET VALUE PER UNIT</b>		104.98

The annexed notes from 1 to 9. 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 (UN-AUDITED)

## FOR THE PERIOD & QUARTER ENDED MARCH 31, 2015

	For the period from December 22, 2014 to March 31, 2015	Quarter ended March 31, 2015
INCOME	Note (Rupees in '000)	(Rupees in '000)
Capital gain on sale of investments	17,432	17,401
Profit on bank deposits and term deposit receipts	7,546	4,480
Dividend Income	6,067	6,067
Income from government securities	6,822	6,354
Other Income	79	79
	37,946	34,381
Net unrealized appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss	104	104
<b>Total Income</b>	38,050	34,485
EXPENSES		
Remuneration of Management Company	1,948	1,763
Sales tax and Federal Excise Duty on remuneration of Management Company	651	589
Remuneration of Central Depository Company of Pakistan Limited - Trustee	253	229
Securities and Exchange Commission of Pakistan - fee	146	132
Securities transaction cost	422	400
Amortisation of preliminary expenses and floatation costs	593	533
Auditors' remuneration	181	141
Printing and related costs	39	11
Other Expenses	914	914
<b>Total operating expenses</b>	5,147	4,712
<b>Net income from operating activities</b>	32,903	29,773
Element of (loss) / income and capital (losses) / gains included in the prices of units issued less those in units redeemed	(20)	(20)
Provision for Workers' Welfare Fund	(658)	(595)
<b>Net income for the period before taxation</b>	32,225	29,158
Taxation	-	-
<b>Net income for the period after taxation</b>	32,225	29,158
Other comprehensive income for the period		
<i>Items that may be reclassified to profit and loss account</i>		
Unrealised appreciation on re-measurement of investments classified as 'available for sale'	1,612	(1,250)
<b>Total comprehensive income for the period</b>	33,837	27,908

The annexed notes from 1 to 9, 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 (UN-AUDITED)  
FOR THE PERIOD & QUARTER ENDED MARCH 31, 2015**

	For the period from December 22, 2014 to March 31, 2015 (Rupees in '000)	Quarter ended March 31, 2015 (Rupees in '000)
Undistributed income brought forward	-	5,929
Total comprehensive income for the period	33,837	27,908
Element of (loss) and capital losses included in the prices of units issued less those in units redeemed - amount representing unrealized diminution	(52)	(52)
	33,785	33,785

The annexed notes from 1 to 9. form an integral part of this condensed interim financial information.

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

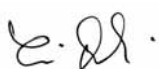
  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE PERIOD & QUARTER ENDED MARCH 31, 2015**

	For the period from December 22, 2014 to March 31, 2015 (Rupees in '000)	Quarter ended March 31, 2015 (Rupees in '000)
Net assets at the beginning of the period	-	686,453
Issue of 6,805,240 units	680,717	193
Redemption of 17,464 units	(1,818)	(1,818)
	678,899	(1,625)
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) / losses - transferred to income statement	20	20
- amount representing (income) / loss and capital losses / (gains) transferred to distribution statement	52	52
	72	72
Element of (loss) / income and capital (losses) / gain that forms part of unit holders' fund transferred to distribution statement	(52)	(52)
Capital gain on sale of investments	17,432	17,401
Unrealised appreciation on re-measurement of investments classified as 'available for sale'	1,612	(1,250)
Other net income for the period	14,793	11,757
	33,837	27,908
<b>Net assets at end of the period</b>	<b>712,756</b>	<b>712,756</b>

The annexed notes from 1 to 9. form an integral part of this condensed interim financial information.

  
 Chief Executive Officer

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

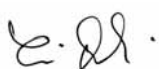
  
 Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

## FOR THE PERIOD & QUARTER ENDED MARCH 31, 2015

	For the period from December 22, 2014 to March 31, 2015 (Rupees in '000)	Quarter ended March 31, 2015 (Rupees in '000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	32,225	29,158
<b>Adjustments for</b>		
Amortisation of preliminary expenses and floatation costs	593	533
Element of (loss )/ income and capital (losses)/ gains included in the prices of units issued less those in units redeemed	20	20
Provision for Workers' Welfare Fund	658	595
	33,496	30,306
<b>Assets</b>		
Investments - net	(673,450)	(155,432)
Profit and other receivables	(14,842)	8,519
Security deposits	(2,869)	(269)
Receivable against sale of investments	(19,099)	(19,099)
Preliminary expenses and floatation costs	(4,314)	-
	(714,574)	(166,281)
<b>Liabilities</b>		
Payable to the Management Company	7,328	191
Payable to Central Depository Company of Pakistan Limited - Trustee	80	56
Payable to the Securities and Exchange Commission of Pakistan - fee	146	132
Payable against purchase of investments	30,784	(40,002)
Accrued expenses and other liabilities	2,172	(14,674)
	40,510	(54,297)
<b>Net cash used in operating activities</b>	(640,568)	(190,272)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	680,717	193
Payments against redemption of units	(1,818)	(1,818)
<b>Net cash generated from financing activities</b>	678,899	(1,625)
<b>Net increase in cash and cash equivalents</b>	38,331	(191,897)
<b>Cash and cash equivalents at beginning of the period</b>	-	230,228
<b>Cash and cash equivalents at end of the period</b>	38,331	38,331

The annexed notes from 1 to 9. form an integral part of this condensed interim financial information.

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

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

  
\_\_\_\_\_  
Director

## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD & QUARTER ENDED MARCH 31, 2015**

---

### **1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Pakistan Sarmaya Mehfooz Fund (the Fund) was established under a Trust Deed dated, July 21, 2014, executed between MCB-Arif Habib Savings and Investments Limited as Management Company and Central Depository Company of Pakistan Limited as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) as an investment scheme under the Non-Banking Finance Companies and Notified Entities Regulations 2008, on August 13, 2014.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi, Pakistan.
- 1.3** The Fund is a capital protected open ended mutual fund with the objective to protect the initial investment value of investors at maturity with secondary objective of providing growth over the period. The units of the Fund are redeemable subject to a Back-end Load and Contingent Load. The units are listed on the Lahore Stock Exchange.
- 1.4** According to Clause 25.2 of the Trust Deed, the first accounting period of the Fund shall commence from the date on which the trust property is first paid or transferred to the Trustee i.e. December 22, 2014 till June 30, 2015. The duration of the Fund is 2 years starting from the close of initial offering period which was December 19, 2014.
- 1.5** The Fund primarily invests in equity securities while a combination of investments in bank deposits and government securities are used to take fixed-income exposure with a view to provide capital protection.
- 1.6** The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+ dated April 07, 2015 to the Management Company.
- 1.7** 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 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) shall 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 that are required in an annual published financial statements.
- 2.3** This condensed interim financial information is un-audited. The condensed interim financial information is presented in Pak Rupees, which is the functional and presentation currency of the fund has been rounded off to the nearest thousand rupees, unless otherwise specified.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD & QUARTER ENDED MARCH 31, 2015

2.4 The Directors of the asset management company declare the condensed interim financial information give true and fair view of the fund

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

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual published financial statements of the fund for the period ended December 31, 2014.

		(Un-audited) March 31, 2015 (Rupees in '000)
	Note	
<b>4 INVESTMENTS</b>		
<b>4.1 Available for sale investmnets</b>		
Listed equity securities	4.1.1	183,930
Government securities	4.1.2	207,899
		391,829
<b>4.2 Held for trading investmnets</b>		
Listed equity securities	4.2.1	4,909
Government securities	4.2.2	118,324
		123,233
		1,081,528
<b>4.3 Term deposit receipts</b>	4.3	160,000
		675,062

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD & QUARTER ENDED MARCH 31, 2015

## 4.1.1 Listed equity securities - available for sale

Name of the investee company	Number of shares			As at March 31, 2015			Market value as percentage of net assets	Market value as percentage of total investments	Market value as percentage of total paid up capital of the investee company
	Purchases during the period	Sales during the period	As at March 31, 2015	Carrying Value	Market value	Appreciation			
				-----Rupees in '000'-----			----- % -----		

Unless stated otherwise, the holdings are in ordinary shares having face value of Rs 10 each

### CHEMICALS

Engro Corporation Limited	183,000	183,000	-						
Engro Fertilizers Limited	250,000	250,000	-						
Fatima Fertilizer Company Limited	450,000	50,000	400,000	15,268	15,424	156	2.16	2.28	3.02%
Fauji Fertilizer Bin Qasim Limited	240,000	40,000	200,000	9,818	9,296	(522)	1.30	1.38	0.76%
Fauji Fertilizer Company Limited	285,000		285,000	37,940	37,973	33	5.33	5.63	0.24%
				<b>63,026</b>	<b>62,693</b>	<b>(333)</b>	<b>8.80</b>	<b>9.29</b>	

### CONSTRUCTION AND MATERIALS (CEMENT)

Lucky Cement Limited	30,000	30,000	-	-	-	-	-	-	0.00%
Maple Leaf Cement Factory Limited	375,000	375,000	-	-	-	-	-	-	0.00%
D.G. Khan Cement	150,000	150,000	-	-	-	-	-	-	
Pioneer Cement Limited	167,000	167,000	-	-	-	-	-	-	
				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

### ELECTRICITY

Hub Power Company Limited	743,500	225,000	518,500	41,687	44,270	2,583	6.21	6.56	3.79%
Kot Addu Power Company Limited	594,500	177,000	417,500	33,241	32,473	(768)	4.56	4.81	5.05%
Pakgen Power Limited	537,000	-	537,000	17,422	14,982	(2,440)	2.10	2.22	5.05%
				<b>92,350</b>	<b>91,725</b>	<b>(625)</b>	<b>12.87</b>	<b>13.59</b>	

### GENERAL INDUSTRY

Cherat Packaging	25,000	-	25,000	4,554	4,217	(337)	0.59	0.62	
Ghani Glass Limited	94,500	-	94,500	6,406	6,781	375	0.95	1.00	7.67%
				<b>10,960</b>	<b>10,998</b>	<b>38</b>	<b>1.54</b>	<b>1.63</b>	

### NON LIFE INSURANCE

Adamjee Life insurance Company Limited	200,000	200,000	-	-	-	-	-	-	
Pakistan reinsurance Company Limited	263,500	263,500	-	-	-	-	-	-	7.67%
				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

### HOUSEHOLD GOODS

Pak Elektron Limited	365,000	350,000	15,000	706	667	(39)	0.09	0.10	5.02%
				<b>706</b>	<b>667</b>	<b>(39)</b>	<b>0.09</b>	<b>0.10</b>	

### Industrial Metals and Mining

Crescent Steel & Allied Products	100,000	25,000	75,000	4,645	3,325	(1,320)	0.47	0.49	5.02%
				<b>4,645</b>	<b>3,325</b>	<b>(1,320)</b>	<b>0.47</b>	<b>0.49</b>	

### OIL AND GAS

Oil and Gas Development Company	80,000	-	80,000	14,544	14,522	(22)	2.04	2.15	5.02%
				<b>14,544</b>	<b>14,522</b>	<b>(22)</b>	<b>2.04</b>	<b>2.15</b>	

### Food Producers

Engro Food Limited	50,000	50,000	-	-	-	-	-	-	5.02%
				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

### Banks

NATIONAL BANK OF PAKISTAN	200,000	200,000	-	-	-	-	-	-	-
				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Total - March 31, 2015

**186,231      183,930      (2,301)**

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD & QUARTER ENDED MARCH 31, 2015

## 4.1.2 Government securities - available for sale

Name of investee company	Face value				As at March 31, 2015			Market value as a percentage of net assets	Market value as a percentage of total investment
	Purchased during the period	Disposed off during the period	Matured during the year	As at March 31, 2015	Carrying value	Market value	Appreciation		
Pakistan Investment Bonds -03 years	200,000	-	-	200,000	203,986	207,899	3,913	29.17	30.80
<b>Total - March 31, 2015</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>203,986</b>	<b>207,899</b>	<b>3,913</b>	<b>29.17</b>	<b>30.80</b>

## 4.2.1 Listed equity securities - Held for trading

Name of the investee company	Number of shares			As at March 31, 2015			Market value as percentage of net assets	Market value as percentage of total investments	Market value as percentage of total paid up capital of the investee company
	Purchases during the period	Sales during the period	As at March 31, 2015	Carrying Value	Market value	Appreciation			
<b>ELECTRICITY</b>									
Hub Power Company Limited	97,500	40,000	57,500	4,762	4,909	147	0.69	0.73	0.04
	<b>97,500</b>	<b>40,000</b>	<b>57,500</b>	<b>4,762</b>	<b>4,909</b>	<b>147</b>	<b>0.69</b>	<b>0.73</b>	<b>0.04</b>

## 4.2.2 Government securities - Held for trading

Name of investee company	Face value				As at March 31, 2015			Market value as a percentage of net assets	Market value as a percentage of total investment
	Purchased during the period	Disposed off during the period	Matured during the year	As at March 31, 2015	Carrying value	Market value	Appreciation		
Treasury Bills -3 months	120,000	-	-	120,000	118,365	118,323	(42)	16.60	17.53
<b>Total - March 31, 2015</b>	<b>120,000</b>	<b>-</b>	<b>-</b>	<b>120,000</b>	<b>118,365</b>	<b>118,323</b>	<b>(42)</b>	<b>16.60</b>	<b>17.53</b>

## 4.3 Loans and receivables

Particulars	Profit / mark-up rate	Maturity date	As at March 31, 2015	Value as a percentage of net assets	Value as a percentage of investment
			(Rupees in '000)		
Term deposit receipts	9.50%	December 19, 2016	160,000	22.45	23.70
<b>Total - March 31, 2015</b>			<b>160,000</b>	<b>22.45</b>	<b>23.70</b>

## 4.4 Unrealised appreciation on re-measurement of investments classified as 'available for sale'

Carrying value of investments	4.1.1 & 4.1.2	390,217
Market value of investments	4.1.1 & 4.1.2	391,829
		<b>1,612</b>

(Un-audited)  
March  
31, 2015  
(Rupees in '000)



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD & QUARTER ENDED MARCH 31, 2015

		(Un-audited) March 31, 2015 (Rupees in '000)
<b>5. ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	
Brokerage payable		825
Provision for Workers' Welfare Fund	5.1	658
Auditors' remuneration		152
Provision for Federal Excise Duty and related tax on management fee	5.2	359
Printing and related expenditure		39
Zakat Payables		797
		2,830

**5.1** The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, all Collective Investment Schemes (CISs) / mutual funds 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 Sindh High Court (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

In 2011, a single judge of the Lahore High Court (LHC) issued a judgment in response to a petition in similar case whereby the amendments introduced in WWF Ordinance through Finance Acts, 2006 and 2008 have been declared unconstitutional and therefore struck down.

However in 2013, the Larger Bench of the Sindh High Court (SHC) issued a judgment in response to a petition in another similar case in which it was held that the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 do not suffer from any constitutional or legal infirmity.

However, as per advice of legal council the stay granted to CISs remains intact and constitution petitions filed by CISs to challenge the WWF contribution have not been affected by the SHC judgement. 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. 0.658 million till March 31, 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. 0.10 per unit.

**5.2** 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 Collective Investment Schemes through their trustees in the Honourable Sindh High Court (SHC), challenging the levy of FED on Asset Management services after the eighteenth amendment. The SHC in its short order of 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 prudence, has decided to retain and continue with the provision of FED and related taxes in financial information aggregating to Rs. 0.359 million as at March 31, 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 and related taxes were not recorded in the books of account of the Fund, the NAV of the Fund would have been higher by Rs. 0.0529 per unit as at March 31, 2015.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD & QUARTER ENDED MARCH 31, 2015

### 6. CONTINGENCIES AND COMMITMENTS

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

### 7. TAXATION

The Fund's income is exempt from Income Tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (the Ordinance) 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. 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 Ordinance. As the management intends to distribute at least 90% of income earned during current period to the unit holders, therefore no provision for taxation has been made in this condensed interim financial information.

### 8. TRANSACTIONS WITH CONNECTED PERSONS /OTHER RELATED PARTIES

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

The transactions with connected persons are in normal course of business and at contracted rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the Non-Banking Finance Companies & Notified Entities Regulations, 2008 and the Trust Deed respectively.

**For the period  
from  
December 22,  
2014 to  
March 31,  
2015  
(Rupees in '000)**

#### 8.1 Details of transactions with related parties /connected persons are as follows:

<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>	
Remuneration including indirect taxes	2,599
<b>Central Depository Company of Pakistan Limited - Trustee</b>	
Remuneration	253
<b>MCB Bank Limited</b>	
Profit on bank deposits and term deposit receipts	7,152
Bank charges	30
<b>MCB Employees Pension Fund</b>	
Issue of 500,000 units	50,000
<b>Adamjee Insurance Company Limited Employees Provident Fund</b>	
Issue of 100,000 units	10,000
<b>Arif Habib Limited - Brokerage house</b>	
Brokerage expense	79
<b>Next Capital Limited</b>	
Brokerage expense	62

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED 31 MARCH 2015**

	(Un-audited) March 31, 2015 (Rupees in '000)
<b>8.2 Amount outstanding at period end</b>	
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>	
Remuneration payable	612
Sales tax payable on management fee	92
Sales load payable	49
Other payable	4,314
<b>Central Depository Company of Pakistan Limited - Trustee</b>	
Remuneration payable	80
<b>MCB Bank Limited</b>	
Bank deposits	4,241
Term deposit receipts	160,000
Profit receivable	4,030
<b>Fatima Fertilizer Company Limited</b>	
400,000 shares held	15,424
<b>Pakgen Power Limited</b>	
537,000 shares held	14,982
<b>MCB Employees Pension Fund</b>	
Units held 500,000	52,488
<b>Adamjee Insurance Company Limited Employees Provident Fund</b>	
Units held 100,000	10,498
<b>Arif Habib Limited</b>	
Brokerage Payable	26

**9. 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.

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

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

  
\_\_\_\_\_  
Director

Please find us on



by typing: **Bachat Ka Doosra Naam**

**MCB-Arif Habib Savings and Investments Limited**

8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi.

UAN: (+92-21) 11-11-622-24 (11-11-MCB-AH), 111-468378 (111-INVEST)

Bachat Center: 0800-622-24 (0800-MCB-AH), Fax: (+92-21) 32276898, 32276908

URL: [www.mcbah.com](http://www.mcbah.com), Email: [info@mcbah.com](mailto:info@mcbah.com)

