



Bachat ka Doosra Naam

Half Year Report
December 31, 2014
(Unaudited)



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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.

COMPANY INFORMATION

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 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 Operating Officer	Mr. Muhammad Saqib Saleem	
Chief Financial Officer	Mr. Umair Ahmed	
Share Registrar	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B' S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. Tel: (92-21) 111-111-500 Fax: (92-21) 34326034 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Summit Bank Limited Bank Al Habib Limited Allied Bank Limited	
Auditors	A.F. Ferguson & Co. Chartered Accountants (a member firm of PwC network) State Life Building 1-C I.I. Chundrigar Road Karachi.	
Legal Advisor	Akhund Forbes D-21, Block-4, Scheme-5, Clifton, Karachi. Bawany & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
Registered Office	MCB-Arif Habib Savings & Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Rating	Asset Manager AM2 (PACRA)	

DIRECTOR'S REPORT

FOR THE HALF YEAR ENDED DECEMBER 31, 2014

The Board of Directors of **MCB-Arif Habib Savings and Investments Limited** (MCBAH) is pleased to present the Half Yearly Report on the affairs of MCBAH for the period ended December 31, 2014.

Company's Performance Review

The Company recorded gross income, which includes management/investment advisory fee and other operating income, of Rs 368.02 million during 1HFY15 as opposed to Rs 270.86 million during the same period last year. After accounting for administrative, operating, financial and other expenses amounting to Rs. 178.35 million, the company earned a profit before tax of Rs 189.67 million. The net profit after tax improved to Rs 135.39 million from Rs 76.68 million during the corresponding period last year. Hence, earning per share stood at around Rs 1.88 as opposed to Rs 1.07 during the same period last year.

With the increasing trend of funds under management and higher returns, the company is expected to deliver better results going forward.

MARKET & ECONOMIC REVIEW

Economy & Money Market Review

In the wake of decline in oil prices in the international market, the country witnessed significant improvement in the macroeconomic indicators. Oil prices fell by 48 percent during the first half of the current fiscal year, aided by increase in global oil production amid weak demand.

Consequently, inflation remained subdued with CPI averaging around 6.11 percent during the 1HFY15. If oil prices, which eased down to a five-year low in December, stabilize below \$60 per barrel, inflation is likely to persist in lower ranges during the second half of the current fiscal year.

Despite decline in oil prices, the country's trade deficit widened to \$ 9.7 billion during 1HFY15 as opposed to deficit of \$ 8.6 billion during the corresponding period last year. Exports remained subdued perhaps due to lower cotton prices and disruptive power supplies. 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.

At the same time, financial account registered a surplus of \$ 2.4 billion as compared to a surplus of \$ 0.24 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. However, foreign direct investment yet failed to pick up pace during the first half.

The country's foreign reserve balance also improved towards the end of the year after the country received \$1 billion through Sukuk auction in November and IMF released 4th and 5th tranche amounting to \$1.1 billion in December. The country's reserve balance totaled to \$14.9 billion at the end of December 2014.

Keeping in view lower inflationary pressure and stable foreign reserves position, the government had announced 50 bps cut in the discount rate in the monetary policy held in November, bringing

DIRECTOR'S REPORT

FOR THE HALF YEAR ENDED DECEMBER 31, 2014

the discount rate to 9.5 percent. Moreover, the gap between discount rate and inflation is still hovering above 5 percent which supports the case for further monetary easing down the line.

M2 has expanded by 3.08 percent during the 1HFY15 (till 26th December) as opposed to expansion of 4.76 percent during the same period last year. While borrowing from the banking system stood at Rs 243 billion as opposed to borrowing of around Rs 539 billion during the same period last year.

In the money market, short term market rates remained on the higher side amid tight liquidity in the system. PIB rates moved downwards in anticipation of cut in the discount rate. Major activity was witnessed in the longer tenor bonds causing the yield curve to move sharply in the downward direction.

Equities Market Review

Despite poor performance of oil and gas sector in the wake of continuous decline in oil prices, KSE-100 index managed to surge by 8.4 percent during 1HFY15. Decline in energy cost has made manufacturing sector attractive, while anticipation of discount rate cut has brought leveraged and high dividend yield companies into limelight.

Cement, fertilizer, and power sector remained top performers. Cement companies benefited from decline in coal prices and lower distribution cost. While high dividend yield made fertilizer and power sectors attractive. Performance of E&P, Refineries and Oil Marketing Companies remained dismal and Banking sector stayed range-bound in anticipation of monetary easing down the line.

Foreigners remained net buyers with a cumulative net inflow of US\$ 113 million during the first half of the fiscal year.

MARKET & ECONOMY - FUTURE OUTLOOK

Economic activity is expected to gain momentum in 2015. The manufacturing activity will be driven by lower energy cost, weak raw material prices, improvement in gas supply situation and progress on the political front. In a major positive development, the government is planning to import LNG to ease off gas shortage in the country.

Although the government is eyeing increase in foreign inflows through pledges made by multilateral agencies, approved project financing and divestment of strategic assets, improvement in reserve position largely hinges on volatile law and order situation. In the near-term, realization of expected inflows-through divestment of shares of HBL would be crucial, where the country is expected to raise around \$1 billion. We believe that the sustainability of external account, in the presence of subdued inflationary pressures, would be a key factor in shaping up interest rate direction.

DIRECTOR'S REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2014

MUTUAL FUND INDUSTRY REVIEW

The Net Assets of the open end mutual fund industry stood at around Rs 429 billion at the end of December-2014, marking a growth of 10.9 percent during the first six month of the current fiscal year. AUMs of Islamic Income funds and Money Market funds declined while Equity and Income funds registered growth.

In terms of the segment share, Money Market funds continued to be the leader with a share of around 25 percent, followed by Equity funds with 24.3 percent and Income funds with 23.7 percent.

The double impact of FED and Sales tax on management fees of the fund continues to exert pressure on return of funds, especially fixed income funds. However, improved distribution through brick and mortar network and technology contributes towards growth.

MUTUAL FUND INDUSTRY OUTLOOK

Taxation concerns likely to keep pressure on growth particularly in case of yield sensitive fixed income investors. Income funds reflected stellar performance by capitalizing on the downward shift in yield curve may now gradually reflect more of accrual yield and relatively lower capital gains although another round of significant moves in crude oil either side due to its implications for inflation outlook may bring the yield curve in limelight. While equity Funds are likely to continue to benefit from asset prices growth.

For and on behalf of Board



Yasir Qadri
Chief Executive Officer
February 02, 2015.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**Introduction**

We have reviewed the accompanying condensed interim balance sheet of **MCB - Arif Habib Savings and Investments Limited** as at December 31, 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2014 and December 31, 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2014.

Scope of Review

We conducted our review in accordance with the 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2014 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: **Rashid A. Jafer**

Dated: February 20, 2015

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

Lahore: 23-C, Aziz Avenue, Canal Bank, Gallberg V, P.O. Box 39, Lahore-54660, Pakistan; Tel: +92 (42) 35715864-71; Fax: +92 (42) 35715872
Islamabad: PIA Building, 3rd Floor, 49 Blue Area, Fazi-ul-Haq Road, P.O. Box 3021, Islamabad-44000, Pakistan; Tel: +92 (51) 2273457-60; Fax: +92 (51) 2277924
Kabul: Apartment No. 3, 3rd Floor, Dost Tower, Haji Yaqub Square, Sher-e-Nau, Kabul, Afghanistan; Tel: +93 (799) 315320, +93 (799) 315320

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2014

		(Unaudited) December 31, 2014	(Audited) June 30, 2014
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Fixed assets	4	376,078,652	384,746,339
Long-term investments	5	394,797,261	356,922,294
Long-term loans and receivables		2,702,902	5,082,907
Long-term deposits		1,221,536	1,511,236
Total non-current assets		774,800,351	748,262,776
Current assets			
Loans and advances	6	802,305	656,206
Deposits, prepayments and other receivables	7	14,082,995	13,533,790
Receivable from related parties	8	287,580,140	181,401,477
Short-term investments	9	670,602,018	600,560,776
Taxation - net	10	38,633,534	52,764,616
Cash and bank balances		10,933,065	10,554,360
Total current assets		1,022,634,057	859,471,225
Total assets		<u>1,797,434,408</u>	<u>1,607,734,001</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
72,000,000 (June 30, 2014: 72,000,000) ordinary shares of Rs 10 each		<u>720,000,000</u>	<u>720,000,000</u>
Issued, subscribed and paid-up share capital		720,000,000	720,000,000
Reserves		694,243,085	622,095,830
Total equity		1,414,243,085	1,342,095,830
Surplus on revaluation of property and equipment - net of deferred tax		<u>11,452,465</u>	<u>11,750,176</u>
		1,425,695,550	1,353,846,006
LIABILITIES			
Non-current liabilities			
Deferred tax		54,117,338	47,931,810
Current liabilities			
Trade and other payables	11	317,621,520	205,956,185
Total liabilities		371,738,858	253,887,995
Total equity and liabilities		<u>1,797,434,408</u>	<u>1,607,734,001</u>
CONTINGENCIES AND COMMITMENTS			
	14		

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Chief Executive Officer


Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

Note	Half year ended		Quarter ended		
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	
	-----Rupees-----		-----Rupees-----		
Revenue					
Management fee / investment advisory fee	12	292,070,654	240,877,940	150,533,231	122,135,166
Processing and other related income		3,838,036	465,619	3,613,217	154,323
Profit on bank deposits		1,329,439	1,078,674	525,343	691,617
Income from Government Securities		16,986,618	-	10,037,139	-
Capital gain on sale of investments - net		23,309,804	8,295,854	21,792,655	6,706,007
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	9.1	29,597,359	19,461,947	18,336,558	10,397,162
Other income		896,391	684,564	659,916	682,529
Total income		368,028,301	270,864,598	205,498,059	140,766,804
Expenses					
Administrative and operating expenses	13	133,556,162	132,264,937	69,876,116	69,665,581
Management / investment advisory / processing fee and other related income sharing		39,249,115	39,102,972	20,909,538	18,701,521
Financial charges		5,551,072	450	3,983,258	450
Total expenses		(178,356,349)	(171,368,359)	(94,768,912)	(88,367,552)
Profit for the period before taxation		189,671,952	99,496,239	110,729,147	52,399,252
Taxation					
- Current period		(48,515,117)	(21,105,488)	(27,530,901)	(9,942,427)
- Prior period		420,543	2,418,418	3,194	2,418,418
- Deferred		(6,185,528)	(4,119,770)	(457,474)	(2,560,640)
		(54,280,102)	(22,806,840)	(27,985,181)	(10,084,649)
Profit for the period after taxation		135,391,850	76,689,399	82,743,966	42,314,603
Earnings per share - basic and diluted (Rupees)		1.88	1.07	1.15	0.59

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

	Half year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	-----Rupees-----		-----Rupees-----	
Profit for the period after taxation	135,391,850	76,689,399	82,743,966	42,314,603
Other comprehensive income for the period				
<i>Items that will be reclassified to profit or loss</i>				
Net unrealised appreciation on re-measurement of available for sale' investments less reclassification adjustment for gain included in the income statement	44,457,694	25,952,127	33,835,528	19,682,127
Total comprehensive income for the period	<u>179,849,544</u>	<u>102,641,526</u>	<u>116,579,494</u>	<u>61,996,730</u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Chief Executive Officer


Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Half year ended	
	December 31, 2014	December 31, 2013
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	189,671,952	99,496,239
Adjustments for non-cash and other items:		
Depreciation	6,926,440	6,394,665
Amortisation	2,543,216	1,431,873
Financial charges	5,551,072	450
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(29,597,359)	(19,461,947)
Capital gain on sale of investments - net	(23,309,804)	(8,295,854)
Loss on disposal of fixed assets	5,144	-
	<u>(37,881,291)</u>	<u>(19,930,813)</u>
Operating cash flows before working capital changes	151,790,661	79,565,426
Movement in working capital		
(Increase) / decrease in current assets		
Loans and advances	(146,099)	79,727
Deposits, prepayments and other receivables	(549,205)	1,278,783
Receivable from related parties	(106,178,663)	(61,759,482)
Accrued return on bank deposits	-	14
	<u>(106,873,967)</u>	<u>(60,400,958)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	107,394,355	54,753,539
Cash generated from operations	<u>152,311,049</u>	<u>73,918,007</u>
Taxes paid	(33,963,492)	(17,956,704)
Financial charges paid	(1,836,198)	(450)
Dividends paid	(107,443,894)	(72,000,000)
	<u>(143,243,584)</u>	<u>(89,957,154)</u>
Net cash generated / (used) in operating activities	9,067,465	(16,039,147)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(825,613)	(14,867,662)
Long-term loans and receivables	2,380,005	770,497
Long-term deposits	289,700	-
Net proceeds from disposal of fixed assets	18,500	-
Net Investments	(10,551,352)	33,862,620
Net cash (used) / generated from investing activities	<u>(8,688,760)</u>	<u>19,765,455</u>
Net increase in cash and cash equivalents	378,705	3,726,308
Cash and cash equivalents at the beginning of the period	10,554,360	4,794,987
Cash and cash equivalents at the end of the period	<u>10,933,065</u>	<u>8,521,295</u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Chief Executive Officer


Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Reserves					Total
	Issued, subscribed and paid-up capital	Capital	Unappropriated profit	Revenue appreciation on re-measurement of 'available for sale' financial assets	Sub-total	
Balance as at July 1, 2013	720,000,000	(60,000,000)	128,988,779	78,213,000	207,201,779	543,201,779
Total comprehensive income for the half year ended December 31, 2013	-	-	76,689,399	25,952,127	102,641,526	102,641,526
Transferred from surplus on revaluation of fixed assets - net of tax	-	-	241,597	-	241,597	241,597
Final dividend for the year ended June 30, 2013 at Rs 1.00 per share	-	-	(72,000,000)	-	(72,000,000)	(72,000,000)
			4,930,996	25,952,127	30,883,123	30,883,123
Balance as at December 31, 2013	720,000,000	(60,000,000)	133,919,775	104,165,127	238,084,902	574,084,902
Total comprehensive income for the half year ended June 30, 2014	-	-	104,732,414	31,748,472	136,480,886	136,480,886
Transferred from surplus on revaluation of fixed assets - net of tax	-	-	1,530,042	-	1,530,042	1,530,042
Interim dividend for the year ended June 30, 2014 at Rs 1.00 per share	-	-	(90,000,000)	-	(90,000,000)	(90,000,000)
			16,262,456	31,748,472	48,010,928	48,010,928
Balance as at June 30, 2014	720,000,000	(60,000,000)	150,182,231	135,913,599	286,095,830	622,095,830
Total comprehensive income for the half year ended December 31, 2014	-	-	135,391,850	44,457,694	179,849,544	179,849,544
Transferred from surplus on revaluation of fixed assets - net of tax	-	-	297,711	-	297,711	297,711
Final dividend for the year ended June 30, 2014 at Rs 1.5 per share	-	-	(108,000,000)	-	(108,000,000)	(108,000,000)
			27,689,561	44,457,694	72,147,255	72,147,255
Balance as at December 31, 2014	720,000,000	(60,000,000)	177,871,792	180,371,293	358,243,085	694,243,085

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



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, 2014**

1 STATUS AND NATURE OF BUSINESS

1.1 MCB Arif Habib Savings And Investments Limited ("the Company") was incorporated in the name of Arif Habib Investment Management Limited (AHIML) on August 30, 2000 as an unquoted public limited company under the Companies Ordinance, 1984. During 2008, the Company was listed on the Karachi Stock Exchange by way of offer for sale of shares by a few of its existing shareholders to the general public. In the same financial year, the name of the Company was changed from "Arif Habib Investment Management Limited" to "Arif Habib Investments Limited" (AHIL).

1.2 On January 19, 2011 a transfer agreement was signed between Arif Habib Corporation Limited (AHCL) [the then parent of the Company] and MCB Bank Limited (MCB Bank) [the then parent of MCB Asset Management Company Limited (MCB AMC)] for the transfer of the entire business of MCB AMC to the Company to achieve synergies in business and to access a wider distribution network. The scheme of amalgamation ("the Scheme") was approved by the shareholders of the Company and MCB AMC in their respective extra ordinary general meetings held on May 21, 2011. The Securities and Exchange Commission of Pakistan (SECP) vide its order (through letter no. SCD/NBFC-II/MCBAMCL and AHIL/271/2011 dated June 10, 2011) under Section 282(L) of the Companies Ordinance, 1984 (the Sanction Order) approved the Scheme. As per the Sanction Order, the effective date of amalgamation was June 27, 2011 (the effective date). In accordance with the terms contained in the scheme of amalgamation, the Company became a subsidiary of MCB Bank Limited from the end of the year ended June 30, 2011 which continues to own 51.33% ordinary shares in the Company till date.

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 and DD/AMCW/MCB-AMCL and AH/348/2011 dated June 27, 2011). However, on the request of the Company, the SECP reviewed its aforementioned order and through letter no. SCD/AMCW/Mis/540/2013 dated May 17, 2013 issued a revised order under section 484(2) of the Companies Ordinance, 1984 to affirm the effective date of merger of MCB-AMC with AHIL as June 27, 2011. The latest order also endorsed the steps/actions taken by Company from June 27, 2011 to date.

Pursuant to the approval of merger, the name of the Company has been changed from Arif Habib Investments Limited to MCB-Arif Habib Savings and Investments Limited with effect from May 23, 2013.

1.3 The Company is registered as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 and as an Asset Management Company and an Investment Advisor under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. It also manages discretionary portfolios on behalf of its clients. The registered office of the Company is situated at 8th Floor, Techno City, Corporate Tower, Molana Hasrat Mohani Road, Karachi, Pakistan.

1.4 The Company has been assigned an asset manager rating of AM2 by the Pakistan Credit Rating Agency Limited (PACRA) and, currently, has the following funds under management:

	Net assets value as at	
	December 31, 2014	June 30, 2014
	----- Rupees in million -----	
Open-end Collective Investment Scheme (CISs)		
MCB Cash Management Optimizer	10,011	10,181
MCB Dynamic Allocation Fund	1,096	779
MCB Dynamic Cash Fund	12,414	11,102
MCB Islamic Income Fund	1,550	2,055
Metro Bank - Pakistan Sovereign Fund	7,194	2,496
Pakistan Capital Market Fund	465	365
Pakistan Cash Management Fund	2,150	3,148
Pakistan Income Enhancement Fund	1,374	1,677
Pakistan Income Fund	1,037	1,008
Pakistan International Element Islamic Asset Allocation Fund	455	411
Pakistan Stock Market Fund	4,566	3,730
Pakistan Strategic Allocation Fund	361	358
Pakistan Sarmaya Mehfooz Fund	686	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

	Net asset value as at	
	December 31, 2014	June 30, 2014
	----- Rupees in millions -----	
Pension Funds		
Pakistan Islamic Pension Fund	367	321
Pakistan Pension Fund	684	595
Discretionary portfolio	9,673	7,207
The Company is also managing investments under discretionary portfolio management agreements, the details of which are given below:		
Number of clients	26	28
Total portfolio at cost (Rs in millions)	8,719	6,560
Total portfolio at market value (Rs in millions)	9,236	6,598
Fee earned (Rs in millions)	8	14

1.5 Pakistan Saramaya Mahfooz Fund (PSMF) was launched during the half year ended December 31, 2014. PSMF is a Capital Protected Fund with an objective to pay back investors the whole of their initial investment (net of Front-end load) i.e. Rs 100 per unit over the term of its two years life.

1.6 Pakistan Premier Fund and MCB Dynamic Stock Fund were merged into Pakistan Stock Market Fund on May 2, 2014.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

- This condensed interim financial information has 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 Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (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. Wherever the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.
- 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 information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Company for the year ended June 30, 2014.
- This condensed interim financial information is unaudited. However, a review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. The Board of Directors of the Company declares that this condensed interim financial information gives a true and fair view of the state of the Company's affairs.

2.2 Accounting convention

This condensed interim financial information has been prepared under the historical cost convention except that investments have been marked to market and are carried at their respective fair values and building has been stated at revalued amount.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupee which is the Company's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, ASSUMPTIONS AND CHANGES THEREIN

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published audited financial statements of the Company for the year ended June 30, 2014.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended June 30, 2014.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Company for the year ended June 30, 2014.

Certain amendments to approved accounting standards have been published and are mandatory for the Company's accounting period beginning on or after July 1, 2014. None of those amendments have a significant effect on this condensed interim financial information.

	Note	(Unaudited) December 31, 2014	(Audited) June 30, 2014
----- Rupees -----			
4	FIXED ASSETS		
Property and equipment	4.1	90,819,293	96,943,764
Intangible assets	4.2	285,259,359	287,802,575
		<u>376,078,652</u>	<u>384,746,339</u>

4.1 Property and equipment

Following is a statement of property and equipment:

	Computers	Building	Office equipment	Furniture and fixtures	Leasehold improve- ments	Vehicles	Total
----- Rupees -----							
As at July 1, 2014							
Cost / revaluation	29,871,094	84,494,665	13,064,852	15,602,037	2,725,000	7,662,267	153,419,915
Accumulated depreciation	(21,125,175)	(13,637,343)	(7,258,661)	(8,253,478)	(315,323)	(5,886,171)	(56,476,151)
Net book value	<u>8,745,919</u>	<u>70,857,322</u>	<u>5,806,191</u>	<u>7,348,559</u>	<u>2,409,677</u>	<u>1,776,096</u>	<u>96,943,764</u>
Half year ended December 31, 2014							
Opening net book value	8,745,919	70,857,322	5,806,191	7,348,559	2,409,677	1,776,096	96,943,764
Revaluations during the period	-	-	-	-	-	-	-
Additions during the period	376,105	-	441,854	7,654	-	-	825,613
Disposals / transfers							
Cost / revaluation	-	-	(178,357)	(27,544)	-	-	(205,901)
Accumulated depreciation	-	-	173,305	8,952	-	-	182,257
	-	-	(5,052)	(18,592)	-	-	(23,644)
Depreciation for the period	(2,176,916)	(1,771,436)	(1,041,587)	(776,817)	(272,500)	(887,184)	(6,926,440)
Closing net book value	<u>6,945,108</u>	<u>69,085,886</u>	<u>5,201,406</u>	<u>6,560,804</u>	<u>2,137,177</u>	<u>888,912</u>	<u>90,819,293</u>
As at December 31, 2014							
Cost / revaluation	30,247,199	84,494,665	13,328,349	15,582,147	2,725,000	7,662,267	154,039,627
Accumulated depreciation	(23,302,091)	(15,408,779)	(8,126,943)	(9,021,343)	(587,823)	(6,773,355)	(63,220,334)
Net book value	<u>6,945,108</u>	<u>69,085,886</u>	<u>5,201,406</u>	<u>6,560,804</u>	<u>2,137,177</u>	<u>888,912</u>	<u>90,819,293</u>
Depreciation rates (% per annum)	25%	5%	20%	10%	20%	25%	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

	Computers	Building	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Total
Rupees							
As at July 1, 2013							
Cost / revaluation	24,364,812	80,800,000	12,090,889	15,511,950	-	7,662,267	140,429,918
Accumulated depreciation	(17,095,059)	(10,005,115)	(5,661,852)	(6,703,194)	-	(4,111,134)	(43,576,354)
Net book value	7,269,753	70,794,885	6,429,037	8,808,756	-	3,551,133	96,853,564
Year ended June 30, 2014							
Opening net book value	7,269,753	70,794,885	6,429,037	8,808,756	-	3,551,133	96,853,564
Revaluation during the period	-	3,694,665	-	-	-	-	3,694,665
Additions during the year	5,829,048	-	1,670,143	120,207	2,725,000	-	10,344,398
Disposals / transfers							
Cost	(322,766)	-	(696,180)	(30,120)	-	-	(1,049,066)
Accumulated depreciation	187,160	-	577,020	-	-	-	764,180
	(135,606)	-	(119,160)	(30,120)	-	-	(284,886)
Depreciation for the year	(4,217,276)	(3,632,228)	(2,173,829)	(1,550,284)	(315,323)	(1,775,037)	(13,663,977)
Closing net book value	8,745,919	70,857,322	5,806,191	7,348,559	2,409,677	1,776,096	96,943,764
As at June 30, 2014							
Cost / revaluation	29,871,094	84,494,665	13,064,852	15,602,037	2,725,000	7,662,267	153,419,915
Accumulated depreciation	(21,125,175)	(13,637,343)	(7,258,661)	(8,253,478)	(315,323)	(5,886,171)	(56,476,151)
Net book value	8,745,919	70,857,322	5,806,191	7,348,559	2,409,677	1,776,096	96,943,764
Depreciation rates (% per annum)	25%	5%	20%	10%	20%	25%	

- 4.1.1 The office premises of the Company was originally revalued by an independent professional valuer on November 20, 2007. The revaluation was carried out by M/s Pee Dee and Associates on the basis of professional assessment of present market values and resulted in a surplus of Rs 1.623 million. The Company revalued its office premises using the same independent professional valuer as on October 1, 2010. The said revaluation was based on market values prevailing at that time and resulted in a further surplus of Rs 15.260 million.

Office premises of the Company was again revalued on December 31, 2013 by an independent / professional valuer Sardar Enterprises on the basis of professional assessments of the market values. The revaluation resulted in a further surplus of Rs. 3.695 million. Had there been no revaluation, the carrying amount of the said office premises as at December 31, 2014 would have been Rs. 52.011 million (June 30, 2014: Rs. 53.345 million).

4.2 Intangible assets

The following is a statement of intangible assets:

	Computer software	Goodwill	Management rights	Total
Rupees				
Half year ended December 31, 2014 (Unaudited)				
Opening net book value	13,675,642	82,126,933	192,000,000	287,802,575
Additions during the period	-	-	-	-
Transfer from CWIP	-	-	-	-
Amortisation for the period	(2,543,216)	-	-	(2,543,216)
Closing net book value	11,132,426	82,126,933	192,000,000	285,259,359
Amortisation rates (% per annum)	25%	-	-	
	Computer software	Goodwill	Management rights	Total
Rupees				
Year ended June 30, 2014 (Audited)				
Opening net book value	4,720,900	82,126,933	192,000,000	278,847,833
Additions during the year	12,500,626	-	-	12,500,626
Disposals during the year	-	-	-	-
Amortisation for the year	(3,545,884)	-	-	(3,545,884)
Closing net book value	13,675,642	82,126,933	192,000,000	287,802,575
Amortisation rates (% per annum)	25%	-	-	

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014

	Note	(Unaudited) December 31, 2014	(Audited) June 30, 2014
----- Rupees -----			
5 LONG-TERM INVESTMENTS			
Investments in units of mutual funds			
Available-for-sale investments	5.1	394,797,261	356,922,294

5.1 Available-for-sale

Name of the Investee fund	As at July 01, 2014	Purchases during the period	Bonus units issued during the period	Redemptions/ reclassifications during the period	As at December 31, 2014	As at December 31, 2014			As at June 30, 2014		
						Cost	Market value	Unrealised appreciation on re-measurement of investments	Cost	Market value	Unrealised appreciation on re-measurement of investments
						----- Number of units -----					
Pakistan Pension Fund	852,196	-	-	-	852,196	108,396,061	195,441,732	87,045,671	108,396,061	175,418,882	67,022,821
Pakistan Islamic Pension Fund	905,160	-	-	-	905,160	112,534,000	199,355,529	86,821,529	112,534,000	181,503,412	68,969,412
						220,930,061	394,797,261	173,867,200	220,930,061	356,922,294	135,992,233

	(Unaudited) December 31, 2014	(Audited) June 30, 2014
----- Rupees -----		
5.1.1 Net unrealised appreciation / (diminution) in value of investments classified as 'available-for-sale'		
Market value of investments	394,797,261	356,922,294
Less: Cost of investments	(220,930,061)	(220,930,061)
	173,867,200	135,992,233
Less: Net unrealised appreciation in fair value of investments at the beginning of the period adjusted for amount realised on disposal	(135,992,233)	(78,213,000)
Add: Amount realised on redemption	37,874,967	3,775,560
	37,874,967	61,554,793

6 LOANS AND ADVANCES

Considered good - Unsecured

Current portion of long-term loans to employees	412,559	464,337
Advances to employees	82,708	27,734
Advances to suppliers	307,038	164,135
	802,305	656,206

7 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Deposits	14,998	304,698
Prepayments		
Registration fee	2,780,424	1,470,848
Maintenance	-	-
Insurance	935,894	2,198,957
Others	1,542,706	1,290,710
	5,259,024	4,960,515
Other receivables		
Advisory fee receivable on account of Discretionary Portfolio management	3,965,780	3,818,806
Markup receivable on Government Securities	4,779,469	4,317,100
Others	63,724	132,671
	8,808,973	8,268,577
	14,082,995	13,533,790

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

	(Unaudited) December 31, 2014	(Audited) June 30, 2014
	----- Rupees -----	
8 RECEIVABLE FROM RELATED PARTIES		
Unsecured - considered good		
Pakistan Income Fund	6,331,184	5,989,318
Pakistan Stock Market Fund	30,065,250	20,091,989
Metro Bank - Pakistan Sovereign Fund	14,534,475	5,752,361
Pakistan Capital Market Fund	3,077,990	2,161,976
Pakistan Strategic Allocation Fund	3,906,033	3,969,349
Pakistan International Element Islamic Asset Allocation Fund	3,058,546	2,309,315
Pakistan Pension Fund	3,241,365	2,216,016
Pakistan Islamic Pension Fund	1,741,287	1,285,157
Pakistan Cash Management Fund	11,083,509	9,372,032
Pakistan Income Enhancement Fund	10,061,459	7,664,100
Pakistan Sarmaya Mehfooz Fund	23,764,257	-
MCB Islamic Income Fund	10,992,270	7,684,849
MCB Dynamic Allocation Fund	9,833,730	6,258,081
MCB Cash Management Optimizer	47,483,292	37,060,909
MCB Dynamic Cash Fund	101,890,582	58,244,769
8.1	281,065,229	170,060,221
MCB Bank Limited	314,356	206,162
Summit Bank Limited	5,568	-
Adamjee Insurance Company Limited	2,000,000	2,000,000
Advisory fee receivable on account of Discretionary Portfolio management	4,194,987	9,135,094
	287,580,140	181,401,477

8.1 The above amount represents receivable on account of management fee, sales load, redemption of units, current portion of long term receivables and other expenses paid on behalf of related parties.

	(Unaudited) December 31, 2014	(Audited) June 30, 2014
	----- Rupees -----	
9 SHORT-TERM INVESTMENTS		
Investments in units of mutual funds		
At fair value through profit or loss		
Available-for-sale investments	9.1 534,299,424	515,915,923
	9.2 39,723,904	-
	574,023,328	515,915,923
Investment in Pakistan Investment Bond		
Available-for-sale investments	9.2 96,578,690	84,644,853
	670,602,018	600,560,776

9.1 At fair value through profit or loss

Name of the Investee Fund	As at July 01, 2014				As at December 31, 2014				As at June 30, 2014				
	Purchases during the period	Bonus units issued during the period	Redemptions during the period	As at December 31, 2014	Carrying value	Market value	Unrealised appreciation on re-measurement of investments	Carrying value	Market value	Unrealised appreciation on re-measurement of investments	Carrying value	Market value	Unrealised appreciation on re-measurement of investments
	Number of units												
MCB Dynamic Cash Fund	2,584,797	-	1,755,774	894,111	90,816,719	96,814,579	5,997,860	239,621,793	261,330,085	21,708,892			
MCB Dynamic Allocation Fund	2,364,412	-	-	2,364,412	169,933,421	187,352,522	17,419,101	133,624,292	169,933,421	16,309,129			
Metrobank Pakistan Sovereign Fund - Perpetual Scheme	1,569,142	-	2,092,773	4,589,584	243,951,925	250,132,323	6,180,398	77,000,000	78,519,864	1,519,864			
Pakistan Stock Market Fund	98,018	-	98,018	-	-	-	-	6,000,000	6,131,953	131,953			
MCB Cash Management Optimizer	-	-	1,727,647	-	504,702,065	534,299,424	29,597,359	476,246,085	515,915,923	39,669,838			

* The above mentioned investee funds are related parties of MCB - Arif Habib Savings and Investments Limited.

9.2 Available-for-sale investments

Particulars	As at July 01, 2014				As at December 31, 2014				As at June 30, 2014				
	Purchased during the year	Disposed during the year	As at December 31, 2014	Carrying Value	Market value	Unrealised appreciation/(diminution) on re-measurement of investments	Carrying Value	Market value	Unrealised appreciation/(diminution) on re-measurement of investments	Carrying Value	Market value	Unrealised appreciation/(diminution) on re-measurement of investments	
	Rupees												
Pakistan Investment Bonds (Rupees)	85,800,000	1,562,000,000	1,553,600,000	94,200,000	92,887,799	96,578,690	3,690,891	84,723,487	84,644,853	(78,634)			
Pakistan Stock Market Fund (Number of units)	-	541,413	1,245	540,168	36,910,702	39,723,904	2,813,202	-	-	-	-	-	-
					129,798,501	136,302,594	6,504,093	84,723,487	84,644,853	(78,634)			

These Pakistan Investment Bonds have a cost of Rs. 92,902,897 million (30 June 2014: 84,585,395 million) and carry interest at the rate of 11.25% (30 June 2014: 11.25%) per annum.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
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10 TAXATION - NET

Income tax refundable includes assessed refunds for the tax years 2008, 2009, 2010 and 2011. The income tax returns upto the tax year 2014 have been filed under the self assessment scheme and are deemed to be finalised under section 120 of the Income Tax Ordinance, 2001.

	Note	(Unaudited) December 31, 2014	(Audited) June 30, 2014
-----Rupees-----			
11 TRADE AND OTHER PAYABLES			
Accrued expenses		72,115,284	65,572,749
Withholding tax payable		174,833	115,218
Indirect taxes and duties payable	11.1	164,664,389	108,366,838
Payable to facilitators/distributors		72,597,703	29,804,252
Markup payable on running finance	11.2	3,714,874	-
Unclaimed dividend		2,318,302	1,762,196
Others		2,036,135	334,932
		317,621,520	205,956,185

11.1 FEDERAL EXCISE DUTY PAYABLE ON REMUNERATION OF MANAGEMENT COMPANY

As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of law.

The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies together with their respective Collective Investment Schemes through their trustees, through a Constitutional Petition filed in the Honorable Sindh High Court (SHC) on September 4, 2013 challenging the levy of FED. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending.

Pending decision of the SHC, the Funds have stopped making payments for FED to their respective management companies. However, full provision in respect of FED effective June 13, 2013 is being made in the books of accounts.

- 11.2** This represents markup on running finance facility of Rs. 300 million obtained from MCB Bank Limited during the half year ended December 31, 2014. The facility carried mark-up at the rate of 1 months' KIBOR plus 0.5 % (June 30, 2014 : NIL) , payable on quarterly basis. The facility was secured against pledge over Government Securities held by the Company.

12 MANAGEMENT FEE / INVESTMENT ADVISORY FEE

Note	Half year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
-----Rupees-----				
From Collective Investment Schemes - related parties	378,806,183	316,544,043	194,817,705	160,133,655
From Discretionary Portfolio	10,816,069	7,581,314	5,993,626	4,211,424
	389,622,252	324,125,357	200,811,331	164,345,079
Less: Indirect taxes and duties on management fees	(97,551,598)	(83,247,417)	(50,278,100)	(42,209,913)
	292,070,654	240,877,940	150,533,231	122,135,166

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

	Half year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	-----Rupees-----		-----Rupees-----	
12.1 From Collective Investment Schemes - related parties				
MCB Cash Management Optimizer	84,778,958	78,732,548	43,694,333	42,039,781
MCB Dynamic Allocation Fund	11,381,359	7,764,843	6,049,249	4,511,477
MCB Dynamic Cash Fund	120,193,496	108,676,832	61,455,282	53,906,494
MCB Dynamic Stock Fund	-	13,009,398	-	6,272,740
MCB Islamic Income Fund	10,295,457	17,439,666	4,952,783	8,940,091
Metro-Bank Pakistan Sovereign Fund	28,048,294	5,198,263	16,739,101	2,243,660
Pakistan Capital Market Fund	5,215,501	5,060,236	2,743,391	2,181,149
Pakistan Cash Management Fund	20,263,940	19,919,857	8,979,611	10,828,040
Pakistan Income Enhancement Fund	15,323,671	11,465,611	6,840,452	4,968,107
Pakistan Income Fund	10,249,537	10,440,983	5,151,579	5,109,139
Pakistan International Element Islamic Asset Allocation Fund	5,431,835	3,119,908	2,745,767	1,577,147
Pakistan Islamic Pension Fund	3,405,088	2,370,635	1,762,913	1,211,493
Pakistan Pension Fund	6,394,726	4,485,372	3,299,762	2,281,256
Pakistan Premier Fund	-	7,912,759	-	3,928,410
Pakistan Stock Market Fund	52,637,790	16,441,109	27,696,045	7,877,960
Pakistan Strategic Allocation Fund	4,940,007	4,506,023	2,460,913	2,256,711
Pakistan Sarmaya Mahfooz Fund	246,524	-	246,524	-
	<u>378,806,183</u>	<u>316,544,043</u>	<u>194,817,705</u>	<u>160,133,655</u>

	Half year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	-----Rupees-----		-----Rupees-----	
13 ADMINISTRATIVE AND OPERATING EXPENSES				
Salaries, allowances and other benefits	84,282,208	83,854,016	44,589,697	43,208,411
Marketing and advertising expenses	2,988,583	2,782,762	2,060,575	2,054,445
Legal and professional charges	5,411,270	6,161,973	2,431,529	3,231,660
Travelling and conveyance charges	1,312,383	1,586,993	717,167	1,399,399
Repairs and maintenance	11,167,845	12,603,813	5,333,378	6,519,958
Office supplies	311,843	176,881	227,611	73,608
Auditors' remuneration	1,400,000	900,000	900,000	450,000
Directors' meeting fee	450,000	550,000	125,000	250,000
Insurance	899,513	752,955	609,992	162,526
Depreciation	6,926,440	6,394,665	3,446,528	3,669,258
Amortisation	2,543,216	1,431,873	1,271,509	982,169
Stamp duty and taxes	19,529	148,366	1,829	112,958
Registrar fee	388,805	369,765	187,174	369,765
Printing and stationery	2,154,549	2,675,097	909,602	1,416,415
Utilities	2,517,840	1,659,991	1,248,584	383,627
Telephone expenses	1,810,240	2,921,274	721,032	1,823,194
Entertainment expenses	1,007,945	1,012,483	657,451	554,349
Books, periodicals and subscription	3,667,140	4,273,159	1,728,705	2,111,003
Miscellaneous expenses	4,296,813	2,008,871	2,708,753	892,836
	<u>133,556,162</u>	<u>132,264,937</u>	<u>69,876,116</u>	<u>69,665,581</u>

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as on December 31, 2014.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014

15 TRANSACTIONS WITH RELATED PARTIES

MCB Bank Limited (MCB) holds 51.33% ordinary shares of the Company as at the period end. Therefore, all subsidiaries and associated undertakings of MCB are related parties of the Company. Other related parties comprise of Arif Habib Corporation Limited with a holding percentage of 30%, Arif Habib Limited, collective schemes managed by the Company, directors, key management personnel and their close family members and retirement benefit plan. Transactions with related parties are in the normal course of business and carried out at contracted rates and terms. Details of such transaction are as follows:

	Half year ended	
	December 31, 2014	December 31, 2013
----- Rupees -----		
Transactions with related parties during the period		
MCB BANK LIMITED		
Profit on bank deposits	1,232,738	961,377
Dividend paid	55,435,152	36,956,768
Branch sharing expenses	1,560,000	1,184,763
Reimbursement of expenses	6,000,000	5,500,000
Commission on distribution of units	17,438,809	19,584,032
Financial Charges	5,345,408	450
ADAMJEE LIFE ASSURANCE COMPANY LIMITED		
Advisory income	6,044,068	4,625,723
Amount paid against life assurance	-	752,069
ADAMJEE INSURANCE COMPANY LIMITED		
Amount paid against vehicles' insurance	838,830	258,751
Dividend paid	5,094,510	3,396,340
SUMMIT BANK LIMITED		
Profit on bank deposits	96,701	117,297
Payment against compensation on outright sale	136,354	-
MCB FINANCIAL SERVICES LIMITED		
Reimbursement of expenses	916,512	930,303
Trustee fee	867,465	-
MCB DYNAMIC CASH FUND		
Management Fee	120,193,496	108,676,832
Sales load	116,187	20,925
Investment in units	7,000,000	30,000,000
Redemption of units	182,000,000	106,000,000
Bonus units issued	-	25,528,877
MCB DYNAMIC STOCK FUND		
Management fee	-	13,009,398
Sales load	-	35,714
MCB DYNAMIC ALLOCATION FUND		
Management fee	11,381,359	7,764,843
Sales load	33,250	115,278
Investment in units	-	75,000,000
Bonus units issued	-	15,069,001
MCB CASH MANAGEMENT OPTIMIZER		
Management fee	84,778,958	78,732,548
Sales load	-	18,710
Investment in units	177,987,698	-
Redemption of units	178,273,411	-
MCB ISLAMIC INCOME FUND		
Management Fee	10,295,457	17,439,666
Sales load	9,541	157,751

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014

	Half year ended	
	December 31, 2014	December 31, 2013
	Rupees -----	
PAKISTAN STOCK MARKET FUND		
Management fee	52,637,790	16,441,109
Sales load	180,579	23,145
Investment in units	36,995,807	-
Redemption of units	7,000,000	-
Amount received against conversion cost	1,135,912	-
PAKISTAN INCOME FUND		
Management fee	10,249,537	10,440,983
Sales load	9,672	1,017
PAKISTAN PREMIER FUND		
Management fee	-	7,912,759
Amount received against conversion cost	-	1,135,912
METRO BANK-PAKISTAN SOVEREIGN FUND		
Management fee	28,048,294	5,198,263
Sales load	1,044	-
Investment in units	271,287,037	-
Redemption of units	109,600,000	25,000,000
Bonus units issued	-	1,570,922
PAKISTAN CAPITAL MARKET FUND		
Management fee	5,215,501	5,060,236
Sales load	13,943	2,537
PAKISTAN STRATEGIC ALLOCATION FUND		
Management fee	4,940,007	4,506,023
Sales load	5,486	909
Amount received against conversion cost	1,520,031	1,520,031
PAKISTAN PENSION FUND		
Management fee	6,394,726	4,485,372
Sales load	84,019	16,137
Redemption of units	-	7,500,000
PAKISTAN INTERNATIONAL ELEMENT ISLAMIC ASSET ALLOCATION FUND		
Management fee	5,431,835	3,119,908
Sales load	16,412	32,719
PAKISTAN ISLAMIC PENSION FUND		
Management fee	3,405,088	2,370,635
Sales load	59,098	4,372
Investment in units	-	1,000,000
PAKISTAN SARMAYA MAHFOOZ FUND		
Management fee	246,524	-
Sales load	3,283,666	-
Payment made on behalf of fund	2,735,000	-
Formation Cost	4,313,850	-
PAKISTAN CASH MANAGEMENT FUND		
Management fee	20,263,940	19,919,857
PAKISTAN INCOME ENHANCEMENT FUND		
Management fee	10,061,459	11,465,611
Sales load	25,139	36,405

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014

	Half year ended	
	December 31, 2014	December 31, 2013
	Rupees	
ARIF HABIB CORPORATION LIMITED		
Dividend paid	32,496,250	21,664,167
ARIF HABIB LIMITED		
Dividend paid	5,258,216	3,373,977
KEY MANAGEMENT PERSONNEL		
Remuneration and other benefits	11,978,948	17,157,750
EXECUTIVE DIRECTORS		
Remuneration and other benefits	8,029,406	19,404,198
	(Unaudited)	(Audited)
	December 31,	June 30,
	2014	2014
	Rupees	
Amount outstanding as at period end		
MCB BANK LIMITED		
Bank balance	7,833,902	7,511,943
Receivable as share of expense	206,162	206,162
Other payable	10,242,765	3,382,765
Commission payable	38,436,940	6,870,556
Markup payable on running finance	3,714,874	-
Mark up receivable	108,194	-
ADAMJEE LIFE ASSURANCE COMPANY LIMITED		
Advisory fee receivable	4,194,987	9,135,094
ADAMJEE INSURANCE COMPANY LIMITED		
Receivable against sale of software	2,000,000	2,000,000
MCB FINANCIAL SERVICES LIMITED		
Payable against monthly reimbursement	150,000	167,500
Payable against trustee fee	200,000	-
SUMMIT BANK LIMITED		
Bank balance	3,098,634	3,017,026
Mark up receivable	5,568	-
MCB DYNAMIC CASH FUND		
Remuneration receivable	66,081,169	47,661,854
Sales load receivable	35,809,413	10,582,915
Closing balance of investment in units	96,814,579	261,330,685
MCB DYNAMIC ALLOCATION FUND		
Remuneration receivable	6,010,538	3,896,954
Sales load receivable	3,823,192	2,361,127
Closing balance of investment in units	187,352,522	169,933,421
MCB CASH MANAGEMENT OPTIMIZER		
Remuneration receivable	47,461,584	36,949,201
Sales load receivable	21,708	111,708
MCB ISLAMIC INCOME FUND		
Remuneration receivable	7,479,000	4,688,348
Sales load receivable	3,513,270	2,996,501

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014

	(Unaudited) December 31, 2014	(Audited) June 30, 2014
	----- Rupees -----	
PAKISTAN STOCK MARKET FUND		
Remuneration receivable	27,513,998	17,708,648
Share of load receivable	1,683,540	1,432,902
Other receivable	27,286	11,518
Conversion cost receivable	1,680,851	2,816,763
Closing balance of investment in units	39,723,904	6,131,953
PAKISTAN INCOME FUND		
Remuneration receivable	5,886,869	5,902,907
Share of load receivable	444,315	86,404
METRO BANK-PAKISTAN SOVEREIGN FUND		
Remuneration receivable	12,801,026	5,011,930
Share of load receivable	1,733,449	740,431
Closing balance of investment in units	250,132,323	78,519,864
PAKISTAN CAPITAL MARKET FUND		
Remuneration receivable	2,956,876	2,086,808
Share of load receivable	76,269	30,327
Other receivable	44,845	44,841
PAKISTAN STRATEGIC ALLOCATION FUND		
Remuneration receivable	2,753,256	2,730,500
Share of load receivable	111,395	37,918
Conversion cost receivable	2,082,764	3,602,795
PAKISTAN PENSION FUND		
Remuneration receivable	3,153,329	2,216,016
Share of load receivable	88,036	-
Closing balance of investment in units	195,441,732	175,418,882
PAKISTAN INTERNATIONAL ELEMENT ISLAMIC ASSET ALLOCATION FUND		
Remuneration receivable	2,567,864	1,700,221
Share of load receivable	490,682	609,094
PAKISTAN ISLAMIC PENSION FUND		
Remuneration receivable	1,584,306	1,179,868
Share of load receivable	156,981	105,289
Closing balance of investment in units	199,355,529	181,503,412
PAKISTAN SARMAAYA MAHFOOZ FUND		
Remuneration receivable	246,524	-
Share of load receivable	16,468,883	-
Others receivable	2,735,000	-
Formation Cost	4,313,850	-
PAKISTAN CASH MANAGEMENT FUND		
Remuneration receivable	11,083,509	9,372,032
PAKISTAN INCOME ENHANCEMENT FUND		
Remuneration receivable	7,459,000	6,847,776
Share of load receivable	2,598,712	812,794
Others receivable	3,747	3,530

16 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on February 2, 2015 has declared an interim cash dividend of Rs. per 1.50 per share (December 31, 2014: Rs. 1.25 per share declared on February 4, 2014) for the year ending June 30, 2015.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 2, 2015 by the Board of Directors of the Company.

18 GENERAL

- Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison or better presentation. No significant reclassification was made in this condensed interim financial information during the current period.
- Amounts have been rounded off to the nearest Rupee unless otherwise stated.



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, Email: info@mcbah.com