

# Half Year Report December 31, 2014 (Unaudited)



Funds Under Management  
of  
MCB-Arif Habib Savings and Investments Limited

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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.

# **PAKISTAN STOCK MARKET FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	MCB-Arif Habib Savings & Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
<b>Board of Directors of the Management Company</b>	Mian Mohammad Mansha Mr. Nasim Beg Mr. Yasir Qadri 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 Operating Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Financial Officer</b>	Mr. Umair Ahmed	
<b>Trustee</b>	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi.	
<b>Bankers</b>	MCB Bank Limited Deutsche Bank AG Habib Metropolitan Bank Limited United Bank Limited Standard Chartered Bank Limited Bank Al-Habib Limited Summit Bank Limited	
<b>Auditors</b>	M. Yousuf Adil Saleem & Co.-Chartered Accountants Cavis Court, A-35, Block 7 & 8, KCHSU, Sharae Faisal, Karachi-75350	
<b>Legal Advisor</b>	Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
<b>Transfer Agent</b>	MCB-Arif Habib Savings & Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
<b>Rating</b>	AM 2 - Management Quality Rating assigned by PACRA	

## **REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED DECEMBER 31, 2014**

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**Dear Investor,**

On behalf of the Board of Directors, I am pleased to present Pakistan Stock Market Fund's accounts review for the first half ended December 31<sup>st</sup> 2014.

### **EQUITIES MARKET OVERVIEW**

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.

### **FUND PERFORMANCE**

During the period, PSM delivered 17.55% return as compared to KSE100 index return of 8.36%. Overall equity exposure of the fund was maintained around 87%. The fund changed its investment strategy several times during the period to cope with various sector and company level fundamental developments. Major sector level changes include decrease in exposure in Oil and Gas sector and Commercial Banks while allocation was increased in Chemicals and Construction and Materials.

The Net Asset of the Fund as at December 31, 2014 stood at Rs.4,566 million as compared to Rs.3,730 million as at June 30 2014 registering an increase of 22.4%.

The Net Asset Value (NAV) per unit as at December 31, 2014 was Rs.73.54 as compared to opening NAV of Rs.62.56 per unit as at June 30, 2014 registering an increase of Rs.10.98 per unit.

### **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.

**REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY  
FOR THE QUARTER ENDED DECEMBER 31, 2014**

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**ACKNOWLEDGMENT**

The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



**Yasir Qadri**  
Chief Executive Officer

February 02, 2015

## TRUSTEE REPORT TO THE UNIT HOLDERS

### CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

#### Head Office

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



## TRUSTEE REPORT TO THE UNIT HOLDERS

### PAKISTAN STOCK MARKET FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of Pakistan Stock Market Fund (the Fund) are of the opinion that MCB-Arif Habib Savings and Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2014 in accordance with the provisions of the following:

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

**Aftab Ahmed Diwan**  
Officiating Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 20, 2015



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

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**M. Yousuf Adil Saleem & Co**  
Chartered Accountants  
Cavish Court, A-35, Block 7 & 8  
KCHSU, Sharea Faisal,  
Karachi-75350  
Pakistan

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Web: [www.deloitte.com](http://www.deloitte.com)

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

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of Pakistan Stock Market Fund (the Fund) as at December 31, 2014, and the related condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund together with the notes forming part thereof (here-in-after referred to as the 'interim financial information'), for the half year ended December 31, 2014. The Management Company (MCB Arif Habib Savings and Investments Limited) is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund for the quarters ended December 31, 2014 and 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 International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Member of  
**Deloitte Touche Tohmatsu Limited**

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

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M. Yousuf Adil Saleem & Co  
Chartered Accountants

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 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**  
Mushtaq Ali Hirani

**Dated: February 02, 2015**  
**Karachi**

Member of  
Deloitte Touche Tohmatsu Limited

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2014**

		(Un-audited) December 31, 2014	(Audited) June 30, 2014
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Balances with banks		570,212	385,178
Investments	5	4,220,684	3,307,850
Receivable against sale of investments		71,886	100,118
Dividend and profit receivable		2,010	9,054
Advances and security deposits	6	6,990	50,652
<b>Total assets</b>		<b>4,871,782</b>	<b>3,852,852</b>
<b>LIABILITIES</b>			
Payable to Management Company		8,622	6,764
Payable to Central Depository Company of Pakistan Limited - Trustee		484	399
Payable to the Securities and Exchange Commission of Pakistan		1,874	2,853
Payable against purchase of investments		159,502	3,397
Accrued expenses and other liabilities	7	135,383	109,185
Payable against redemption of units		386	386
<b>Total liabilities</b>		<b>306,251</b>	<b>122,984</b>
<b>NET ASSETS</b>		<b>4,565,531</b>	<b>3,729,868</b>
<b>Unit holders' funds (as per statement attached)</b>		<b>4,565,531</b>	<b>3,729,868</b>
<b>Contingencies and commitments</b>	8		
		(Number of units)	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>62,082,998</b>	<b>59,624,421</b>
		(Rupees)	
<b>NET ASSETS VALUE PER UNIT</b>		<b>73.54</b>	<b>62.56</b>
		-	

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

  
 Chief Executive Officer

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

  
 Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

	Note	Half year ended December 31,		Quarter ended December 31,	
		2014	2013	2014	2013
<b>Income</b>					
Capital gain / (loss) on sale of investments - net		212,600	37,839	221,718	(4,938)
Dividend income and other income		79,398	30,791	45,994	10,320
Income from government securities		11,203	5,456	1,680	3,624
Profit on bank deposits		8,408	3,492	4,270	1,955
		<b>311,609</b>	<b>77,578</b>	<b>273,662</b>	<b>10,961</b>
Net unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss' - net	5.5	455,904	113,366	393,056	136,955
<b>Total income</b>		<b>767,513</b>	<b>190,944</b>	<b>666,718</b>	<b>147,916</b>
<b>Expenses</b>					
Remuneration of Management Company		39,460	12,218	20,763	5,854
Sales tax and Federal Excise Duty on remuneration of Management Company		13,179	4,223	6,934	2,024
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,477	1,115	1,290	545
Securities and Exchange Commission of Pakistan - fee		1,874	580	986	278
Securities transaction cost		17,765	4,051	12,106	1,457
Settlement and bank charges		933	346	550	143
Fees and subscriptions		41	87	(42)	52
Auditors' remuneration		772	269	386	136
Other		114	-	114	-
<b>Total expenses</b>		<b>76,615</b>	<b>22,889</b>	<b>43,087</b>	<b>10,489</b>
		<b>690,898</b>	<b>168,055</b>	<b>623,631</b>	<b>137,427</b>
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		22,039	(3,943)	22,732	(3,123)
Provision for Workers' Welfare Fund	7.1	(14,259)	(3,282)	(12,928)	(2,685)
<b>Net income for the period before taxation</b>		<b>698,678</b>	<b>160,830</b>	<b>633,435</b>	<b>131,619</b>
Taxation	9	-	-	-	-
<b>Net income for the period after taxation</b>		<b>698,678</b>	<b>160,830</b>	<b>633,435</b>	<b>131,619</b>
Other comprehensive income for the period					
<i>Items that may be reclassified to profit and loss account</i>					
Net unrealised diminution in value of investments classified as 'available for sale' - net		(15,316)	-	(15,872)	-
<b>Total comprehensive income for the period</b>		<b>683,362</b>	<b>160,830</b>	<b>617,563</b>	<b>131,619</b>
<b>Earnings per unit</b>	10				

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

  
Chief Executive Officer

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

  
Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

	Half year ended December 31,		Quarter year ended December 31,	
	2014	2013	2014	2013
	------(Rupees in '000')-----			
<b>Undistributed income brought forward</b>	<b>748,718</b>	418,626	<b>795,744</b>	205,222
Net element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - amount representing unrealised income	29,371	23,866	48,144	(16,399)
Total comprehensive income for the period	<b>683,362</b>	160,830	<b>617,563</b>	131,620
	<b>712,733</b>	184,696	<b>665,707</b>	115,221
Final bonus distribution of Nil units for the year ended June 30, 2014: Nil (2013: Rs.18.62 per unit)	-	(282,879)	-	-
<b>Undistributed income carried forward</b>	<b>1,461,451</b>	320,443	<b>1,461,451</b>	320,443

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

  
Chief Executive Officer

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

  
Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

	Half year ended 31 December		Quarter ended 31 December	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
<b>Net assets at beginning of the period</b>	<b>3,729,868</b>	1,178,662	<b>3,706,128</b>	1,189,948
Issue of 17,512,867 (2013:1,932,713) units and 10,889,181 (2013: 707,948) units for the half year and quarter ended respectively	<b>1,162,504</b>	123,711	<b>763,154</b>	98,069
Issue of Nil (2013: 4,797,805) bonus units and Nil (2013: Nil) bonus units for the half year and quarter ended respectively	-	282,879	-	-
Redemption of 15,054,290 (2013: 4,066,946) units and 7,109,455 (2013: 2,538,192) units for the half year and quarter ended respectively	<b>(988,164)</b>	(253,490)	<b>(498,583)</b>	(209,104)
	<b>174,340</b>	153,100	<b>264,571</b>	(111,035)
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed :				
- amount representing accrued (income) / loss and capital (gains) / losses - transferred to income statement	<b>(22,039)</b>	3,943	<b>(22,732)</b>	3,123
- amount representing unrealised capital (gains) / losses and capital (gains) / losses that form part of the unit holders' fund transferred to distribution statement	<b>(29,371)</b>	(23,866)	<b>(48,144)</b>	16,399
	<b>(51,410)</b>	(19,923)	<b>(70,876)</b>	19,522
Net income for the period transferred from distribution statement				
Capital gain / (loss) on sale of investments - net	<b>212,600</b>	37,839	<b>221,718</b>	(4,938)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	<b>455,904</b>	113,366	<b>393,056</b>	136,955
Other income / (loss) for the period	<b>30,174</b>	9,625	<b>18,662</b>	(397)
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing unrealised income	<b>29,371</b>	<b>23,866</b>	<b>48,144</b>	<b>(16,399)</b>
	<b>728,049</b>	184,696	<b>681,580</b>	115,221
Distributions made during the year (Refer distribution statement)	-	(282,879)	-	-
Net unrealised (diminution) in fair value of investments classified as 'available for sale during the period'	<b>(15,316)</b>	-	<b>(15,872)</b>	-
<b>Net assets at end of the period</b>	<b>4,565,531</b>	1,213,656	<b>4,565,531</b>	1,213,656

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

  
Chief Executive Officer

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

  
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

	Half year ended December 31,		Quarter ended December 31,	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income for the period	698,678	160,830	633,435	131,620
<i>Adjustments for:</i>				
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(22,039)	3,943	(22,732)	3,123
Provision for Workers' Welfare Fund	14,259	-	12,928	-
Unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	(455,904)	(113,366)	(393,056)	(136,955)
	<u>234,994</u>	<u>51,407</u>	<u>230,575</u>	<u>(2,212)</u>
<b>(Increase) \ decrease in assets</b>				
Investments	(472,246)	70,383	(179,216)	195,381
Receivable against sale of investments	28,232	61,404	(35,990)	8,969
Dividend and profit receivable	7,044	439	28,816	18,272
Advances and security deposits	43,662	(50,857)	(48)	(50,857)
	<u>(393,308)</u>	<u>81,369</u>	<u>(186,438)</u>	<u>171,765</u>
<b>Increase / (decrease) in liabilities</b>				
Payable to - Management Company	1,858	2,468	(119)	4,254
Payable to Central Depository Company of Pakistan Limited - Trustee	85	7	73	20
Payable to Securities and Exchange Commission of Pakistan - Annual fee	(979)	(434)	986	278
Payable against purchase of investments	156,105	(14,638)	158,922	(14,638)
Accrued expenses and other liabilities	11,939	2,554	13,926	(1,061)
	<u>169,008</u>	<u>(10,043)</u>	<u>173,788</u>	<u>(11,147)</u>
<b>Net cash generated from operating activities</b>	<u>10,694</u>	<u>122,733</u>	<u>217,925</u>	<u>158,406</u>
<b>B. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash received from units sold	1,162,504	124,414	763,154	98,069
Cash paid on units redeemed	(988,164)	(253,500)	(498,583)	(209,114)
<b>Net cash generated from/ (used in) financing activities</b>	<u>174,340</u>	<u>(129,086)</u>	<u>264,571</u>	<u>(111,045)</u>
Net increase / (decrease) in cash and cash equivalents during the period	185,034	(6,353)	482,496	47,361
Cash and cash equivalents at beginning of the period	385,178	113,835	87,716	60,121
Cash and cash equivalents at end of the period	<u>570,212</u>	<u>107,482</u>	<u>570,212</u>	<u>107,482</u>

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

  
Chief Executive Officer

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

  
Director

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014

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### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Stock Market Fund ("the Fund") was established under a Trust Deed executed between Arif Habib Investments Limited as "Management Company" and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October 23, 2001 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) [repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules)].
- 1.2 Pursuant to the merger of MCB Asset Management Company Limited with and into Arif Habib Investments Limited (AHIL), the name of AHIL had been changed to MCB-Arif Habib Savings and Investments Limited effective from June 27, 2011.
- 1.3 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.
- 1.4 The Fund is an open-ended mutual fund and is listed on the Karachi Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund has been characterized as a "equity scheme" by the Management Company.
- 1.5 The Fund primarily invests in listed equity securities. It also invests in cash instruments and treasury bills not exceeding 90 days in maturities.
- 1.6 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM2 to the management company dated April 10, 2014 and 3-Star as performance ranking to the Fund dated November 21, 2014 .
- 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 made in the annual published financial statement and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2014. Comparative information of the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' fund for the quarters ended December 31, 2014 and December 31, 2013 are un-audited and have been included to facilitate comparison.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

- 2.3 This condensed interim financial information is un-audited. However, limited scope review has been performed by the statutory auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and this condensed interim financial information are being circulated to the unit holders as required under the NBFC Regulations.
- 2.4 This condensed interim financial information is presented in Pak Rupees, which is the functional and presentation currency of the Fund and has been rounded off to the nearest thousand rupees, unless otherwise specified.
- 2.5 The directors of the asset management company declare that this condensed interim financial information give a true and fair view of the Fund.

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

- 3.1 The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are same as those applied in preparation of financial statements of the Fund for the year ended June 30, 2014.
- 3.2 The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2014.
- 3.3 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and are therefore not disclosed in this condensed interim financial information.

**4. FINANCIAL RISK MANAGEMENT**

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

**5. INVESTMENTS**

		(Unaudited) December, 31 2014	(Audited) June, 30 2014
	Notes	----- (Rupees in '000) -----	
<b>'At fair value through profit or loss' - held for trading</b>			
Listed equity securities	5.1	3,893,369	3,234,939
Government securities	5.2	-	-
		3,893,369	3,234,939
<b>Available for sale</b>			
Listed equity securities	5.3	289,316	72,911
Unlisted equity securities (company in process of formal listing)	5.4	38,000	-
		4,220,685	3,307,850

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

**5.1 Listed equity securities 'at fair value through profit or loss'-held for trading**

Shares of listed companies - fully paid ordinary shares / certificates of Rs. 10 each unless stated otherwise

Name of the Investee Company	As at July 1, 2014	Purchases during the period	Sales during the period	As at December 31, 2014	As at December 31, 2014			Market value as percentage of net assets of total investments	Market value as percentage of total paid up capital of the investee company	
					Carrying Value	Market value	Appreciation/(depreciation)			
										Rupees in '000'
					----- % -----					
<b>AUTOMOBILE AND PARTS</b>										
Pak Suzuki Motor Company Limited	558,500	525,900	627,900	456,500	180,571	169,416	(11,155)	3.71	4.01	0.55
Indus Motors Company Limited	-	248,700	67,600	181,100	144,876	159,426	14,550	3.49	3.78	0.23
					<b>325,447</b>	<b>328,842</b>	<b>3,395</b>	<b>7.20</b>	<b>7.79</b>	
<b>BANKS</b>										
Allied Bank Limited	-	960,000	960,000	-	-	-	-	-	-	-
Askari Bank Limited	-	4,330,000	2,136,500	2,193,500	45,589	50,604	5,015	1.11	1.20	0.17
Bank Al Falah Limited	8,254,000	2,661,500	10,915,500	-	-	-	-	-	-	-
Bank Al Habib Limited	3,410,818	1,795,000	5,200,000	5,818	268	282	14	0.01	0.01	0.00
Faysal Bank Limited	723,000	4,860,000	5,583,000	-	-	-	-	-	-	-
Habib Bank Limited	519,762	303,800	823,562	-	-	-	-	-	-	-
Habib Metropolitan Bank Limited	4,285,500	1,028,000	2,184,500	3,129,000	103,237	116,712	13,475	2.56	2.77	0.30
Js Bank Limited	-	449,500	449,500	-	-	-	-	-	-	-
** MCB Bank Limited	-	754,500	754,500	-	-	-	-	-	-	-
National Bank Of Pakistan	2,611,000	250,000	2,861,000	-	-	-	-	-	-	-
Soneri Bank Limited	-	5,800,000	3,370,000	2,430,000	33,168	29,962	(3,206)	0.66	0.71	0.22
United Bank Limited	1,445,859	1,306,400	2,268,200	484,059	82,302	85,538	3,236	1.87	2.03	0.04
					<b>264,564</b>	<b>283,098</b>	<b>18,534</b>	<b>6.21</b>	<b>6.72</b>	
<b>CHEMICALS</b>										
Archroma Pakistan Limited	100	-	100	-	-	-	-	-	-	-
Dawood Hercules Corporation Limited	-	1,007,500	8,000	999,500	81,230	84,468	3,238	1.85	2.00	0.21
BIAFCO Industries	-	266,900	266,900	-	-	-	-	-	-	-
Engro Corporation Limited	571,100	1,719,000	617,600	1,672,500	343,670	370,476	26,806	8.11	8.78	0.32
Engro Fertilizer Limited	59,350	3,451,000	50,000	3,460,350	189,523	270,253	80,730	5.92	6.40	0.26
** Fatima Fertilizer Company Limited	-	5,229,000	-	5,229,000	169,138	187,041	17,903	4.10	4.43	0.25
Fauji Fertilizer Bin Qasim Limited	500	4,450,000	4,450,500	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	800	2,142,100	1,672,900	470,000	55,452	55,042	(410)	1.21	1.30	0.04
LOTTE Chemical Pakistan Limited	1,000	4,898,500	4,899,500	-	-	-	-	-	-	-
					<b>839,013</b>	<b>967,280</b>	<b>128,267</b>	<b>21.19</b>	<b>22.91</b>	
<b>CONSTRUCTION AND MATERIALS</b>										
Attock Cement Pakistan Limited	295,000	408,500	-	703,500	118,201	137,302	19,101	3.01	3.25	0.61
Berger Paints Pakistan Limited	-	182,500	22,500	160,000	13,639	16,917	3,278	0.37	0.40	0.88
Cherat Cement Company Limited	472,311	-	472,311	-	-	-	-	-	-	-
** D.G. Khan Cement Company Limited	33,000	2,234,500	2,267,500	-	-	-	-	-	-	-
Fauji Cement Company Limited	1,933,500	3,198,000	-	5,131,500	110,515	132,598	22,083	2.90	3.14	0.39
Fecto Cement Limited	35,241	-	35,241	-	-	-	-	-	-	-
Kohat Cement Company Limited	418,063	282,600	443,500	257,163	36,318	49,085	12,767	1.08	1.16	0.17
Lucky Cement Limited	149,100	567,800	291,300	425,600	177,895	212,919	35,024	4.66	5.09	0.13
Maple Leaf Cement Factory Limited	5,148,000	3,954,500	3,600,000	5,502,500	165,385	243,486	78,101	5.33	5.77	1.04
Pioneer Cement Limited	1,353,000	83,000	1,436,000	-	-	-	-	-	-	-
					<b>621,953</b>	<b>792,307</b>	<b>170,354</b>	<b>17.35</b>	<b>18.81</b>	

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

Name of the Investee Company	As at July 1, 2014	Purchases during the period	Sales during the period	As at December 31, 2014	As at December 31, 2014			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		
					Rupees in '000'						Appreciation/(depreciation)	%
					Carrying Value	Market value	Market value					
<b>Number of shares</b>												
<b>ELECTRICITY</b>												
The Hub Power Company Limited	3,841,924	4,345,500	2,335,000	5,852,424	396,371	458,596	62,225	10.04	10.87	0.51		
Kot Addu Power Company Limited	1,892,500	876,000	1,908,500	860,000	66,051	67,888	1,837	1.49	1.61	0.10		
** Lalpur Power Limited	-	3,800,000	3,800,000	-	-	-	-	-	-	-		
** Nishat Power Limited	1,315,000	-	1,315,000	-	-	-	64,062	11.53	12.48	-		
<b>ENGINEERING</b>												
Al-Ghazi Tractors Limited	-	39,300	39,300	-	-	-	-	-	-	-		
Millat Tractors Limited	97	319,000	144,000	175,097	96,044	113,263	17,219	2.48	2.68	0.40		
					<b>96,044</b>	<b>113,263</b>	<b>17,219</b>	<b>2.48</b>	<b>2.68</b>			
<b>FINANCIAL SERVICES</b>												
Jahangir Siddiqui & Company Limited	500	-	500	-	-	-	-	-	-	-		
<b>FOOD PRODUCERS</b>												
Nestle Pakistan Limited	-	11,050	-	11,050	95,875	100,555	4,680	2.20	2.38	0.02		
					<b>95,875</b>	<b>100,555</b>	<b>4,680</b>	<b>2.20</b>	<b>2.38</b>			
<b>GENERAL INDUSTRIALS</b>												
Cherat Packaging Limited	-	2,000	-	2,000	159	324	165	0.01	0.01	0.01		
Packages Limited	330,300	17,050	347,350	-	-	-	-	-	-	-		
Thal Limited	23,300	150,000	19,800	153,500	38,603	41,296	2,693	0.90	0.98	0.38		
Tri-Pak Films Limited	82,500	1,000	83,500	-	-	-	-	-	-	-		
					<b>38,762</b>	<b>41,620</b>	<b>2,858</b>	<b>0.91</b>	<b>0.99</b>			
<b>HOUSEHOLD GOODS</b>												
Pak Elektron Limited	-	6,728,000	2,000,000	4,728,000	151,049	193,517	42,468	4.24	4.58	1.19		
Tariq Glass Industries Limited	-	575,000	575,000	-	-	-	-	-	-	-		
					<b>151,049</b>	<b>193,517</b>	<b>42,468</b>	<b>4.24</b>	<b>4.58</b>			
<b>INDUSTRIAL METALS AND MINING</b>												
Crescent Steel & Allied Products Limited	-	1,498,500	-	1,498,500	80,533	75,914	(4,619)	1.66	1.80	2.41		
International Industries Limited	1,226,500	193,500	448,500	971,500	49,540	60,563	11,023	1.33	1.43	0.81		
					<b>130,073</b>	<b>136,477</b>	<b>6,404</b>	<b>2.99</b>	<b>3.23</b>			

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

Name of the Investee Company	As at July 1, 2014	Purchases during the period	Sales during the period	As at December 31, 2014	As at December 31, 2014			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										
					Carrying Value	Market value	Appreciation/(depreciation)													
	Number of shares					Rupees in '000'					%									
<b>INDUSTRIAL TRANSPORTATION</b>																				
P.N.S.C. Limited	-	213,000	213,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pakistan International Bulk Terminal Limited	-	3,217,000	3,208,500	8,500	-	210	5	-	-	-	-	-	-	-	-	-	-	-	-	0.00
					<b>205</b>	<b>210</b>	<b>5</b>													
<b>NON LIFE INSURANCE</b>																				
** Adamejee Insurance Company Limited	914	240,000	240,914	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IGI Insurance Limited	514,300	104,867	224,800	394,367	90,119	106,708	16,589	2.34	2.53	0.32										
Pakistan Reinsurance Company Limited	1,715,625	-	997,500	718,125	18,607	21,788	3,181	0.48	0.52	0.24										
					<b>108,726</b>	<b>128,496</b>	<b>19,770</b>	<b>2.82</b>	<b>3.05</b>											
<b>OIL AND GAS</b>																				
Attock Petroleum Limited	119,252	210,600	22,000	307,852	174,688	166,111	(8,577)	3.64	3.94	0.37										
Hassco Petroleum Limited	-	1,580,000	1,580,000	-	-	-	-	-	-	-										
Mari Petroleum Company Limited	-	113,300	113,300	-	-	-	-	-	-	-										
National Refinery Limited	242,800	-	242,800	-	-	-	-	-	-	-										
Oil & Gas Development Company Limited	313,263	182,700	495,963	-	-	-	-	-	-	-										
Pakistan Oilfields Limited	59,334	99,650	158,984	-	-	-	-	-	-	-										
* Pakistan Petroleum Limited	493,619	1,160,700	1,185,487	468,832	96,936	82,758	(14,178)	1.81	1.96	0.02										
Pakistan State Oil Company Limited	865,204	-	865,204	-	-	-	-	-	-	-										
					<b>271,624</b>	<b>248,869</b>	<b>(22,755)</b>	<b>5.45</b>	<b>5.90</b>											
<b>PERSONAL GOODS (TEXTILE)</b>																				
Bata Pakistan Limited	-	2,340	-	2,340	7,496	8,167	671	0.18	0.19	0.03										
** Nishat (Chunian) Limited	1,950	2,000	3,950	-	-	-	-	-	-	-										
** Nishat Mills Limited	-	1,602,600	1,602,600	-	-	-	-	-	-	-										
					<b>7,496</b>	<b>8,167</b>	<b>671</b>	<b>0.18</b>	<b>0.19</b>											
<b>PHARMA AND BIO TECH</b>																				
Abbott Laboratories (Pakistan) Limited	19,200	-	19,200	-	-	-	-	-	-	-										
The Searle Company Limited	-	100,000	-	100,000	24,212	24,184	(28)	0.53	0.57	0.12										
					<b>24,212</b>	<b>24,184</b>	<b>(28)</b>	<b>0.53</b>	<b>0.57</b>											
<b>Total - December 31, 2014</b>					<b>3,437,465</b>	<b>3,893,369</b>	<b>455,904</b>													
<b>Total - June 30, 2014</b>					<b>3,040,956</b>	<b>3,234,939</b>	<b>193,983</b>													

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014

5.2 Government securities - at 'fair value through profit or loss'-held for trading

Issue date	Tenor	Face value				As at December 31, 2014			Market value as percentage of total investments
		As at July 1, 2014	Purchases during the period	Sales / matured during the period	As at December 31, 2014	Cost	Market value	Appreciation / (diminution)	
Treasury Bills									
Treasury Bills - 3 months			1,040,000		1,040,000	-	-	-	
<b>Total as at December 31, 2014</b>									
<b>Total as at June 30, 2014</b>									

(Rupees in '000)

5.3 Listed equity securities - 'Available for sale'

Shares of listed companies - fully paid ordinary shares / certificates of Rs. 10 each unless stated otherwise

Name of the Investee Company	As at July 1, 2014	Purchases during the period	Sales during the period	As at December 31, 2014	As at December 31, 2014			Market value as percentage of total investments
					Cost	Appreciation/(diminution)	Market value as percentage of total investments	
<b>CHEMICALS</b>								
Engro Corporation Limited	-	390,000	-	390,000	86,637	(248)	1,89	2.05
<b>CONSTRUCTION AND MATERIALS (CEMENT)</b>								
Maple Leaf Cement Factory Limited	-	500,000	-	500,000	22,040	85	0.48	0.09
<b>ELECTRICITY</b>								
Kot Addu Power Company Limited	-	550,000	-	550,000	43,254	163	0.95	1.03
<b>GENERAL INDUSTRIALS</b>								
Ghani Glass Limited	-	356,000	-	356,000	24,073	124	0.53	0.57
<b>HOUSEHOLD GOODS</b>								
Pak Elektronik Limited	-	200,000	-	200,000	7,925	261	0.18	0.19
<b>OIL AND GAS</b>								
Mari Petroleum Company Limited	-	5,900	-	5,900	2,774	31	0.06	0.07
* Pakistan Petroleum Limited	325,000	250,000	-	575,000	117,739	(16,240)	2.22	2.37
<b>PERSONAL GOODS (TEXTILE)</b>								
Bata Pakistan Limited	-	200	-	200	120,513	104,304	2.28	2.44
<b>Total - December 31, 2014</b>					305,154	289,316	(15,838)	
<b>Total - June 30, 2014</b>					73,433	72,911	(522)	

5.4 Unlisted equity securities (company in process of formal listing) - 'Available for sale'

Name of the Investee Company	As at July 1, 2014	Purchases during the period	Sales during the period	As at December 31, 2014	As at December 31, 2014			Market value as percentage of total investments
					Cost	Appreciation/(diminution)	Market value as percentage of total investments	
<b>Systems Limited</b>								
	-	950,000	-	950,000	38,000	-	0.83	0.90
<b>Total</b>					38,000	-	0.83	0.90

(Rupees in '000)

\* The above include shares with a market value aggregating to Rs. 114.74 million (June 30, 2014: Rs. 53.09) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

\*\* These represent transactions with related parties.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

		(Unaudited) December, 31 2014	(Audited) June, 30 2014
----- (Rupees in '000) -----			
<b>5.5 Net unrealised appreciation on remeasurement of investments classified as 'at fair value through profit or loss'</b>			
Market value of investments	5.1	3,893,369	3,234,939
Carrying value of investments	5.1	<u>(3,437,465)</u>	<u>(3,040,956)</u>
		<u>455,904</u>	<u>193,983</u>
<b>6. ADVANCES AND SECURITY DEPOSITS</b>			
Advance against purchase of shares		-	43,709
Advance tax		3,692	3,692
Security deposits with National Clearing Company of Pakistan Limited		2,500	2,500
Security deposits with Central Depository Company of Pakistan Limited		500	500
Other		298	251
		<u>6,990</u>	<u>50,652</u>
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Workers' Welfare Fund	7.1	89,837	75,578
Provision for Federal Excise Duty and related tax on management fee	7.2	18,892	11,638
Unclaimed dividend		10,002	10,002
Brokerage		9,921	4,702
Auditors' remuneration		580	1,092
Conversion cost		1,681	2,817
Printing and related expenditure		146	519
Sales load		1,712	1,429
Other		2,612	1,408
		<u>135,383</u>	<u>109,185</u>

**7.1** 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. 89.837 million till December 31, 2014. 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. 1.48 per unit.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014

**7.2** 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. 18.892 million as at December 31, 2014. 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. 0.30 per unit as at December 31, 2014.

### **8. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at December 31, 2014 and June 30, 2014.

### **9. 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 year to the unit holders, therefore no provision for taxation has been made in this condensed interim financial information.

### **10. EARNINGS PER UNIT**

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

### **11. TRANSACTIONS WITH CONNECTED PERSONS**

Connected persons of the Fund include the Management Company, other collective investment schemes being managed by the Management Company, MCB Bank Limited being the holding company of the Management Company, the Trustee, directors and key management personnel and other associated undertaking.

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

	Half year ended 31 December		Quarter ended 31 December	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
<b>11.1 Details of transactions with related parties / connected persons</b>				
<b>MCB - Arif Habib Savings and Investment Limited - Management Company</b>				
Remuneration including indirect taxes	52,640	16,441	27,698	7,878
Issue of 541,413 (2013: Nil) units and 459,787 (2013: Nil) units for the half year and quarter ended respectively	36,996	-	32,000	-
Redemption of 99,263 (2013: Nil) units and 99,263 (2013: Nil) units for the half year and quarter ended respectively	7,000	-	7,000	-

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

	Half year ended 31 December		Quarter ended 31 December	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration of the trustee	2,477	1,115	1,290	545
CDS charges	381	116	376	41
<b>Arif Habib Capital Limited</b>				
Brokerage*	1,488	307	1,100	277
<b>Next Capital Limited</b>				
Brokerage*	854	52	854	(55)
<b>MCB Bank Limited</b>				
Bank charges	30	10	19	5
Markup income	6,406	2,722	3,151	1,519
Dividend income	1,284	202	782	-
<b>D.G Khan Cement Company Limited</b>				
Dividend income	5,486	1,868	5,486	1,868
<b>Nishat Mills Limited</b>				
Dividend income	2,900	2	2,900	(53)
<b>Nishat Power Limited</b>				
Dividend income	299	-	299	-
<b>Nishat Chunian Limited</b>				
Dividend income	2	267	2	-
<b>Habib Metropolitan Bank Limited</b>				
Redemption of 1,186,709 (2013: Nil) units and Nil (2013: Nil) units for the half year and quarter ended respectively	75,000	-	-	-
Markup income	1,991	-	1,108	-
<b>Adamjee Insurance Company Limited</b>				
Issue of 167,411 (2013: Nil) units and (2013: ) units for the half year and quarter ended respectively	12,000	-	12,000	-
Issue of Nil (2013: ) bonus units and Nil (2013: ) bonus units for the half year and quarter ended respectively	-	-	-	-
Dividend income	-	1	-	1
<b>Directors and executive of the Management Company</b>				
Issue of 179,365 (2013: 77,538) units and 118,551 (2013: 36,557) units for the half year and quarter ended respectively	11,986	4,918	8,238	2,602
Redemption of 121,222 (2013: 85,407) units and 48,845 (2013: 38,259) units for the half year and quarter ended respectively	7,818	5,491	3,373	2,426
Issue of Nil (2013: 9,629) bonus units and Nil (2013: Nil ) bonus units for the half year and quarter ended respectively	-	568	-	-

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

	Half year ended 31 December		Quarter ended 31 December	
	2014	2013	2014	2013
	----- (Rupees in '000) -----			
<b>Mandate Under Discretionary Portfolio Services</b>				
Issue of 1,249,926 (2013: Nil) units and 673,744 (2013: Nil) units for the half year and quarter ended respectively	81,829	-	45,575	-
Redemption of 226,884 (2013: Nil) units and 50,529 (2013: Nil) units for the half year and quarter ended respectively	14,347	-	3,600	-

**11.2 Amounts outstanding as at the period / year end**

	(Unaudited) December, 31 2014	(Audited) June, 30 2014
	----- (Rupees in '000) -----	
<b>MCB - Arif Habib Savings and Investment Limited - Management Company</b>		
Remuneration payable	7,492	5,831
Sales tax payable on management fee	1,130	933
Sales load payable	1,712	1,429
Conversion cost payable	1,681	2,817
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Security deposit	500	500
Remuneration payable	484	399
<b>Summit Bank Limited</b>		
Balance with bank	3,514	3,514
<b>MCB Bank Limited</b>		
Balance with bank	473,844	370,728
Accrued markup	1,652	402
<b>Next Capital Limited</b>		
Brokerage payable	248	-
<b>Arif Habib Limited</b>		
Brokerage payable	628	220
<b>Fatima Fertilizer Company Limited</b>		
5,229,000 shares held (June 30, 2014: Nil shares)	187,041	-
<b>D.G. Khan Cement Company Limited</b>		
Nil shares held (June 30, 2014: 33,000 shares)	-	2,903
<b>Nishat Power Limited</b>		
Nil shares held (June 30, 2014: 1,315,000 shares)	-	46,788
<b>Adamjee Insurance Company Limited</b>		
Nil shares held (June 30, 2014: 914 shares)	-	42
<b>Nishat Chunian Limited</b>		
Nil shares held (June 30, 2014: 1,950 shares)	-	83
<b>Habib Metropolitan Bank Limited</b>		
1,231,866 units held (June 30, 2014: 2,418,575 units)	90,591	151,306

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2014**

	(Unaudited) December, 31 2014 ----- <b>(Rupees in '000)</b> -----	(Audited) June, 30 2014
<b>Adamjee Insurance Company Limited</b> 4,719,116 units held (June 30, 2014: 4,551,705 units)	<b>347,044</b>	284,755
<b>MCB Arif Habib Savings and Investment Limited</b> 540,168 units held (June 30, 2014: 98,018 units)	<b>39,724</b>	6,132
<b>MCB Employees Provident Fund</b> 3,999,606 units held (June 30, 2014: 3,999,606 units)	<b>294,131</b>	250,215
<b>MCB Employees Pension Fund</b> 3,065,006 units held (June 30, 2014: 3,065,006 units)	<b>225,401</b>	191,747
<b>D.G Khan Cement Company Limited Employees Provident Fund Trust</b> 67,717 units held (June 30, 2014: 67,717 units)	<b>4,979</b>	4,236
<b>Directors and executive of the Management Company</b> 207,075 units held (June 30, 2014: 148,932 units)	<b>15,228</b>	9,317
<b>Mandate Under Discretionary Portfolio Services</b> 1,268,605 units held (June 30, 2014: 245,563 units)	<b>93,293</b>	15,362

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

**12. RECLASSIFICATION OF COMPARATIVE FIGURE**

Following reclassification has been made in this condensed interim financial information in order to give a better and more appropriate presentation:

	<b>From</b>	<b>To</b>	<b>June 30, 2014 (Rupees in '000)</b>
Sales tax on FED payable on management fee	Payable to management company	Accrued expenses and other liabilities	613

**13. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information has been authorised for issue in the meeting of the Board of Directors of the Management Company held on 02 February, 2015.

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

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

  
\_\_\_\_\_  
Director

Please find us on



by typing: **Bachat Ka Doosra Naam**

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