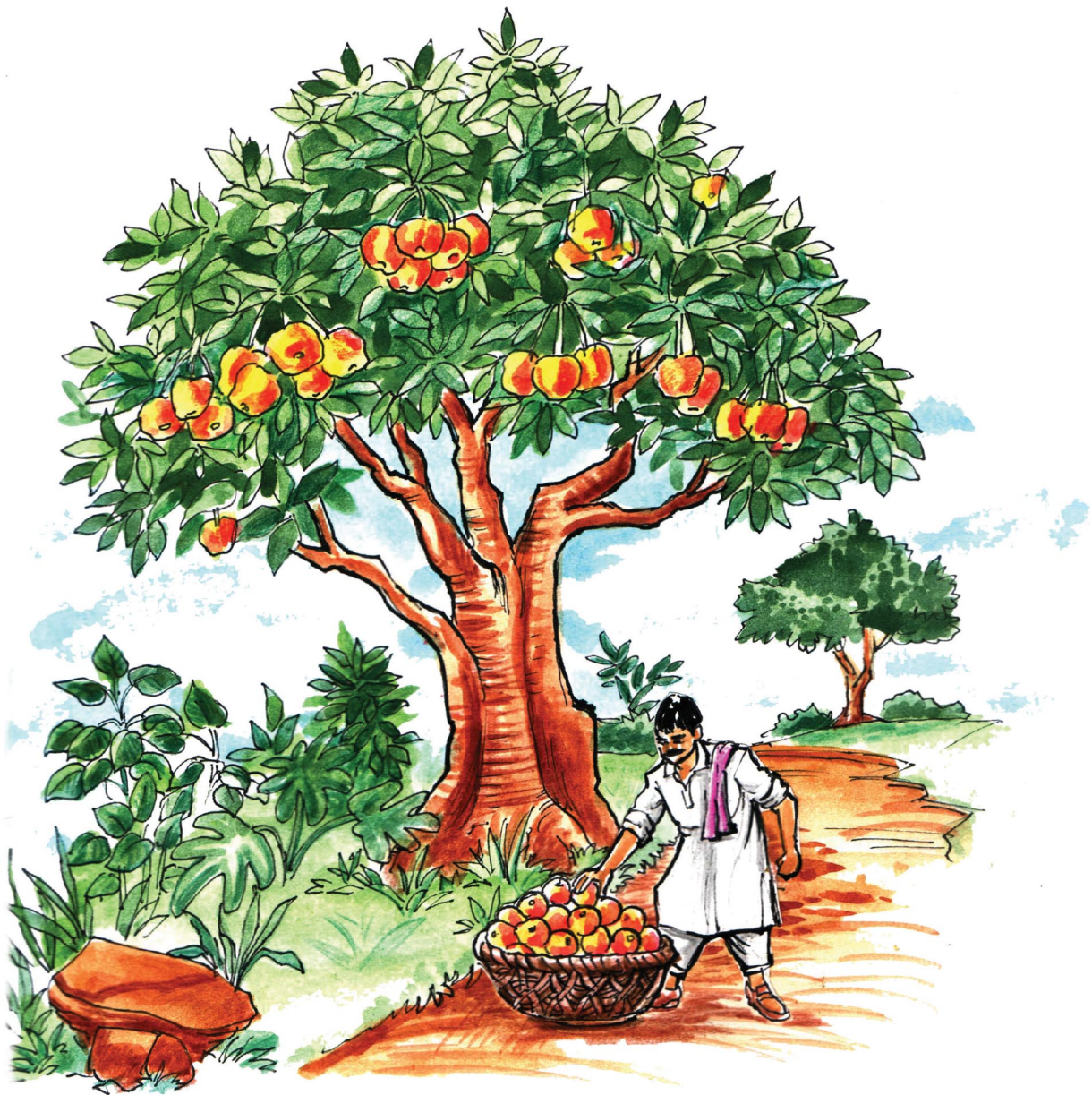


Quarterly Report
March 31, 2016
(Unaudited)



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

MCB
PAKISTAN FREQUENT PAYOUT FUND

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings and Investments Limited 24 th Floor, Centrepont, Off Shaheed-e-Millat Expressway, Near K.P.T. Interchange, Karachi.	
Board of Directors	Mian Muhammad Mansha Mr. Nasim Beg Mr. Muhammad Saqib Saleem Dr. Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Mahmood Ahmad	Chairman 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	Chairman Member Member Member
Company Secretary & Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Financial Officer	Mr. Muhammad Asif Mehdi	
Trustee	MCB Financial Services Limited 3rd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited United Bank Limited NIB Bank Limited	
Auditors	KPMG Taseer Haidi & Co. Chartered Accountants 1st Floor, Sheikh Sultan Trust Building No. 2, Beaumont Road, Karachi-75530.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area, Phase VI, DHA, Karachi.	
Transfer Agent	MCB-Arif Habib Savings and Investments Limited 24th Floor, Centrepont, Off Shaheed-e-Millat Expressway, Near K.P.T. Interchange, Karachi.	
Rating	AM2 + Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

Dear Investor,

On behalf of the Board of Directors, I am pleased to present MCB Pakistan Frequent Payout Fund's accounts review for the five months ended March 31st, 2016.

ECONOMY AND MONEY MARKET OVERVIEW

Economic trajectory kept on improving with each passing month of this year. The blessing in disguise came from further plunge in oil prices, which succumbed to expanding supply glut lead by weaker global demand, increase inflows from Iran post removal of sanctions and resilience of shale producers. The lower oil prices helped curtail the inflationary pressures along with the import bill.

Inflation continued to remain on the lower side supported by a dip in transportation charges, with its trickledown effect on food inflation. However, it is pertinent to note that the inflation has started to increase largely induced by withering of low base effect evident from 3QFY16 average of 3.76%, against 1HFY16 average of 2.06%. As the outlook of crude oil prices remains bearish, the inflation is expected to average below 3% for the year.

External account continued to show stability triggered by narrower current account and stable financial flows. Petroleum Group Imports during the 8MFY16 reduced by approximately \$3.5 billion (down 40%) compared to 8mFY15. However, the savings in oil weren't visible in the current account position as it reduced by meager 4.5%. Lower commodity prices induced by weak global demand, slowdown in target markets and relatively unfavorable rupee-dollar parity vs competitors pushed exports down by 9.9% in 8MFY16. On the other hand, import bill worsened due to higher import of machinery for power and infrastructure while significantly lower cotton production also had to be filled with imports. Remittances remained resilient to weak economic outlook of gulf economies posting an increase of ~6%. Overall Balance of payment account however remained in surplus of near USD 1.04 billion due to improved multilateral flows.

Positive balance of foreign flows, improved external account outlook and strong foreign exchange reserves balance of near USD 20.5 billion along with strict vigilance of SBP kept the rupee relatively stable.

M2 growth gained traction with FY16TD growth of 5.27%. Net Domestic Assets, supported by continual net government borrowing, increased by PKR 472 billion whereas Net Foreign Assets contributed PKR 114 billion.

State Bank of Pakistan conducted Ijara Sukuk auction based on fixed rate rental arrangement providing yields of 6.10% and 5.59% in the successive auctions allowing comparatively lucrative avenue for Islamic financial industry.

Yield Curve shifted downward further which remains more influenced by outlook for improved fiscal deficit, better foreign inflows, issuance of Ijara Sukuk (near Rs. 300 Billion) and potential rollover risk on upcoming maturity of PIBs worth PKR 1.4 trillion.

EQUITIES MARKET OVERVIEW

The local equity market measured by KSE-100 Index retreated 3.7% during 9MFY16 as it could not bear the brunt of the rout in commodities and exodus of foreign investors from global equities. However, there was a marginal recovery posted by the index during 3QFY16, posting a gain of 1.0%. Foreigners selling remained unabated, dumping USD 99 million worth of equities during the third quarter, which took the net selling for 9MFY16 to USD 340 million. The selling during the period was primarily absorbed by NBFCs (USD 107.7 million), Companies (USD 98.0 million), and Individuals (USD 85.3 million), buying a cumulative USD 291 million worth of equities.

Cement sector outshined during the quarter, posting a gain of 12.5% on the back of robust local demand and ever increasing margins. Furthermore, excitement over the potential growth from CPEC lead activities kept the sector in limelight. FrieslandCampina International intention to acquire Engro Foods was the highlighting point of the quarter, which led to improved investor sentiments in the local bourse. As a result, Engro Foods rallied by 23%, while its parent company (Engro Corporation) gained 13% after the news. However, barring Engro Corporation performance, fertilizer sector remained in doldrums, losing 13% of its market capitalization during the quarter. Concerns on the pricing power of the fertilizer sector emerged after international prices went below the local prices for the first time. Commercial banks also heavily underperformed, losing 7.6% during the period, after concerns emerged on further monetary easing along with slow advances growth, as the central bank asserted on borrowing from foreign sources for CPEC related projects.

The trend of the general market is expected to remain buoyant, as news flow on up-gradation of Pakistani market from Frontier to Emerging status is expected to bring fresh flows to the local market. The KSE-100 index trades at a forward P/E ratio of 9.8x against regional P/E ratio of 14.6x (33% discount) and provides a dividend yield of 6.1%. Possible re-entry into the emerging market index remains a key catalyst and can result in re-rating of the index.

REPORT OF THE DIRECTOR OF MANAGEMENT COMPANY FOR THE YEAR ENDED MARCH 31, 2016

FUND PERFORMANCE

During the period under review (Nov 2015-Mar 2016), the fund posted a return of 1.79% compared to the benchmark return of 2.48%. On the equities front, the overall allocation was decreased to 17.0% from 32.1%. The fund increased its exposure in PIBs to 50.5% from 2.9% in November 2015.

The Net Assets of the Fund as at March 31, 2016 stood at Rs. 700 million as compared to Rs. 158 million as at November 30, 2015. The Net Asset Value (NAV) per unit as at March 31, 2016 was Rs. 100.0175

FUTURE OUTLOOK

Given current global economic environment, the local economic scorecard is expected to remain stable. The oil prices are expected to remain range bound with Iran having ample ability to pump more crude, along with low probability of major oil producers reaching any agreement to curtail supply. The weak global outlook evident from slow down in China, Bank of Japan and European Central Bank adopting negative interest rates is also a concern for the commodities market. The weak global commodity outlook would keep import bill on the lower end, but as a result recovery in exports may also be delayed.

The average Consumer Price Index is expected to remain below 3% for the year. Whereas, stability in oil prices & exchange rate would allow inflation over the next few quarters to remain well anchored in the range of 4.5%-5.0% thus a stable monetary policy environment with potential for slight easing subject to stability in external flows looks likely.

Fiscal deficit is expected to remain within target and economic growth seems achievable with enough room for the government to bring required structural changes in the economy.

The Pakistani rupee is expected to show further resilience backed by strong foreign inflows lined up for next year.

Although, remittances have shown resilience but potential threat is present if any trouble of gulf economies is passed on to labor markets. Similarly, the incumbent government's aggressive plans for power sector would also weigh on the import bill with extensive import of power machinery keeping current account in check.

The macro stability along with China Pakistan Economic Corridor is expected to provide impetus to the construction and power space. Furthermore, expansionary cycle along with stable interest rate environment is expected to provide better global positioning compared with other emerging market economies. Construction sector is expected to remain the proxy for infrastructure led economic growth. Long term stability in oil prices is expected to provide impetus to exploration & production sector driven by exploration growth. Banks are expected to gain limelight once life after PIB maturity becomes clear and focus is on the attractive Price to Book ratios. The up gradation into the emerging markets index would remain a major impetus for KSE-100 index and could lead to re-rating of market towards higher multiples.

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,



Muhammad Saqib Saleem
Chief Executive Officer
April 18, 2016

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2016

	31 March 2016 (Unaudited) (Rupees in '000)
	<i>Note</i>
Assets	
Balances with banks	117,592
Investments	4 568,390
Dividend and profit receivables	5 8,909
Advances, deposits and prepayments	6 27,267
Receivable from National Clearing Company of Pakistan Limited	2,801
Total assets	724,959
Liabilities	
Payable to the Management Company	8,532
Payable to MCB Financial Services Limited - Trustee	7 81
Payable to Securities and Exchange Commission of Pakistan	171
Payable against purchase of investment	10,743
Dividend payable	1,618
Accrued expenses and other liabilities	8 3,667
Total liabilities	24,812
Net assets	700,147
Unit holders' fund (as per statement attached)	700,147
Contingencies and commitments	9
	(Number of units)
Number of units in issue (face value of units is Rs. 100 each)	7,000,246
	(Rupees)
Net asset value per unit	100.02

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Chief Executive Officer

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



Director

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD FROM 16 NOVEMBER 2015 TO 31 MARCH 2016**


	For the period from 16 November 2015 to 31 March 2016 <i>Note</i>	For the Quarter ended 31 March 2016
	(Rupees in '000)	
Income		
Capital gain on sale of investments	2,292	1,740
Dividend income	564	422
Profit on bank deposits	2,442	1,866
Income from government securities	11,827	9,537
Income from spread transaction	775	773
	17,900	14,338
Net unrealised diminution in the fair value of future contracts	-	882
Net unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss'	(4)	(1,173)
Total income	17,896	14,047
Expenses		
Remuneration of the Management Company	2,446	1,923
Sindh Sales tax and Federal Excise Duty on Management Fee	789	621
Remuneration of MCB Financial Services Limited -Trustee	233	166
Sindh Sales tax on remuneration of Trustee	33	24
Annual fee to Securities and Exchange Commission of Pakistan	172	131
Auditor's remuneration	138	92
Amortisation of preliminary expenses and floatation costs	55	37
Settlement and bank charges	462	259
Fees and subscription	48	34
Allocated expenses	201	157
Printing and related charges	77	51
Total operating expenses	4,654	3,495
Net income from operating activities	13,242	10,552
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed		
-from realized / unrealized capital gain / (loss)	63	13
-from other income	460	368
	523	381
Net income for the period before taxation	13,765	10,933
Taxation	10 -	
Net income for the period after taxation	13,765	10,933
Earnings per unit	11	

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Chief Executive Officer

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



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD FROM 16 NOVEMBER 2015 TO 31 MARCH 2016**

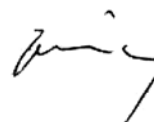
		For the period from 16 November 2015 to 31 March 2016	For the Quarter ended 31 March 2016
	<i>Note</i>	(Rupees in '000)	
Net income for the year after taxation		13,765	10,933
Other comprehensive income:			
<i>Items that are or may be reclassified subsequently to income statement</i>			
Unrealised diminution in investments classified as 'available for sale'	12	(5,125)	(4,987)
Total comprehensive income for the year		8,640	5,946

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Chief Executive Officer

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



Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE PERIOD FROM 16 NOVEMBER 2015 TO 31 MARCH 2016**

	For the period from 16 November 2015 to 31 March 2016	For the Quarter ended 31 March 2016
	(Rupees in '000)	
Total comprehensive income for the year	8,640	5,946
Element of loss and capital losses included in the prices of units issued less those in units redeemed - amount representing unrealized (diminution) / appreciation	(291)	(349)
Distributions to the unit holders of the Fund:		
Interim distributions during the period		
- Cash distribution	13	(5,556)
Accumulated gain carried forward	124	41

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Chief Executive Officer

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




Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)
FOR THE PERIOD FROM 16 NOVEMBER 2015 TO 31 MARCH 2016**

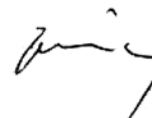
	For the period from 16 November 2015 to 31 March 2016	For the Quarter ended 31 March 2016
	(Rupees in '000)	
Issue of 9,039,328 units for the period (for the quarter ended 31 March 2016: 4,140,480)	898,724	414,329
Redemption of 2,039,082 units for the period (for the quarter ended 31 March 2016: 1,898,531)	(198,469)	(190,104)
	700,255	224,225
Element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed		
- amount representing (income) / loss and capital (gains) / losses - transferred to income statement		-
-from realized / unrealized capital gain	(63)	(13)
-from other income	(460)	(368)
		-
- amount representing (income) / loss and capital losses / (gains) transferred to distribution statement	291	349
	(232)	(32)
Element of (loss) and capital (losses) that forms part of unit holders' fund transferred to distribution statement	(291)	(349)
Net income for the period (excluding net unrealized appreciation in fair value of investment classified at 'fair value through profit or loss', future contracts and capital gain on sale of investment)	11,477	10,366
Net unrealised diminution on re-measurement of investment classified as 'financial assets at fair value through profit or loss'	(4)	(1,173)
Net unrealised diminution on re-measurement of investment classified as 'available for sale'	(5,125)	(4,987)
Capital gain on sale of investments - net	2,292	1,740
Total comprehensive income for the period.	8,640	5,946
Distributions during the period	(8,225)	(5,556)
Net assets at the end of the period	700,147	224,234

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Chief Executive Officer

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



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD FROM 16 NOVEMBER 2015 TO 31 MARCH 2016

	For the period from 16 November 2015 to 31 March 2016	For the Quarter ended 31 March 2016
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	13,765	10,933
Adjustments for non-cash charges and other items:		
Net unrealised appreciation on remeasurement of investment classified as 'financial assets at fair value through profit or loss'	4	1,173
Net unrealised diminution in the fair value of future contracts	-	(882)
Element of (income)/loss and capital (gains)/loss included in the prices of units issued less those in units redeemed		
-from realized / unrealized capital gain	(63)	(13)
-from other income	(460)	(368)
Net cash generated from operations before working capital changes	13,246	10,843
(Increase) / decrease in assets		
Investments - net	(573,519)	(222,202)
Dividend and profit receivables	(8,909)	(2,924)
Advances, deposits and prepayments	(27,267)	(23,840)
Receivable from National Clearing Company of Pakistan Limited	(2,801)	1,868
	(612,496)	(247,098)
Increase / (decrease) in liabilities		
Payable to the Management Company	8,532	(1,607)
Payable to MCB Financial Services Limited - Trustee	81	29
Payable to Securities and Exchange Commission of Pakistan	171	130
Payable against purchase of investment	10,743	10,472
Dividend payable	1,618	(647)
Accrued expenses and other liabilities	3,667	2,198
	24,812	10,575
Net cash used in operating activities	(574,438)	(225,680)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	898,724	414,329
Payments against redemption of units	(198,469)	(190,104)
Distribution during the period	(8,225)	(5,556)
Net cash generated from financing activities	692,030	218,669
Net increase in cash and cash equivalents	117,592	(7,011)
Cash and cash equivalents at beginning of the period	-	124,603
Cash and cash equivalents at end of the period	117,592	117,592

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Chief Executive Officer

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



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE PERIOD FROM 16 NOVEMBER 2015 TO 31 MARCH 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

MCB Pakistan Frequent Payout Fund ["the Fund"] was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non Banking Finance Companies and Notified Entities Regulations, 2007 and was approved as an open end investment scheme by the Securities and Exchange Commission of Pakistan (SECP) on 16 July 2015. It was constituted under a Trust Deed dated 22 July 2015 between MCB-Arif Habib Savings and Investments Limited as the Management Company, a company incorporated under the Companies Ordinance, 1984 and MCB Financial Services Limited as the Trustee, also incorporated under the Companies Ordinance, 1984.

The Management Company of the Fund has been licensed to act as Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the of the Management Company is currently situated at 24th Floor, Centre Point, Off. Shaheed-e-Millat Expressway, Near KPT interchange, Karachi, Pakistan.

The Fund is an open ended mutual fund and offers units for the purchase, redemption, transfer, switching etc only during the first five business days of every month. The units of the Fund can be transferred to / from the funds managed by the Management Company and can also be redeemed by surrendering to the Fund. Under circular 7 dated 6 March 2009 issued by the SECP, the Fund is categorised as an "Asset Allocation Scheme". The Fund is in the process of being listed on the Pakistan Stock Exchange.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2+' (stable outlook) to the Management Company. The Fund has applied for and is yet to be rated by PACRA.

Title to the assets of the Fund is held in the name of MCB Financial Services Limited as Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) , the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations 2008) and directives issued by the SECP. Wherever, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations 2008 and the said directives differ with the requirements of these standards, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, 2008 and the said directives shall prevail.

The Directors of the asset management company declare that these financial statements give a true and fair view of the fund .

2.2 Basis of measurement

These financial statements have been prepared on the basis of historical cost convention except that financial assets are maintained at fair value.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD FROM 16 NOVEMBER 2015 TO 31 MARCH 2016**

2.3 Functional and presentation currency

These Financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund and rounded to the nearest thousand rupees.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are same as those applied in preparation of financial statements of the Fund for the period ended December 31, 2015.

		31 March 2016 (Unaudited) (Rupees in '000)
4. INVESTMENTS		
4.1 Held for trading investments (HFT)		
Listed equity securities	4.1.1	-
Government securities	4.1.2	<u>100,541</u>
		100,541
4.2 Available for sale investments (AFS)		
Listed equity securities	4.2.1	<u>122,902</u>
Government securities	4.2.2	<u>344,947</u>
		467,849
		<u>568,390</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD FROM 16 NOVEMBER 2015 TO 31 MARCH 2016**

4.1 Held for trading investments

4.1.1 Listed equity securities

Name of investee company	Purchased during the period	Bonus/ rights issue during the period	Sales during the period	As at 31 December 2015	(Number of shares)				(Rupees in '000)			
					Carrying Cost as at 31 March 2016	Market value as at 31 March 2016	Appreciation/ (Diminution) as at 31 March 2016	Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company		
Unless stated otherwise, the holdings are in ordinary shares of Rs. 10 each.												
Refinery												
Attock Refinery Limited	85,000	-	(85,000)	-	-	-	-	-	-	-	-	-
Oil and Gas Exploration Companies												
Oil and Gas Development Company Limited	234,000	-	(234,000)	-	-	-	-	-	-	-	-	-
Pakistan Petroleum Limited	120,000	-	(120,000)	-	-	-	-	-	-	-	-	-
Oil and Gas Marketing Companies												
Pakistan State Oil Limited	42,500	-	(42,500)	-	-	-	-	-	-	-	-	-
Fertilizer												
Engro Corporation Limited	39,000	-	(39,000)	-	-	-	-	-	-	-	-	-
Engro Fertilizers Limited	60,500	-	(60,500)	-	-	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	30,500	-	(30,500)	-	-	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	115,500	-	(115,500)	-	-	-	-	-	-	-	-	-
Cement												
Cherat Cement Limited	6,000	-	(6,000)	-	-	-	-	-	-	-	-	-
D G Khan Cement Company Limited	21,000	-	(21,000)	-	-	-	-	-	-	-	-	-
Fauji Cement Company Limited	233,500	-	(233,500)	-	-	-	-	-	-	-	-	-
Lucky Cement Limited	1,500	-	(1,500)	-	-	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	78,000	-	(78,000)	-	-	-	-	-	-	-	-	-
Pioneer Cement Limited	4,500	-	(4,500)	-	-	-	-	-	-	-	-	-
Food and Personal Care Products												
Engro Foods Limited	43,500	-	(43,500)	-	-	-	-	-	-	-	-	-
Textile Composite												
Nishat Mills Limited	37,500	-	(37,500)	-	-	-	-	-	-	-	-	-

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD FROM 16 NOVEMBER 2015 TO 31 MARCH 2016**

Name of investee company	Purchased during the period	Bonus/ rights issue during the period	Sales during the period	As at 31 December 2015	Carrying Cost as at 31 March 2016	Market value as at 31 March 2016	Appreciation/ (Diminution) as at 31 March 2016	Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
------(Number of shares)------(Rupees in '000)-----										
Technology and Communication										
Hum Network Limited*	1,000	-	(1,000)	-	-	-	-	-	-	-
Pakistan Telecommunication Limited "A"	52,000	-	(52,000)	-	-	-	-	-	-	-
<hr/>										
Power Generation & Distribution										
K-Electric Limited**	28,000	-	(28,000)	-	-	-	-	-	-	-
HUB POWER COMPANY LTD	500	-	(500)	-	-	-	-	-	-	-
<hr/>										
Commercial Banks										
Askari Bank Limited	10,000	-	(10,000)	-	-	-	-	-	-	-
Bank Al-Falah Limited	500	-	(500)	-	-	-	-	-	-	-
Bank of Punjab Limited	12,000	-	(12,000)	-	-	-	-	-	-	-
Faysal Bank Limited	9,000	-	(9,000)	-	-	-	-	-	-	-
Habib Bank Limited	10,500	-	(10,500)	-	-	-	-	-	-	-
National Bank of Pakistan Limited	3,500	-	(3,500)	-	-	-	-	-	-	-
<hr/>										
Total - 31 March 2016										
					-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	0.00%
<hr/>										

* Par value of Rs. 1 each

** Par value of Rs. 3.5 each

4.1.1.1 Cost of investment of equity securities is Rs. 49,321 million.

4.1.2 Government Securities

Particulars	Purchased during the period	Sold during the period	Matured during the period	As at 31 March 2016	Carrying value	Market Value	Appreciation / (diminution)	Market value	
								as a percentage of total investments	
-----Face value----- (Rupees in '000)-----									
Treasury bills									
Treasury Bills - 3 Months	5.1.2.1	773,500	(693,500)	-	80,000	79,637	79,635	(2)	14.01%
Treasury Bills - 1 year	5.1.2.1	635,000	(635,000)	-	-	-	-	-	0.00%
Pakistan Investment Bonds - 03 years									
Pakistan Investment Bonds - 03 years		20,000	-	-	20,000	20,908	20,906	(2)	3.68%
Total - 31 March 2016									
						100,545	100,541	(4)	17.69%
Total Investment in Government Securities - 31 March 2016									
						100,545	100,541	(4)	17.69%

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE PERIOD FROM 16 NOVEMBER 2015 TO 31 MARCH 2016

4.2 Available for sale investments

4.2.1 Listed equity securities

Name of investee company	Purchased during the period	Bonus/ rights issued during the period	(Number of shares)		(Rupees in '000)					Par value as percentage of issued capital of the investee company	
			Sales during the period	As at 31 March 2016	Carrying Cost as at 31 March 2016	Market value as at 31 March 2016	Appreciation/ (Diminution) as at 31 March 2016	Market value as a percentage of net assets	Market value as a percentage of total investments		
Unless stated otherwise, the holdings are in ordinary shares of Rs. 10 each.											
Oil and Gas Exploration Companies											
Pakistan Petroleum Limited	10,000	-	(10,000)	-	-	-	-	-	-	-	-
OIL & GAS DEVELOPMENT CO LTD	360,000	-	(110,000)	250,000	29,366	28,610	(756)	4.09%	5.03%	0.01%	
PAKISTAN OILFIELDS LIMITED	17,500	-	(17,500)	-	-	-	-	-	-	-	-
ATTOCK PETROLEUM LIMITED	25,000	-	(9,100)	15,900	6,683	6,850	167	0.98%	1.21%	0.02%	
HI-TECH LUBRICANTS	40,000	-	-	40,000	2,318	2,281	(37)	0.33%	0.40%	0.03%	
					38,367	37,741	(626)	-	-	-	-
Oil and Gas Marketing Companies											
Pakistan State Oil Limited	5,000	-	(5,000)	-	-	-	-	-	-	-	-
Pharmaceuticals											
ABBOTT LABORATORIES PAKISTAN)	10,000	-	-	10,000	6,353	6,622	269	0.95%	1.17%	0.01%	
					6,353	6,622	269	-	-	-	-
Cement											
D G Khan Cement Company Limited (Note 5.2.1.2)	7,500	-	(7,500)	-	-	-	-	-	-	-	-
Fauji Cement Company Limited	15,000	-	(15,000)	-	-	-	-	-	-	-	-
Lucky Cement Limited	10,000	-	(10,000)	-	-	-	-	-	-	-	-
Cherat Cement Limited	50,000	-	(50,000)	-	-	-	-	-	-	-	-
Kohat Cement	13,000	-	(13,000)	-	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	10,500	-	(10,500)	-	-	-	-	0.00%	0.00%	0.00%	0.00%
Commercial Bank											
Habib Bank Limited	137,000	-	(1,300)	135,700	24,687	23,278	(1,409)	3.32%	4.10%	0.01%	
MCB BANK LIMITED	50,000	-	(50,000)	-	6,505	6,502	-	0.00%	0.00%	0.00%	
UNITED BANK LIMITED	43,000	-	-	43,000	31,192	29,780	(1,409)	0.93%	1.14%	0.00%	
					31,192	29,780	(1,409)	4.25%	5.24%	0.01%	0.01%
Engineering											
Amreli Steels Limited	10,000	-	(10,000)	-	-	-	-	0.00%	0.00%	0.00%	0.00%
Crescent Steels and Allied Products Limited	3,000	-	(3,000)	-	-	-	-	0.00%	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	0.00%	0.00%
Fertilizer											
ENGRO CORPORATION LIMITED	63,100	-	(63,100)	-	-	-	-	0.00%	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	0.00%	0.00%
FOOD & PERSONAL CARE PRODUCTS											
ENGRO FOODS LIMITED	10,000	-	(10,000)	-	-	-	-	0.00%	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	0.00%	0.00%
GLASS & CERAMICS											
TARIQ GLASS INDUSTRIES	16,500	-	-	16,500	1,020	932	(88)	0.13%	0.16%	0.02%	0.02%
					1,020	932	(88)	0.13%	0.16%	0.02%	0.02%
Automobile assembler											
Honda Atlas Cars (Pakistan) Limited	3,000	-	(3,000)	-	-	-	-	-	-	-	-
Power Generation & Distribution											
Hub Power Company Limited	457,500	-	-	457,500	48,223	47,827	(396)	1.41%	8.41%	0.04%	0.04%
					48,223	47,827	(396)	1.41%	8.41%	0.04%	0.04%
Total - 31 March 2016					125,155	122,902	(2,250)	5.79%	13.81%	13.81%	13.81%

4.2.1.2 These represent transactions with related parties

4.2.2 Government Securities

Particulars	Face value					(Rupees in '000)			Market value as a percentage of net assets	Market value as a percentage of total investment
	Purchased during the period	Sold during the period	Matured during the period	As at 31 March 2016	Carrying value	Market Value	Appreciation / (diminution)			
Pakistan Investment Bond										
PIB - 3 years	675,000	(335,000)	-	340,000	347,822	344,947	(2,875)	49.27%	60.69%	
PIB - 5 years	400,000	(400,000)	-	-	-	-	-	-	-	
PIB - 10 years	100,000	(100,000)	-	-	-	-	-	-	-	
Total - 31 March 2016					347,822	344,947	(2,875)	49.27%	60.69%	
Total Investment in Government Securities - 31 March 2016										
					347,822	344,947	(2,875)	49.27%	60.69%	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD FROM 16 NOVEMBER 2015 TO 31 MARCH 2016**

		31 March 2016 (Unaudited) (Rupees in '000)
5. DIVIDEND AND PROFIT RECEIVABLE		
Dividend receivable		410
Profit receivable on government securities		7,805
Profit receivable on saving deposits		694
		<u>8,909</u>
6. ADVANCES, DEPOSITS AND PREPAYMENTS		
Security deposits with		
- National Clearing Company of Pakistan Limited		2,500
- Central Depository Company of Pakistan Limited		100
Formation cost		678
Prepayment against listing fee and others		281
Recivable against sale of equity shares		23,708
		<u>27,267</u>
7. PAYABLE TO MCB FINANCIAL SERVICES LIMITED - TRUSTEE		31 March 2016 (Unaudited) (Rupees in '000)
Trustee remuneration payable	9.1	71
Sindh sales tax payable on Trustee Remuneration	9.2	10
		<u>81</u>
8. ACCRUED EXPENSES AND OTHER LIABILITIES		31 March 2016 (Unaudited) (Rupees in '000)
Provision for Federal Excise Duty and related taxes on management fee	11.1	446
Provision for Federal Excise Duty on sales load		2,720
Auditors' remuneration payable		38
Brokerage payable		378
Printing charges and other payable		60
Other Liabilities		25
		<u>3,667</u>
8.1	<p>The Finance Act, 2013 introduced an amendment to Federal Excise Act, 2005 where by Federal Excise Duty (FED) has been imposed at the rate of 16% of the services rendered by assets management companies. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honourable Sindh High Court (SHC), challenging the levy of Federal Excise Duty on Asset Management services after the eighteenth amendment. The SHC in its short order dated 4 September 2013 directed the FBR not to take any coercive action against the petitioners pursuant to impugned notices till next date of hearing. In view of uncertainty regarding the applicability of FED on asset management services, the management, as a matter of abundant caution, has decided to record the provision of FED in this condensed interim financial information aggregating to Rs. 0.095 million as at 31 December 2015. In case, the suit is decided against the fund the same would be paid to management company, who will be responsible for submitting the same to authorities. Had the said provision of FED not been recorded in</p>	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD FROM 16 NOVEMBER 2015 TO 31 MARCH 2016**

the books of account of the Fund, the Net Asset Value of the Fund would have been higher by Rs. 0.06 per unit as at 31 March 2016.

9. CONTINGENCIES AND COMMITMENTS

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

10. TAXATION

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The management intends to distribute at least 90% of the income earned during the year by the Fund to the unit holders. Accordingly, no provision has been made in this condensed interim financial statement.

11. EARNINGS PER UNIT

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

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

**For the period
from 16 November
2015 to 31
March 2016
(Unaudited)
(Rupees in '000)**

MCB-Arif Habib Savings and Investments Limited

Remuneration of the Management Company
(including indirect taxes)

3,235

Allocated expenses (including indirect taxes)

201

MCB Financial Services - Limited

Remuneration of trustees (including indirect taxes)

266

MCB Bank Limited

Profit on bank deposits Bank charges

176

22

Arif Habib Limited - Brokerage House

Brokerage expense*

4

Next Capital Limited - Brokerage House

Brokerage expense*

107

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD FROM 16 NOVEMBER 2015 TO 31 MARCH 2016**

12.2 Balance outstanding as at the period / year end

**31 March
2016
(Unaudited)
(Rupees in '000)**

MCB-Arif Habib Savings and Investments Limited

Remuneration payable to the Management Company	838
Sales tax payable on remuneration of Management	117
Sales load payable	3,939
Payable against allocated expenses	102
Other payable	3,536

MCB Financial Services - Limited

Remuneration payable to the Trustee	71
Sales tax payable on trustee fees	10

MCB Bank Limited

Bank deposits	2,549
Profit receivable	21

Arif Habib Limited - Brokerage House

Brokerage *	2
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Next Capital Limited - Brokerage House

Brokerage *	7
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* 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.


13. INTERIM DISTRIBUTIONS

	Rate per unit	Declaration date	Bonus Distribution		Cash Distribution	Total
			Units	Amount		
					(Rupees in '000)	
For the period from 16 November to 30 November 2015	Rs. 0.2568	30 November 2015	-	-	404	404
For the month ended December 2015	Rs. 0.476	31 December 2015	-	-	2,265	2,265
For the month ended January 2016	Rs. 0.4806	31-January 2016			2,019	2,019
For the month ended February 2016	Rs. 0.3199	29 February 2016			1,919	1,919
For the month ended March 2016	Rs. 0.2312	31-March-2016			1,618	1,618
			-	-	8,225	8,225

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD FROM 16 NOVEMBER 2015 TO 31 MARCH 2016**

14. DATE OF AUTHORISATION FOR ISSUE

14.1 These financial statements were authorised for issue by the Board of Directors of the Management Company on April 18, 2016.



Chief Executive Officer

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



Director

Please find us on



by typing: **Bachat Ka Doosra Naam**

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