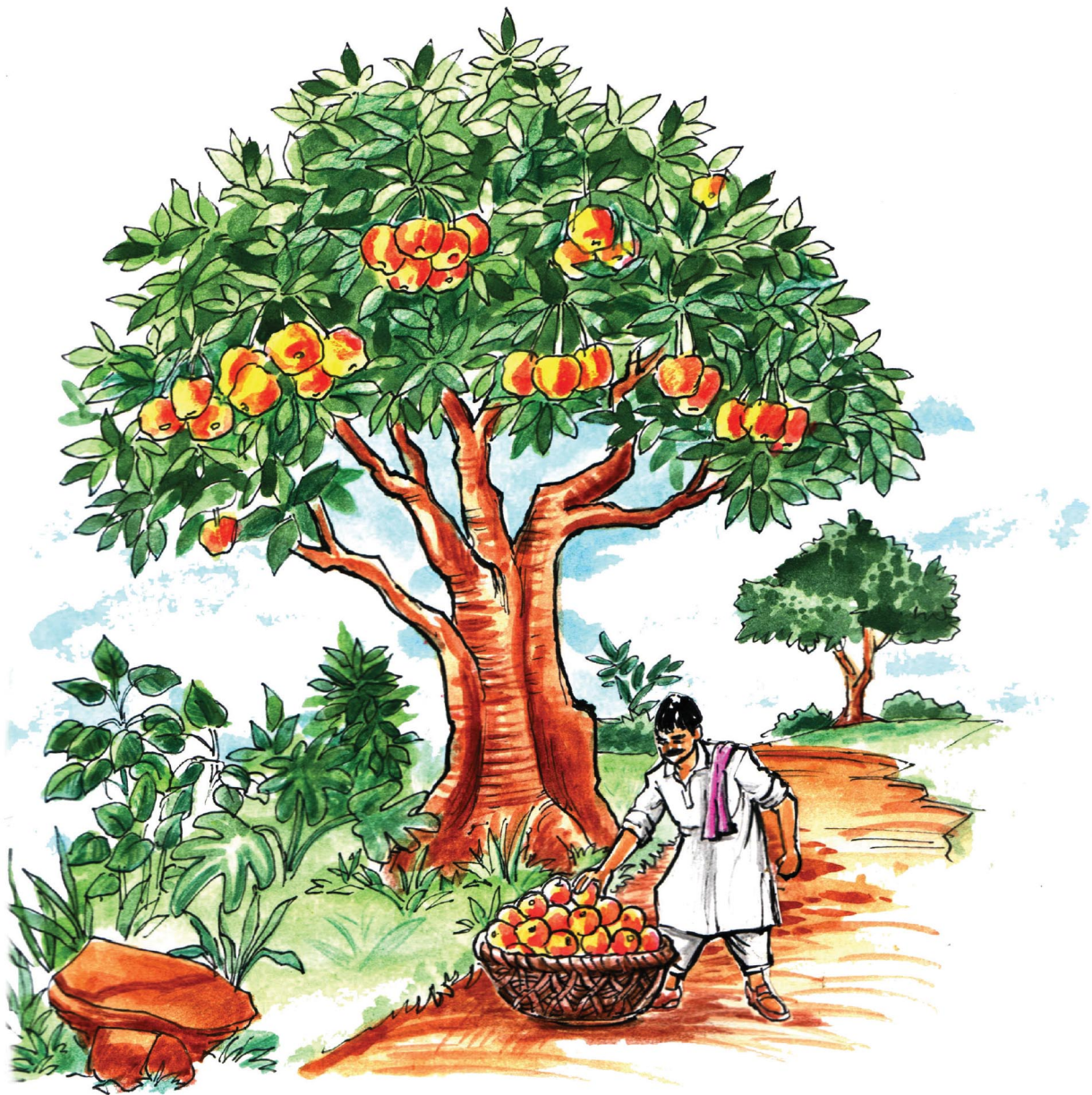


Quarterly Report
March 31, 2016
(Unaudited)



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

PAKISTAN CASH MANAGEMENT

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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 Allied 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 24 th 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 Pakistan Cash Management Fund's accounts review for the nine 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.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 5.89% as against its benchmark return of 6.78%, an under performance of 0.89%.

The fund remained significantly invested in Treasury bills throughout the period with a focus on adjusting its portfolio duration to capitalize on the fluctuating liquidity and interest rates stability in the market.

The Net Assets of the Fund as at March 31, 2016 stood at Rs. 1,145 million as compared to Rs. 1,442 million as at June 30, 2015 registering a decrease of 20.60%.

The Net Asset Value (NAV) per unit as at March 31, 2016 was Rs. 52.37 as compared to opening NAV of Rs. 50.14 per unit as at June 30, 2015 registering an increase of Rs. 2.22 per unit.

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

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

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.

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 (UNAUDITED) AS AT MARCH 31, 2016

	Note	(Unaudited) 31 March, 2016 (Rupees in '000)	(Audited) 30 June, 2015
Assets			
Balances with banks	6	328,888	1,175,694
Investments	7	853,705	1,053,600
Income and other receivable		1,526	3,341
Total assets		1,184,119	2,232,635
Liabilities			
Payable to Management Company		889	1,289
Accrued expenses and other liabilities	8	38,700	789,096
Total liabilities		39,588	790,385
Net assets		1,144,530	1,442,250
Unit holders' fund		1,144,530	1,442,250
		(Number of units)	
Number of units in issue		21,853,573	28,760,805
		(Rupees)	
Net assets value per unit		52.37	50.15

The annexed notes 1 to 13 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

	Note	Nine months ended		Quarter ended	
		31 March		31 March	
		2016	2015	2016	2015
		(Rupees in '000)			
Income					
Capital gain on sale of investment - net		895	998	358	983
Income from Investments		58,115	187,814	15,851	40,496
Profit on bank deposits		5,821	8,198	1,742	3,392
Other income		15	14	1	11
Net unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss'		(49)	203	(36)	457
Total income		64,797	197,227	17,916	45,339
Expenses					
Remuneration of Management Company		6,495	19,679	1,777	4,488
Sales tax and federal excise duty on remuneration of Management Company		2,095	6,573	573	1,499
Expenses allocated by Management Company and related sales tax		231		231	
Securities transaction cost		-	205	-	48
Brokerage and settlement charges		86	-	7	-
Total expenses		8,907	26,457	2,588	6,035
		55,890	170,770	15,328	39,304
Net element of (loss) / income and capital gains / (losses) included in prices of units issued less those in units redeemed :					
- arising from capital Gain and unrealised (loss) / Gain	9	(130)	(123)	(9,812)	(191)
- arising from other Income		(7,105)	(69,381)	10,470	(28,734)
		(7,235)	(69,504)	658	(28,925)
Net income for the period before taxation		48,655	101,266	15,986	10,379
Taxation	10	-	-	-	-
Provision for Workers' Welfare Fund			(2,025)		(207)
Net income for the period after taxation		48,655	99,241	15,986	10,172
Earnings per unit	11				

The annexed notes 1 to 13 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 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

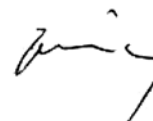
	Nine months ended March 31,		Quarter ended March 31,	
	2016	2015	2016	2015
	(Rupees in '000)			
Net income for the period after taxation	48,655	99,241	15,986	10,172
Other comprehensive income:				
Total comprehensive income for the period	48,655	99,241	15,986	10,172

The annexed notes 1 to 13 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2016**

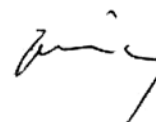
	Nine months ended 31 March		Quarter ended 31 March	
	2016	2015	2016	2015
	----- (Rupees in '000) -----			
Undistributed income brought forward	4,212	790	35,835	89,596
Net income for the period	48,655	99,241	15,986	10,173
Net element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - transferred to Distribution Statement	(1,015)	(390)	31	(128)
Undistributed income carried forward	<u>51,853</u>	<u>99,641</u>	<u>51,853</u>	<u>99,641</u>

The annexed notes 1 to 13 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' FUND (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

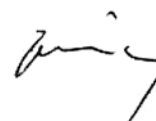
	Nine months ended 31 March		Quarter ended 31 March	
	2016	2015	2016	2015
	(Rupees in '000)			
Net assets at the beginning of the period	1,442,251	3,147,568	1,117,629	2,149,670
Issue of 33,879,053 units (2015: 3,208,717 units) and 4,344,707 units (2015: 15,211,730 units) for the nine months and quarter ended respectively	1,725,375	2,379,199	222,198	167,770
Redemption of 40,786,285 units (2015: 13,474,848 units) and 4,127,056 units (2015: 48,792,454 units) for the nine months and quarter ended respectively	(2,078,986)	(4,049,104)	(210,625)	(710,129)
	(353,611)	(1,669,905)	11,572	(542,359)
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed				
- amount representing loss / (income) and realised capital losses / (gains) - transferred to the Income Statement :				
- arising from capital (loss) / gain and unrealised (loss) / gain	130	123	9,812	191
- arising from other Income	7,105	69,381	(10,470)	28,734
- amount representing unrealised capital (gains) / losses - transferred to the Distribution Statement	1,015	390	(31)	128
	8,250	69,894	(689)	29,053
Net element of (loss) / income and capital gains / (losses) included in prices of units issued less those in units redeemed - transferred to Distribution Statement	(1,015)	(390)	31	(128)
Net income for the period (excluding net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss' and capital (loss) / gain on sale of investments)	47,809	98,040	15,664	8,733
Capital gain on sale of investments	895	998	358	982
Net unrealised (diminution) / appreciation in value of investments classified as 'at fair value through profit or loss'	(49)	203	(36)	457
	48,655	99,241	15,986	10,172
Net assets as at the end of the period	1,144,530	1,646,408	1,144,530	1,646,408
Net assets value per unit as at end of the period	52.37	51.66	52.37	51.66

The annexed notes 1 to 13 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

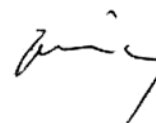
	Nine months ended March 31,		Quarter ended March 31,	
	2016	2015	2016	2015
	----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	48,655	99,242	15,986	10,173
<i>Adjustments for non-cash charges and other items:</i>				
Net unrealised diminution / (appreciation) in fair value of investments classified as 'at fair value through profit or loss'	49	(203)	36	(457)
Net element of loss / (income) and capital losses / (gains) included in prices of units issued less those in units redeemed:				
- arising from capital loss / (gain) and unrealised loss / (gain)	130	123	9,812	191
- arising from other Income	7,105	69,381	(10,470)	28,734
	7,235	69,504	(658)	28,925
Securities transaction cost	-	-	-	-
	55,939	168,543	15,364	38,641
Decrease / (increase) in assets				
Investments	199,846	1,048,073	2,650	214,055
Income and other receivable	1,815	330	982	(1,216)
	201,662	1,048,403	3,633	212,839
Increase / (decrease) in liabilities				
Payable to Management Company	(372)	(1,722)	184	(573)
Accrued expenses and other liabilities	(750,425)	6,666	210	(10,260)
	(750,796)	4,943	393	(10,834)
Net cash (used in) / generated from operating activities	(493,195)	1,221,889	19,390	240,646
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from issuance of units	1,725,375	2,379,199	222,198	167,770
Payments on redemption of units	(2,078,986)	(4,049,104)	(210,626)	(710,130)
Net cash (used in) / generated from financing activities	(353,611)	(1,669,905)	11,572	(542,360)
Net (decrease) / increase in cash and cash equivalents during the period	(846,806)	(448,016)	30,962	(301,714)
Cash and cash equivalents at beginning of the period	1,175,694	686,164	297,926	539,862
Cash and cash equivalents at end of the period	328,888	238,148	328,888	238,148

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



Chief Executive Officer

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



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Cash Management Fund (PCF) "the Fund" was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited) as Management Company and Habib Metropolitan Bank Limited as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 1, 2008 and was executed on February 8, 2008.

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

Pursuant to the merger of MCB-Asset Management Company and Arif Habib Investments Limited, the name of the Management Company (Arif Habib Investments Limited being the surviving entity) has been changed from Arif Habib Investments Limited to MCB-Arif Habib Savings and Investments Limited.

The Fund is an open-end mutual fund and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange (Formerly was listed on Islamabad Stock Exchange). The Fund has been categorised as "Money Market" scheme by the Board of Directors of the Asset Management Company in pursuant to Circular 7 of 2009 dated 6 March 2009 issued by the SECP.

The Fund is allowed to invest in treasury bills, short term government instruments and reverse repurchase transactions against government securities and the uninvested portion is deposited in bank accounts.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned management quality rating of 'AM2 plus' to the Management Company and 'AAA(f)' as stability rating to the Fund.

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

2.1.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 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 NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In case where requirements differ, the provisions of / or directives issued under the Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.1.2 This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2015.

2.1.3 The comparatives in the condensed interim statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2016 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2015, where as the comparative in condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement are extracted from unaudited condensed interim financial information for the period ended 31 March 2016.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

2.1.4 Functional and presentation currency

This condensed interim financial information is unaudited and 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.

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. ESTIMATES AND JUDGMENTS

- 4.1** 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.
- 4.2** In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2015.

5. FINANCIAL RISK MANAGEMENT

The Fund's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Fund as at and for the year ended 30 June 2015.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016**

6.	BALANCES WITH BANKS	(Unaudited) 31 March, 2016 (Rupees in '000)	(Audited) 30 June, 2015
	Balances with bank	328,888	1,175,694
	- Savings account		
7.	INVESTMENTS		
	'At fair value through profit and loss'		
	Government securities	7.1	1,053,600
7.1	Government securities		
	Issue date	Balance as at 31 March 2016	Market value as a percentage of total investments
		Carrying value	Market value as a percentage of net assets
	As at 1 July 2015	As at 31 March 2016	Appreciation /(diminution)
		----- (Rupees in '000) -----	
	Market Treasury Bills		
	Treasury bills - 2 months	-	-
	Treasury bills - 3 months	860,000	(49)
	Treasury bills - 6 months	-	-
	Treasury bills - 12 months	-	-
	31 March 2016	853,754	853,705
	30 June 2015	1,053,677	1,053,600
			(77)
8.	ACCRUED EXPENSES AND OTHER LIABILITIES		
		(Unaudited) 31 March 2016 (Rupees in '000)	(Audited) 30 June 2015
	Federal exercise duty payable	11,559	10,374
	Provision for Workers' Welfare Fund	26,880	26,880
	Payable against purchase of investment	-	743,117
	Withholding tax	130	8,553
	Zakat payable	79	79
	Others	51	93
		38,700	789,096

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

- 8.1** 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% on the services rendered by assets management companies. In this regard, a Constitutional Petition has been filed by certain Collective Investment Schemes (CISs) through their Trustees in the Honourable Sindh High Court (SHC), challenging the levy of Federal Excise Duty on Asset Management Company services after the passage of eighteenth amendment. The SHC in its short order dated 4 September 2013 directed the Federal Board of Revenue (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 company, as a matter of abundant caution, has decided to retain and continue with the provision of FED in this condensed interim financial information aggregating to Rs. 11.55 million as at 31 March 2016. In case, the suit is decided against the Fund it would be paid to management company, who will be responsible for submitting the same to taxation authorities. Had the said provision of FED not been recorded in the books of account of the Fund, the Net Assets Value (NAV) of the Fund would have been higher by Re. 0.531 per unit as at 31 March 2016.
- 8.2** The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year have been brought within the scope of the WWF Ordinance. Thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending for adjudication.

Subsequent to the year ended on 15 July 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on 14 December 2010 the Ministry filed its response against the Constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

Subsequent to the year ended 30 June 2011, the Honourable Lahore High Court (LHC) in a constitutional petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. In March 2013 a larger bench of the Sindh High Court (SHC) in various constitutional petitions declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, do not suffer from any constitutional or legal infirmity.

However, as per advice of legal counsel the stay granted to CIS remains intact and the constitution petitions filed by the CIS to challenge the WWF contribution have not been affected by the SHC judgment.

Furthermore, in the Finance Act 2015, the mutual funds have been excluded from the levy of WWF. As this change has been made in the definition of the term 'Industrial Establishment' as defined in the Workers' Welfare Fund Ordinance, 1971, the change may appear to apply prospectively. Accordingly, the management is of the view that this change is applicable from 01 July 2015. Hence, the matter regarding previous years would either need to be clarified by FBR or would be resolved through courts. Management Company, as a matter of abundant precaution, has decided to retain the provision for WWF amounting to Rs. 26.88 million in these condensed interim financial information. During the nine months period ended 31 March 2016 the Fund charged Rs. Nil on account of WWF.

Had the said provision of WWF not been recorded in the books of account of the Fund, the Net Asset Value (NAV) of the Fund would have been higher by Rs. 1.229 per unit as at 31 March 2016.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

9. 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.

10. EARNINGS PER UNIT

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

11. TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, its related entities, Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other Funds managed by the Management Company and Directors, Key Management Personnel and Officers of the Management Company, and Unit Holders having more than 10% holding in the Fund.

Transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations, 2008 and the Trust Deed respectively.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

11.1 Details of the transactions with connected persons are as follows:

	Nine months ended 31 march		Quarter ended 31 march	
	2016	2015	2016	2015
	(Rupees in '000)			
Management Company				
Remuneration (including indirect taxes)	8,590	26,252	2,350	5,987
Expenses allocated by management company and related sales tax	231	-	231	-
Bank Charges received	106	135	-	8
MCB Bank Limited				
Profit on bank deposits	776	3,151	33	783
Purchase of Securities Face Value 250,000,000 (2015: Nil) and Face value Nil (2015: Nil) for the nine months and quarter ended respectively	246,075	-	-	-
Sale of Securities Face Value 200,000,000 (2015: Nil) and Face Value 200,000,000 (2015: Nil) for the nine months and quarter ended respectively	199,052	-	199,052	-
Silk Bank Limited				
Sale of Securities Face Value Nil (2015: 600,000,000) and Face Value Nil (2015: Nil) for the nine months and quarter ended respectively	-	898,207	-	-
Next Capital Limited				
Brokerage	8	-	-	-
Arif Habib Limited				
Brokerage	3	-	-	-
<i>Other Related Parties:</i>				
Directors and Executives of the Management Company				
Issue of Nil units (2015: 29,096 units) and Nil units (2015: Nil units) for the nine months and quarter ended respectively	-	1,480	-	-
Redemption of Nil units (2015: 29,096 units) and Nil units (2015: Nil units) for the nine months and quarter ended respectively	-	1,500	-	-
Adamjee Life Insurance Company Limited - Non- Unitised Investment Linked Fund				
Issue of Nil units (2015: 28,757 units) and Nil units (2015: Nil units) for the nine months and quarter ended respectively	-	1,500	-	-
Adamjee Life Insurance Company Limited (ISF)				
Issue of 668,390 units (2015: Nil units) and 668,390 units (2015: Nil units) for the nine months and quarter ended respectively	35,000	-	35,000	-

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

	Nine months ended 31 march		Quarter ended 31 march	
	2016	2015	2016	2015
	----- (Rupees in '000) -----			
ISOI Employee's Provident Fund **				
Issue of 943,094 units (2015: Nil units) and Nil units (2014: Nil units) for the nine months and quarter ended respectively	<u>48,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fauji Oil Terminal & Distribution Company Limited				
Issue of 5,917,772 units (2015: Nil units) and Nil units (2015: Nil units) for the nine months and quarter ended respectively	<u>299,451</u>	<u>-</u>	<u>-</u>	<u>-</u>
Central Depository Company Of Pakistan Limited				
Issue of 1,473,345 units (2015: Nil units) and 1,473,345 units (2015: Nil units) for the nine months and quarter ended respectively	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>-</u>
Redemption of 7,457,081 units (2015: Nil units) and 7,457,081 units (2014: Nil units) for the nine months and quarter ended respectively	<u>380,545</u>	<u>-</u>	<u>380,545</u>	<u>-</u>
11.2 Amounts outstanding as at period / year end:			(Unaudited) 31 March 2016	(Audited) June 30 2015
			(Rupees in '000)	
MCB Bank Limited				
Balance with bank			<u>3,892</u>	<u>1,045,033</u>
Profit receivable on bank deposits			<u>184</u>	<u>1,845</u>
Management Company				
Management fee payable			<u>602</u>	<u>1,121</u>
Sindh sales tax payable on management fee			<u>84</u>	<u>168</u>
Expense allocated by management company and related sales tax payable			<u>202</u>	<u>-</u>
Receivable against bank charges			<u>143</u>	<u>107</u>
Next Capital Limited				
Brokerage Payable			<u>-</u>	<u>8</u>
Arif Habib Limited				
Brokerage Payable			<u>-</u>	<u>8</u>
Directors and executives of the Management Company				
Units held 458 units (June 2015: 458 units)			<u>23</u>	<u>23</u>
Arif Habib REIT Management Limited				
Units held: 2,033 (June 2015: 1,474 units)			<u>106</u>	<u>102</u>
ISOI Employee's Provident Fund **				
Units held: 2,435,014 units (June 2015: 1,491,919 units)			<u>127,522</u>	<u>74,825</u>
Fauji Oil Terminal & Distribution Company Limited **				
Units held: 5,917,772 units (June 2015: Nil units)			<u>309,914</u>	<u>-</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

- * 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.
- ** These persons became connected persons / related parties during the period due to acquiring unit holding of more than 10% of net assets of the Fund.

12. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. The effect of rearrangement / reclassification is not considered to be material.

13. GENERAL

- 13.1 This condensed interim financial information has been authorised for issue in the meeting of the Board of Directors of the Management Company held 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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