

PAKISTAN CASH MANAGEMENT FUND

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PAKISTAN CASH MANAGEMENT FUND

FUND'S INFORMATION

Management Company

Arif Habib Investments Limited
(Formerly: Arif Habib Investment Management Limited)
2 / 1, R. Y. 16, Old Queens Road, Karachi-74000, Pakistan

Board of Directors of the Management Company

Mr. Nasim Beg	Chief Executive
Mr. Muhammad Shafi Malik	Director
Syed Ajaz Ahmed	Director
Mr. Sirajuddin Cassim	Director
Mr. Muhammad Akmal Jameel	Director
Mr. Muhammad Kashif	Director
Mr. S. Gulrez Yazdani	Director (Appointment subject to approval of SECP)

CFO & Company Secretary of the Management Company

Mr. Zeeshan

Audit Committee

Mr. Muhammad Shafi Malik	Member
Syed Ajaz Ahmed	Member
Mr. Muhammad Akmal Jameel	Member
Mr. Muhammad Kashif	Member

Trustee

Habib Metropolitan Bank Limited
HBZ Plaza Branch, Treasury Division,
7th Floor, HBZ Plaza,
I.I. Chundrigar Road, Karachi.

Bankers to the Fund

- Bank Alfalah Limited
- Faysal Bank Limited
- Habib Metropolitan Bank Limited
- Arif Habib Bank Limited
- Standard Chartered Bank (Pakistan) Limited
- NIB Bank Limited

Auditors

A.F. Ferguson & Co. Chartered Accountants
State Life Building No. 1-C,
I.I Chundrigar Road, Karachi

Legal Adviser

Bawaney & Partners
404, 4th Floor, Beaumont Plaza,
6-C1-10, Beaumont Road,
Civil Lines, Karachi-75530.

Registrar

M/s. Gangjees Registrar Services (Pvt.) Limited
Room No. 516, 5th Floor, Clifton Centre,
Kehkashan, Clifton, Karachi.

Rating

PACRA : AAA (f) - Stability Rating
PACRA : AM2 - (Management Quality rating assigned
to Management Company)

PAKISTAN CASH MANAGEMENT FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED 30TH SEPTEMBER 2009

The Board of Directors of Arif Habib Investments Limited (Formerly: Arif Habib Investment Management Limited), the Management Company of the Pakistan Cash Management Fund (PCF), is pleased to present its Report together with Condensed Interim Financial Statements for the quarter ended 30th September 2009.

Fund Objective

The objective of the Fund is to deliver regular income, preservation of capital and high level of liquidity primarily from short duration government securities investments.

Fund Profile

PCF is an Open-end Fund, which is allowed to invest in government securities mainly Treasury bills and short maturity reverse repurchase transactions against Government Securities. The un-invested funds are kept in deposits with AA rated commercial banks. The overall maturity of the portfolio is kept below 90 days, in order to keep interest rate risk at a relatively low and manageable level and provide high liquidity to investors comparable to current bank deposits.

Fund Performance during Quarter Ended 30th September 2009

The net income for the quarter ended 30th September 2009 was Rs 16.94 million which comprised mainly of income from T-bills amounting to Rs 16.27 million, reverse repurchase transactions Rs 0.99 million and bank deposits Rs 1.62 million.

The net assets of the Fund as at 30th September 2009 stood at Rs 725.66 million. The ex-dividend Net Asset Value (NAV) per unit at the beginning of the period was Rs 50.00 and with an increase of Rs 1.3568 in the NAV per unit recorded during the period under review; the NAV per unit on 30th September 2009 was Rs 50.2082 after interim distribution of Rs 1.1486 per unit. The Fund earned a total annualized return of 11.26% during the quarter.

Earnings Per Unit (EPU)

EPU have not been disclosed as we feel determination of weighted average units for calculating EPU is not practicable for Open-end funds.

Income Distribution

During the period, the Management Company has announced the following interim distributions:

Date	Rate
26 th July 2009	Re 0.3500 per unit
26 th August 2009	Re 0.3864 per unit
26 th September 2009	Re 0.4122 per unit

Future Outlook

While declining core inflation and improvements in the external account have provided impetus to the case for further monetary easing, pressures from the fiscal side, particularly uncertainty with respect to the externally financed portion of the budget, will likely result in the SBP to adopt a more cautious stance in this respect. Along this view, there is increased likelihood of the market yields to remain at their current higher levels. Thus, government securities will continue to provide good yields with the advantage of valuation gain once interest rates do come down especially so if SBP decides to reduce the discount in its monetary policy statement in November, 2009.

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Acknowledgement

The Board is thankful to its valued investors, the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, the Trustees of the Fund, Habib Metropolitan Bank Limited and the management of the Islamabad Stock Exchange for their continued cooperation and support. The Directors of the Management Company also acknowledge the efforts put in by the team of the Management Company for the growth and the meticulous management of the Fund.

For and on behalf of the Board

Karachi
22nd October 2009

Nasim Beg
Chief Executive

PAKISTAN CASH MANAGEMENT FUND

REPORT OF THE FUND MANAGER FOR THE QUARTER ENDED 30TH SEPTEMBER 2009

Objective

The objective of the Fund is to deliver regular income, preservation of capital and high level of liquidity primarily from short duration government securities investments.

Fund Profile

Pakistan Cash Management Fund (PCF) is an Open-end Fund, which is allowed to invest in Government Securities mainly Treasury Bills and short maturity Reverse Repurchase transactions against Government Securities. The un-invested funds are kept in deposits with AA rated commercial banks. The overall maturity of the portfolio is kept below 90 days, in order to keep interest rate risk at a relatively low and manageable level and provide high liquidity to investors comparable to current bank deposits. PCF is a long only fund.

Fund Performance

PCF earned an annualized return of 11.26% for the quarter ended 30th September 2009. The allocation of funds in T-bills of different tenors with a maximum maturity of 90 days coupled with placement of un-invested funds in short term Reverse Repo transactions against government securities, proved successful to protect the Fund from volatility and deliver stable returns. This was despite the 3-month T-bill cut off increasing by more than 100 bps from 11.42% (16th July 09) to 12.49% (26th September 09). The duration of the Fund was 41 days at September end 09. Consistent performance has attracted more investment in the Fund, with net assets increasing by 25% to Rs 726 million at quarter end.

PCF has a policy of monthly dividend distribution and the Fund has distributed total dividend of Rs 1.1486 per unit during the quarter.

Asset allocation

PCF's major asset class during the period remained Treasury bills. On an average 86.1% of the Fund was invested in T-bills during the quarter, with quarter end allocation of 74.4%. The average exposure in Reverse Repo against government securities was 5%, with quarter end allocation at 13.8%. On an average 9% of Fund size was in cash, which increased to 11.9% of net assets by quarter end.

Market Review

Interest rates have edged upwards in Q1 FY10 in longer tenors with a 23 bps and 31 bps rise in 6-month and 1 year T-bills, while in the 3 month tenor there was a decline of 11 bps. There was however a more substantial rise in the 10 year PIB yield which rose by 48 bps to 12.47% at Q1 end. Liquidity pressures emanating from an aggressive T-bill auction target in Q1 against maturities and deposit withdrawals as a result of the Ramadan-Eid season restrained the KIBOR from slipping down significantly while expectations of the Central Bank maintaining policy rate at 13% against previous anticipations of a cut, were paramount in pushing treasury yields higher. During Q1 FY10 2009, 6-month KIBOR moved slightly downwards by 11 bps to 12.65%, after touching a low of 11.87% on 27th July 2009 and a high of 12.68% on 10th & 12th September 2009.

In addition to this, SBP announced a cut in the discount rate by 100 bps in August, which was less than originally anticipated. The State Bank of Pakistan (SBP) is viewing mixed inflationary signals going forward and continued stress on the fiscal accounts. What particularly concerns the Central Bank is that effectively a rising trend has been witnessed in the CPI since February 2009, which if continued, will push headline CPI higher in the months to come. September CPI recorded an increase of 10.12 percent.

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On the positive side however, Non Food, Non Energy or core inflation fell to 11.9% YoY in September against 12.6% percent a month earlier and in SBP's view, slow economic activity is likely to keep fundamental drivers of core inflation under control. In this regard, SBP may opt for easing the discount rate by 100 bps to 12%, expectations of which may allow market interest rates to adjust downward. Moreover, the liquidity situation is likely to improve into Q2 FY10, driven by a build up of Net Foreign Assets (NFAs) of the banking system. A more favourable, Balance of Payments (BoP) position has allowed the NFAs to increase by PKR 127.48 bn July-Sept, consequently increasing the Monetary base (RM) by 7.43% against 3.11% in the corresponding period in FY09. However, risks to lower interest rates also emanate from the fiscal side as lack of clarity with respect the timing of foreign inflows may increase budgetary financing needs from the domestic economy and decrease the quantum of credit available in an already inactive credit market.

Treasury Bills

During last quarter SBP conducted six regular T-bill auctions. The pre-auction target for last quarter was Rs 325.0 billion against a T-bill maturity of Rs 173.7 billion in the same period. A cumulative amount of Rs 363.3 billion was accepted against total participation of Rs 771.0 billion during last quarter. Market yield of 3-month T-bill decreased by 11 bps to 12.34% (30th September 09) from 12.45% (30th June 09) after touching a low of 11.41% during July 09, in anticipation of 150 bps cut in discount rate. With a 100 bps cut in policy discount rate from 14.0% to 13.0% effective from 17th August 09 and no change in monetary policy announced on 29th September 09, the 3-month T-bill market yield again moved up to 12.34% at quarter end.

Future Outlook

While declining core inflation and improvements in the external account have provided impetus to the case for further monetary easing, pressures from the fiscal side, particularly uncertainty with respect to the externally financed portion of the budget, will likely result in the SBP to adopt a more cautious stance in this respect. Along this view, there is increased likelihood of the market yields to remain at their current higher levels. Thus, government securities will continue to provide good yields with the advantage of valuation gain once interest rates do come down especially so if SBP decides to reduce the discount in its monetary policy statement in November, 2009.

PAKISTAN CASH MANAGEMENT FUND

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 30TH SEPTEMBER 2009**

	Unaudited 30 th September 2009	Audited 30 th June 2009
	(Rupees in '000)	
Assets		
Bank balances	25,966	50,895
Receivable against sale of units	60,156	1,025
Profit receivable	397	1,836
Investments	539,868	481,806
Receivable against reverse repurchase transactions	100,000	44,758
Preliminary expenses and floatation costs	693	744
Other receivables	4	410
Total assets	727,084	581,474
Liabilities		
Payable to Management Company	800	1,527
Accrued expenses and other liabilities	623	133
Total liabilities	1,423	1,660
Net assets	725,661	579,814
Unit holders' funds	725,661	579,814
	(Number of Units)	
Number of units in issue	14,453,067	11,441,686
	(Rupees)	
Net Asset Value per unit	50.2082	50.68

Note

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The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited
(formerly: Arif Habib Investment Management Limited)
(Management Company)

Chief Executive

Director

PAKISTAN CASH MANAGEMENT FUND

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 30TH SEPTEMBER 2009**

	<i>Note</i>	2009	2008
		(Rupees in '000)	
Income			
Capital loss on sale of investments - net		(114)	(4)
Income from reverse repurchase transactions		988	342
Income from government securities		16,266	4,213
Profit on bank deposits		1,624	469
Other income		4	5
Unrealised diminution in fair value of investments	6.2	(236)	(111)
Total income		18,532	4,914
Expenses			
Remuneration of Management Company		1,856	494
Securities transaction cost		74	10
Legal and professional charges		49	31
Amortisation of preliminary expenses and floatation costs		51	50
Total expenses		2,030	585
Net income from operating activities		16,502	4,329
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		442	(19)
Net income for the period		16,944	4,310

Earnings per unit (EPU) is not disclosed as the management is of the opinion that calculation of weighted average number of units is impracticable.

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited
(formerly: Arif Habib Investment Management Limited)
(Management Company)

Chief Executive

Director

PAKISTAN CASH MANAGEMENT FUND

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 30TH SEPTEMBER 2009**

	<i>Note</i>	2009	2008
		(Rupees in '000)	
Undistributed income brought forward		7,731	1,221
Final Distribution			
141,120 bonus units for the year ended 30 th June 2009 @ Re 0.6750 per unit (Date of Distribution: 6 th July 2009) (2008: 22,553 units @ Re 0.50 per unit)		(7,056)	(1,128)
Cash distribution		(667)	-
Net income for the period		16,944	4,310
Interim Distribution			
270,104 bonus units and 79,910 bonus units for the quarter ended 30 th September 2009 and quarter ended 30 th September 2008 respectively	7	(13,532)	(4,001)
Cash distribution		(411)	-
		(4,722)	(819)
Undistributed income carried forward		<u>3,009</u>	<u>402</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited
(formerly: Arif Habib Investment Management Limited)
(Management Company)

Chief Executive

Director

PAKISTAN CASH MANAGEMENT FUND

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED 30TH SEPTEMBER 2009**

	2009	2008
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	16,944	4,310
Adjustments		
Unrealised diminution in fair value of investments	236	111
Element of (income)/ loss and capital (gains)/ losses included in prices of units issued less those in units repurchased - net	(442)	19
Amortisation of preliminary expenses and floatation costs	51	50
	<u>16,789</u>	<u>4,490</u>
(Increase)/ Decrease in assets		
Investments	(58,298)	(43,051)
Receivable against reverse repurchase transactions	(55,242)	-
Profit receivable	1,439	(140)
Other receivables	406	-
Receivable against sale of units	(59,131)	410
	<u>(170,826)</u>	<u>(42,781)</u>
(Decrease) / Increase in liabilities		
Payable to Management Company	(727)	67
Accrued expenses and other liabilities	490	106
	<u>(237)</u>	<u>173</u>
Net cash used in operating activities	<u>(154,274)</u>	<u>(38,118)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net receipts from sale and redemption of units	130,423	29,520
Dividend paid	(1,078)	-
Net (decrease) in cash and cash equivalents during the period	<u>(24,929)</u>	<u>(8,598)</u>
Cash and cash equivalents at beginning of the year	<u>50,895</u>	<u>13,744</u>
Cash and cash equivalents at end of the period	<u>25,966</u>	<u>5,146</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited
(formerly: Arif Habib Investment Management Limited)
(Management Company)

Chief Executive

Director

PAKISTAN CASH MANAGEMENT FUND

**CONDENSED INTERIM STATEMENT OF MOVEMENT
IN UNITHOLDERS' FUNDS (UNAUDITED)
FOR THE QUARTER ENDED 30TH SEPTEMBER 2009**

	<i>Note</i>	2009	2008
		(Rupees in '000)	
Net assets at the beginning of the year		579,814	114,075
Issue of 7,649,521 units (2008: 2,654,412 units)		384,271	133,327
Redemption of 5,049,365 units (2008: 2,063,506 units)		(253,848)	(103,807)
		130,423	29,520
Element of (income) / loss and capital (gains)/ losses included in prices of units issued less those in units redeemed - net		(442)	19
Capital loss on sale of investments		(114)	(4)
Net unrealised diminution on investments at fair value through profit or loss		(236)	(111)
Other net income for the period		17,294	4,425
Final Distribution			
141,120 bonus units for the year ended 30 th June 2009 @ Re 0.6750 per unit (Date of Distribution: 6 th July 2009) (2008: 22,553 units @ Re 0.50 per unit)		(7,056)	(1,128)
Cash distribution		(667)	-
Interim Distribution			
270,104 bonus units and 79,910 units for the quarter ended 30 th September 2009 and quarter ended 30 th September 2008 respectively	7	(13,532)	(4,001)
Cash distribution		(411)	-
		(4,722)	(819)
Final bonus units distribution 141,120 units for the year ended 30 th June 2009 @ Re 0.6750 per unit (Date of Distribution: 6 th July 2009) (2008: 22,553 units @ Re 0.50 per unit)		7,056	1,128
Interim bonus units distribution 270,104 units and 79,910 units for the quarter ended 30 th September 2009 and quarter ended 30 th September 2008 respectively	7	13,532	4,001
Net assets as at the end of the period		<u>725,661</u>	<u>147,924</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

For Arif Habib Investments Limited
(formerly: Arif Habib Investment Management Limited)
(Management Company)

Chief Executive

Director

PAKISTAN CASH MANAGEMENT FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED 30TH SEPTEMBER 2009

1. LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Cash Management Fund ("the Fund") is established under a Trust Deed executed between Arif Habib Investments Limited (Formerly Arif Habib Investment Management Limited) (the Management Company) and Habib Metropolitan Bank Limited as Trustee. The Trust Deed was executed on 8th February 2008 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 1st February 2008 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (repealed).

The Management Company of the Fund has been licensed to act as the Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 2/1, R.Y.16, Old Queens Road, Karachi, Pakistan.

PCF is an open-ended mutual fund. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

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

The Fund is allowed to invest in treasury bills, short dated government instruments and reverse repurchase transactions and bank deposits.

Title to the assets of the Fund is held in the name of Habib Metropolitan Bank Limited as a trustee of the Fund.

2. BASIS OF PRESENTATION

These un-audited condensed interim financial statements have been prepared in accordance with 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 and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the NBFC Regulations or the directives issued by the SECP prevail. These financial statements are presented in condensed form in accordance with International Accounting Standard, 34 "Interim Financial Reporting". These do not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Fund as at and for the year ended 30th June 2009.

3. ACCOUNTING POLICIES

The accounting policies adopted in preparation of these condensed interim financial statements are the same as those applied in the preparation of the published financial statements of the Fund for the year ended 30th June 2009.

PAKISTAN CASH MANAGEMENT FUND

4. 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 for the year ended 30th June 2009.

5. OFFER AND REPURCHASE PRICE

The offer price and repurchase price for issuance/redemption/conversion of units of the Fund are calculated and announced on the basis of four decimal places with effect from 24th August 2009. Previously offer price and repurchase price for issuance/redemption/conversion of units were calculated and announced on the basis of two decimal places.

6. INVESTMENTS

Unaudited
30th September
2009
(Rupees in '000)

Audited
30th June
2009

In government securities at fair value through profit or loss	6.1	539,868	481,806
		<u>539,868</u>	<u>481,806</u>

6.1 At fair value through profit or loss- held for trading

Fixed income and other debt securities - Market Treasury Bills (in denomination of Rs: 000')

Issue date	Tenor	Face value			As at 30 th September 2009	Cost as at 30 th September 2009	Market value as at 30 th September 2009	Appreciation / (diminution)	Market value as percentage of net assets	Market value as percentage of total investment
		As at 1 st July 2009	Purchased during the period	Sold / Matured during the period						
----- (Rupees in '000) -----										
12 th February 2009	3 Months	50,000	-	50,000	-	-	-	-	-	-
12 th February 2009	3 Months	50,000	-	50,000	-	-	-	-	-	-
12 th February 2009	3 Months	65,000	-	65,000	-	-	-	-	-	-
12 th February 2009	3 Months	25,000	-	25,000	-	-	-	-	-	-
12 th February 2009	3 Months	25,000	-	25,000	-	-	-	-	-	-
12 th February 2009	3 Months	75,000	-	75,000	-	-	-	-	-	-
26 th February 2009	3 Months	200,000	-	200,000	-	-	-	-	-	-
29 th January 2009	6 Months	-	40,000	40,000	-	-	-	-	-	-
23 rd April 2009	6 Months	-	100,000	100,000	-	-	-	-	-	-
26 th February 2009	6 Months	-	50,000	50,000	-	-	-	-	-	-
07 th May 2009	6 Months	-	25,000	25,000	-	-	-	-	-	-
07 th May 2009	6 Months	-	100,000	100,000	-	-	-	-	-	-
07 th May 2009	6 Months	-	100,000	100,000	-	-	-	-	-	-
07 th May 2009	6 Months	-	50,000	-	50,000	49,440	49,398	(42)	6.8	9.2
07 th May 2009	6 Months	-	50,000	50,000	-	-	-	-	-	-
07 th May 2009	6 Months	-	100,000	75,000	25,000	24,721	24,699	(22)	3.4	4.6
07 th May 2009	6 Months	-	50,000	-	50,000	49,431	49,398	(33)	6.8	9.2
07 th May 2009	6 Months	-	50,000	-	50,000	49,423	49,398	(25)	6.8	9.2
07 th May 2009	6 Months	-	65,000	-	65,000	64,249	64,218	(31)	8.8	11.9
10 th September 2009	3 Months	-	35,000	-	35,000	34,273	34,259	(14)	4.7	6.3
10 th September 2009	3 Months	-	50,000	-	50,000	48,958	48,941	(17)	6.7	9.1
10 th September 2009	3 Months	-	75,000	-	75,000	73,436	73,411	(25)	10.1	13.6
26 th September 2009	3 Months	-	50,000	-	50,000	48,727	48,715	(12)	6.7	9.0
26 th September 2009	3 Months	-	100,000	-	100,000	97,446	97,431	(15)	13.4	18.0
						<u>540,104</u>	<u>539,868</u>	<u>(236)</u>		

PAKISTAN CASH MANAGEMENT FUND

	Unaudited 30 th September 2009	Audited 30 th June 2009
	(Rupees in '000)	
6.2 Net unrealised appreciation/ (diminution) in fair value of investments classified as 'at fair value through profit or loss'		
Fair value of investment	539,868	481,806
Less: Cost of investment	<u>(540,104)</u>	<u>(481,769)</u>
	(236)	37
Net unrealised diminution in fair value of investments at the beginning of the period / year	37	35
Less: Realised on disposal during the period/ year	<u>(37)</u>	<u>(35)</u>
	-	-
Net unrealised appreciation / (diminution) in the value of Investment during the period / year	<u>(236)</u>	<u>37</u>

7. INTERIM DISTRIBUTIONS

The Fund makes distribution on a monthly basis and has made following distributions during the period.

Date	Rate	Bonus *		Cash Distribution **	Total
		Units	Amount		
----- (Rupees in '000) -----					
26 th July 2009	Re. 0.3500 per unit	77,057	3,857	-	3,857
26 th August 2009	Re. 0.3864 per unit	92,444	4,631	-	4,631
26 th September 2009	Re. 0.4122 per unit	100,603	5,044	411	5,455
		<u>270,104</u>	<u>13,532</u>	<u>411</u>	<u>13,943</u>

* Bonus units have been distributed to unit holders under plan A

** Cash dividend have been distributed to unit holder under plan B

As per clause 12 of Trust Deed and clause 6 of Part VI of Offering Document, the Fund on monthly basis (except June) distributes cash dividend, bonus, partially cash / bonus or in any other form acceptable to the Commission (such as bonus units) that may qualify under the tax laws. Net income (after deducting all the expenses of the Fund) earned upto 25th of each month may be distributed by the Management Company. The Board of Directors on 22nd September 2008 have passed a resolution providing standing authorisation to the Chief Executive Officer to approve and declare interim dividends out of profit earned by the Fund upto the 25th of each month. The SECP vide letter no. NBFC - II.DD / AHIL / Misc-734 / 2009 has approved the above arrangement.

8. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include Arif Habib Investments Limited (*formerly: Arif Habib Investment Management Limited*), Arif Habib Limited, Arif Habib Securities Limited and Arif Habib Bank Limited being companies under common management, Habib Metropolitan Bank Limited being the trustee, other collective investment schemes managed by the management company and directors and officers of the Management Company.

Remunerations to the management company and trustee are determined in accordance with the provisions of NBFC regulations and Trust Deed of the fund. All other transactions with the related parties / connected persons are carried on agreed terms.

Details of the transactions with connected persons and balances with them at period end are as follows:

8.1 Transactions with connected persons/related parties

Arif Habib Investments Limited (*formerly: Arif Habib Investment Management Limited*) - Management Company

	Unaudited 30 th September 2009	30 th September 2008
	(Rupees in '000)	
Remuneration for the period	<u>1,856</u>	494
Investment in the Fund 915,566 units (2008: Nil)	<u>45,961</u>	-
Redemption from the Fund 517,125 units (2008: Nil)	<u>26,000</u>	-
Bonus units distributed 59,014 units (2008: 67,596 units)	<u>2,955</u>	3,384

Arif Habib Bank Limited

Mark-up for the period	<u>-</u>	<u>57</u>
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PAKISTAN CASH MANAGEMENT FUND

	Unaudited	
	30th September	30th September
	2009	2008
Habib Metropolitan Bank Limited - Trustee		
Mark-up for the period	<u>463</u>	<u>412</u>
Directors, Officers and employees of the Management Company		
Investment in the Fund 22,312 units (2008: 21,794)	<u>1,121</u>	<u>1,094</u>
Redemption from the Fund 31,681 units (2008: 37,977)	<u>1,591</u>	<u>1,904</u>
Bonus units distributed 1,451 units (2008: 735 units)	<u>73</u>	<u>37</u>
8.2 Balances with related parties		
	Unaudited	Audited
	30th September	30th June
	2009	2009
	(Rupees in '000)	
Arif Habib Investments Limited		
<i>(formerly: Arif Habib Investment Management Limited) - Management Company</i>		
Remuneration payable	<u>-</u>	<u>527</u>
Payable in respect of preliminary expenses & floatation cost	<u>800</u>	<u>1,000</u>
Units held 1,941,277 units (2009: 1,483,822 units)	<u>97,438</u>	<u>75,200</u>
Arif Habib Bank Limited		
Balance as at	<u>-</u>	<u>1</u>
Habib Metropolitan Bank Limited - Trustee		
Balance as at	<u>25,512</u>	<u>3,067</u>
Accrued mark-up as at	<u>320</u>	<u>98</u>
Amounts due on account of Conversion / Transfer of units		
(Payable) to Pakistan Income Fund	<u>(252)</u>	<u>-</u>
(Payable) to / Receivable from Pakistan Income Enhancement Fund	<u>(252)</u>	<u>288</u>
Receivable from Pakistan Stock Market Fund	<u>-</u>	<u>95</u>
Directors, Officers and employees of the Management Company		
Units held 32,952 units (2009: 40,868 units)	<u>1,654</u>	<u>2,071</u>

8.3 The transactions with connected persons disclosed above does not include transactions carried out by the Fund relating to purchase or sale of securities where the connected person had acted in the capacity of a broker or intermediary and the ultimate counter party was not a connected person of the Fund.

9. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 22nd October 2009.

PAKISTAN CASH MANAGEMENT FUND

10. GENERAL

Figures have been rounded off to the nearest thousand Rupees unless specified otherwise.

For Arif Habib Investments Limited
(formerly: Arif Habib Investment Management Limited)
(Management Company)

Chief Executive

Director