



Bachat ka Doosra Naam

**Annual Report
2014**



Kum Risk Bala Nasheen

MCB
**CASH MANAGEMENT
OPTIMIZER**

MCB-Arif Habib Savings and Investments Limited

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Vision

To become synonymous with Savings.

Mission

To become a preferred Savings and Investment Manager in the domestic and regional markets, while maximizing stakeholder's value.

Core Values

The Company takes pride in its orientation towards client service. It believes that its key success factors include continuous investment in staff, systems and capacity building, and its insistence on universal best practices at all times.

FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings and Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Board of Directors	Mian Mohammad Mansha Mr. Nasim Beg Mr. Yasir Qadri Dr. Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Mahmood Ahmad	Chairman Executive Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib	Chairman Member Member
Human Resource & Remuneration Committee	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Yasir Qadri	Chairman Member Member Member Member
Company Secretary & Chief Operating Officer	Mr. Muhammad Saqib Saleem	
Chief Financial Officer	Mr. Umair Ahmed	
Trustee	Central Depository Company of Pakistan Limited CDC House, 990B Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi-74400	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Habib Bank Limited Faisal Bank Limited United Bank Limited National Bank of Pakistan Limited Standard Chartered Bank Pakistan Limited Allied Bank Limited Askari 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 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
Transfer Agent	MCB-Arif Habib Savings and Investments Limited 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Rating	AM2 - Management Quality Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2014

DIRECTORS' REPORT

Dear Investor,

On behalf of the Board of Directors, I am pleased to present MCB Cash Management Optimizer's accounts review for the year ended June 30th 2014.

ECONOMY AND MONEY MARKET OVERVIEW

Economic optimism generally prevailed throughout the year, as the new government managed to close the performance of their first fiscal year with improving macroeconomic indicators. Single-digit inflation, improvement in reserves, stability in rupee and successful implementation of fiscal reforms managed to dilute the negative impact arising from wide fiscal and current account deficits on the economy.

Despite poor law and order situation and energy crisis, the real GDP growth remained in the vicinity of 4% in FY14, as opposed to 3.7% during the previous fiscal year. During the year, the country successfully entered into a three-year \$6.6 billion loan program with IMF. The country received four tranches of around \$540 million each during FY14 as against the total \$3 billion repayments to IMF due in FY14.

The reserves had remained under pressure during the first eight months of FY14 on account of hefty repayments to foreign donors. However, multilateral agencies and close allies along with fewer repayments towards the latter part of the year helped improve reserve balance to \$13.99 billion as on 27-June-2014 from the trough of \$7.59 billion touched on 7-February-2014. Not to mention, \$1.5 billion from Saudi Arabia in March 2014. Local currency managed to appreciate to Rs98 against dollar from a record low of Rs108.6 against dollar on 5-December-2013.

Despite implementation of fiscal reforms, inflation remained in single digit with CPI averaging around 8.62% in FY14. Although the government had twice announced 50 bps hikes in the discount rate in the monetary policy held in September and November, bringing the discount rate to 10%, stable inflation and improvement in foreign reserve convinced policy makers to keep discount rate unchanged in the later three monetary policies, in spite of IMF pressure of maintaining positive real returns.

The Current Account balance remained in pressure posting a deficit of \$2.57 billion in 11MFY14 as opposed to deficit of \$2.15 billion reported in 11MFY13. Last year's saving grace came in the form of proceeds under Coalition Support Funds (CSF) where the country received \$1 billion as opposed to inflows of \$1.8 billion received during 11MFY14. The country's import bill nudged up by 3.31% to \$38.13 billion and exports stayed constant at last year's level of around \$23 billion. At the same time, remittances improved to \$14.33 billion from \$12.75 billion reported in 11MFY13.

The country's financial account registered a surplus of \$4.36 billion, as opposed to surplus of \$212 million in the previous year. Thanks to higher FDIs as proceeds amounted to \$ 1.36 billion in 11MFY14, nearly \$34 million higher than the previous fiscal year. A large portion of this increase could be attributed to sale of 3G & 4G licenses.

The lower current account deficit along with surplus in financial account and capital account summed to an overall surplus of \$3.33 billion in 11MFY14 as opposed to deficit of \$1.86 billion during the previous year.

On the heels of structural reforms, the country's performance on fiscal side improved, with the government expected to conclude the year by recording a fiscal deficit of 5.8% largely lower than the year's target of 6.3% and the last year's level of 8%. A big part of this reduction could be attributed to large Circular Debt transaction towards the end of last fiscal year.

The tax revenue collection is expected to remain close to the budgeted amount of around Rs 2.51 trillion, while higher than expected growth in non-tax revenues would help the country to record Rs 3.59 trillion in gross receipts that is nearly 10% higher than the budgeted revenue.

While being overly aggressive with their tax collection drive the government's debt management has left a lot to be desired. Perhaps a better strategy could here helped the Govt. borrow long at better rates while developing the mid to long end debt market.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 8.25% as against its benchmark return of 7.19%, an out performance of 1.06%. The fund changed its WAM significantly several times during the period to take advantage of varying interest rate scenarios.

In order to capitalize on changing interest rate scenario during the year, fund increased its exposure in PIBs in latter half of FY14. The fund was around 22.6% invested in T-Bills, 34.4% in TDR, 11.4% in Cash and 31.4% in PIBs at the end of the period.

The Net Asset of the Fund as at June 30, 2014 stood at Rs.10.181 billion as compared to Rs 11.075 billion as at June 30, 2013 registering a decrease of 8%.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2014

The Net Asset Value (NAV) per unit as at June 30, 2014 was Rs. 100.0223 as compared to opening NAV of Rs.101.0952 per unit as at June 30, 2013 registering decrease of Rs. 1.0729 per unit.

Income Distribution

During the period The Management Company has announced the following interim distribution:

Date of distribution	Per unit distribution Rs.
July 26, 2013	0.5240
August 27, 2013	0.6020
September 26, 2013	0.6332
October 29, 2013	0.7058
November 28, 2013	0.6127
December 27, 2013	0.6487
January 28, 2014	0.7154
February 27, 2014	0.6940
March 27, 2014	0.6334
April 29, 2014	0.7322
May 28, 2014	0.6578
June 27, 2014	0.7507

FUTURE OUTLOOK

The country's trade deficit is likely to reduce on account of stable commodity prices, stronger rupee and incremental exports due to GSP plus facility. Also, in consideration of various reforms introduced in FY15, targeted fiscal deficit level of 4.9% doesn't appear as farfetched as it has been in the last few years. The government expects reserve position to improve further on the back pledges made by multilateral agencies, approved project financing and divestment of strategic assets.

Earnings growth is expected to continue in Cement, Autos and Consumer goods sector, amongst others. The rupee appreciation bodes well for Autos and Consumer goods sectors, while higher allocation in PSDP will increase demand for cement. Moreover, expected monetary easing down the line would reignite the market's interest in the leveraged scripts.

Above all, the equity market will continue to attract foreign investors owing to divestment of the government's holding in listed companies and increase in the country's weight in MSCI FM Index.

Corporate Governance

The Fund is committed to high standards of corporate governance and the Board of Directors of the Management Company is accountable to the unit holders for good corporate governance. Management is continuing to comply with the provisions of best practices set out in the code of corporate governance particularly with regard to independence of non-executive directors. The Fund remains committed to conduct business in line with listing regulations of Lahore Stock Exchange.

The following specific statements are being given to comply with the requirements of the Code of Corporate Governance:

- a. Financial statements present fairly the statement of affairs, the results of operations, cash flows and Change in unit holders' fund.
- b. Proper books of accounts of the Fund have been maintained during the year.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable prudent judgment.
- d. Relevant International Accounting Standards, as applicable in Pakistan, provisions of the Non Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2014

- f. There are no significant doubts upon the Fund's ability to continue as going concern.
- g. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- h. Key financial data as required by the Code of Corporate Governance has been summarized in the financial statements.
- i. Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.
- j. The statement as to the value of investments of provident fund is not applicable on the Fund but applies to the Management Company; hence no disclosure has been made in the Directors' Report of the Management Company.
- k. The detailed pattern of unit holding, as required by NBFC Regulations and the Code of Corporate Governance are enclosed.
- l. The details of attendance of Board of Directors meeting is disclosed in note 20.3 to the attached financial statements. Below is the details of committee meetings held during the year ended June 30, 2014:

1. Meeting of Human resource and remuneration committee (held on July 31, 2013)

<i>S. No.</i>	<i>Name</i>	<i>Designation</i>	<i>Total Meetings Held</i>	<i>No. of Meetings Attended</i>	<i>Leave granted</i>
1.	<i>Dr. Syed Salman Shah</i>	<i>Chairman</i>	<i>1</i>	<i>1</i>	<i>-</i>
2.	<i>Mr. Haroun Rashid</i>	<i>Member</i>	<i>1</i>	<i>1</i>	<i>-</i>
3.	<i>Mr. Nasim Beg</i>	<i>Member</i>	<i>1</i>	<i>1</i>	<i>-</i>
4.	<i>Mr. Ahmed Jahangir</i>	<i>Member</i>	<i>1</i>	<i>-</i>	<i>1</i>
5.	<i>Mr. Yasir Qadri</i>	<i>Member</i>	<i>1</i>	<i>1</i>	<i>-</i>

1. Meeting of Audit Committee (held on August 02, 2013, October 22, 2013, November 18, 2013, February 04, 2014 and April 18, 2014)

<i>S. No.</i>	<i>Name</i>	<i>Designation</i>	<i>Total Meetings Held</i>	<i>No. of Meetings Attended</i>	<i>Leave granted</i>
1.	<i>Mr. Haroun Rashid</i>	<i>Chairman</i>	<i>5</i>	<i>4</i>	<i>1</i>
2.	<i>Mr. Nasim Beg*</i>	<i>Member – Executive Vice Chairman</i>	<i>5</i>	<i>4</i>	<i>-</i>
3.	<i>Mr. Samad A. Habib</i>	<i>Member</i>	<i>5</i>	<i>3</i>	<i>2</i>
4.	<i>Mr. Ahmed Jahangir*</i>	<i>Member</i>	<i>5</i>	<i>1</i>	<i>-</i>

* During the period Mr. Nasim Beg retired from audit committee and Mr. Ahmed Jahangir has been appointed as a member of audit Committee.

- m. During the year one of the Directors and in total three Directors, have completed all parts of the program offered by the Pakistan Institute of Corporate Governance. Further Directors have been briefed regarding the changes in laws and regulations impacting the Management Company.

**REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY
FOR THE YEAR ENDED JUNE 30, 2014**

n. The trades in Units of the Fund carried out by Directors, Chief Executive Officer, Chief Operating Officer and Company Secretary, Chief Financial Officer and Chief Internal Auditor of the Management Company and their spouses and minor children are as under:

<i>S. No.</i>	<i>Name</i>	<i>Designation</i>	<i>Investment</i>	<i>Redemption</i>	<i>Bonus</i>
			<i>(Number of Units)</i>		
1.	<i>Mr. Nasim Beg</i>	<i>Executive Vice Chairman</i>	-	-	-
2.	<i>Yasir Qadri</i>	<i>Chief Executive Officer</i>	-	-	-
3.	<i>Mr. Saqib Saleem</i>	<i>Chief Operating Officer & Company Secretary</i>	-	-	-
4.	<i>Umair Ahmed</i>	<i>Chief Financial Officer</i>	3,084	3,108	22
5.	<i>Asif Mehdi Rizvi</i>	<i>Head of Internal Audit & Compliance</i>	3,393	3,414	21


External Auditors

The fund's external auditors, KPMG Taseer Hadi & Co., Chartered Accountants, have expressed their willingness to continue as the fund auditors for the ensuing year ending June 30, 2015. The audit committee of the Board has recommended reappointment of KPMG Taseer Hadi & Co., Chartered Accountant as auditors of the fund for the year ending June 30, 2015.

Acknowledgement

The Board of Directors of the Management Company is thankful to the valued investors of the Fund for their reliance and trust in MCB-Arif Habib Savings and Investments Limited. The Board also likes to thank the Securities and Exchange Commission of Pakistan, State Bank of Pakistan, Central Depository Company of Pakistan Limited (the Trustee of the Fund) and the management of the Lahore Stock Exchange for their continued cooperation, guidance, substantiation and support. The Board also acknowledges the efforts put in by the team of the Management Company for the growth and meticulous management of the Fund.

For and on behalf of the board



Yasir Qadri

Chief Executive

Karachi: July 28, 2014

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2014

Fund Type and Category

Cash Management Optimizer Fund (CMOP) is an open end fund money market fund, and has the leverage to invest in short term corporate debt and government, repurchase agreements, term deposit and money market placements with scheduled banks with a maximum maturity of 180 days and weighted average maturity up to 90 days.

Fund Benchmark

The benchmark for CMOP is an average of 3 Month deposit rates of AA and above rated scheduled banks

Investment Objective

To provide unit-holders competitive returns from a low risk portfolio of short duration assets while maintaining high liquidity

Investment Strategy

The Fund through active management will aim to provide optimum returns for its Unit Holders by investing in highly liquid debt securities issued by the Government of Pakistan as well as TDR to AA or above rated banks.

Manager's Review

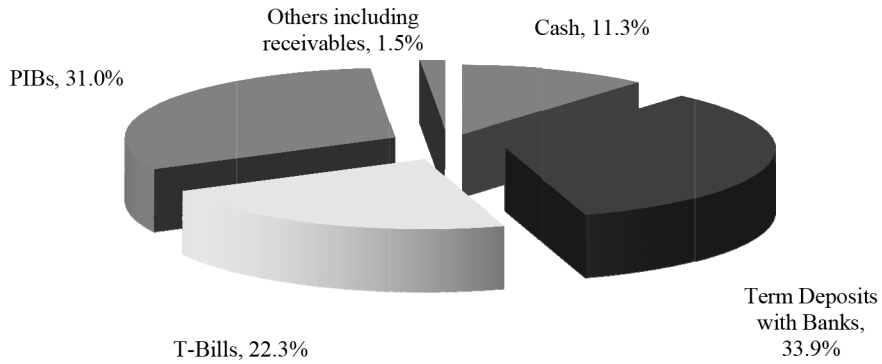
CMOP was able to generate an annualized return of 8.25% during the year under review as against the fund's benchmark return of 7.19% during the same period, an outperformance of 1.06%.

During the year, the fund capitalized strongly on Government T-bills, TDRS and as well as shorter tenor PIBs, the diverse combination of instruments enabled the fund to capture the optimum level of returns and portfolio allocation. The fund's year end allocation were around 22.3% in treasury bills, 31% in PIBs and 33.9 bank deposits. The fund managed to maintain weighted average maturity of the fund at not more than 60 days throughout the fiscal year keeping in view the investment objective of the fund.

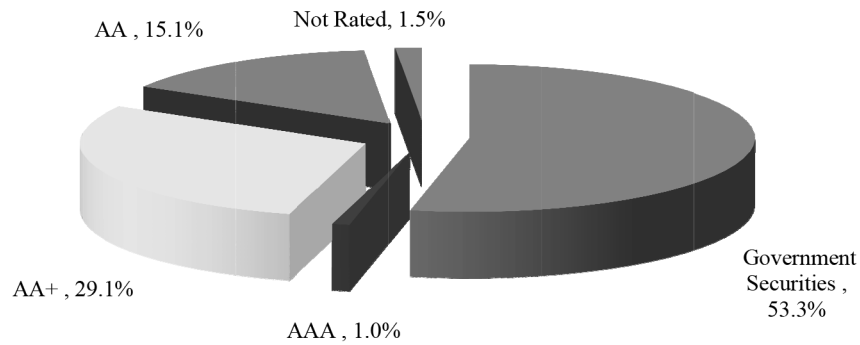
During the year under review, the net assets of the fund reduced significantly from 11bn last fiscal year to 10bn owing to the budget announcement for FY 15.

REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2014

Asset Allocation as on June 30, 2014 (% of total assets)



Asset Quality as of June 30, 2014 (% of total assets)



Mr. Kashif Rafi
Fund Manager

Karachi: July 28, 2014

TRUSTEE REPORT TO THE UNIT HOLDERS FOR THE YEAR ENDED JUNE 30, 2014

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MCB CASH MANAGEMENT OPTIMIZER

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of MCB Cash Management Optimizer (the Fund) are of the opinion that MCB - Arif Habib Savings and Investments Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2014 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan
Chief Operating Officer
Central Depository Company of Pakistan Limited

Karachi: October 14, 2014



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2014

This statement is being presented by the Board of Directors of MCB Arif Habib Savings and Investments Limited, the Management Company of MCB Cash Management Optimizer (“the fund”) to comply with the Code of Corporate Governance contained in Regulation no.35 of Lahore Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

MCB Cash Management Optimizer is an open end mutual fund and is listed at Lahore Stock Exchange Limited. The Fund, being a unit trust scheme, does not have its own Board of Directors. The Management Company, MCB-Arif Habib Saving and Investment Limited, on behalf of the Fund, has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors on its Board of Directors. At present the Board includes

Category	Names
Independent Directors	1. Dr. Salman Shah
	2. Mr. Haroun Rashid
	3. Mr. Mirza Mehmood
Executive Directors	1. Mr. Nasim Beg – Executive Vice Chairman
	2. Mr. Yasir Qadri – Chief Executive Officer
Non – Executive Directors	1. Mian Mohammad Mansha
	2. Mr. Ahmed Jehangir
	3. Mr. Samad Habib

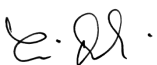
The independent directors meet the criteria of independence under clause i (b) of the Code.

2. The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including the Management Company (excluding the listed subsidiaries of listed holding companies, where applicable)
3. All the resident Directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the period no casual vacancy occurred on the Board of the Management Company
5. The Management Company has prepared a ‘Code of Conduct’ and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board has developed vision / mission statement, overall corporate strategy and significant policies of the Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive and non-executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. During the year one of the Directors and in total three Directors, have completed all parts of the program offered by the Pakistan Institute of Corporate Governance. Further Directors have been briefed regarding the changes in laws and regulations impacting the Management Company.
10. There have been no appointments of Chief Operating Officer and Company Secretary, Chief Financial Officer and Head of Internal Audit during the year. However, during the year, Chief Executive Officer has been re-appointed and his remuneration has been revised and approved by the Board.
11. The Directors’ Report for the year ended June 30, 2014 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2014

12. The financial statements were duly endorsed by Chief Executive Officer and Chief Financial Officer of the Management Company before approval of the Board.
13. The Directors, Chief Executive Officer and executives of the Management Company do not hold any interest in the units other than that disclosed in the pattern of unit holding.
14. The Management Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee for the Management Company. It comprises of three members, which are non-executive directors and the chairman of the Committee is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of the interim and final results and as required by the Code. The terms of reference of the Committee have been approved by the Board and advised to the Committee for compliance.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises of five members, of whom three are non-executive directors and the chairman of the Committee is an independent director.
18. The Board has set up an effective internal audit function. The Head of Internal Audit is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Fund and the Management Company.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares / units of the Management Company / Fund. The firm and all its partners are also in compliance with International Federation of Accountants guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed International Federation of Accountants guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the net assets value of the fund / market price of Management Company's shares, was determined and intimated to directors, employees and the stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through the stock exchange.
23. We confirm that all other material principles enshrined in the Code have been complied with.

On behalf of the Board



Yasir Qadri
Chief Executive

Karachi: July 28, 2014

**REVIEW REPORT TO THE UNIT HOLDERS ON THE
STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES
OF THE CODE OF CORPORATE GOVERNANCE**



KPMG Taseer Hadi & Co.
Chartered Accountants
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Internet www.kpmg.com.pk

**Review report to the Unit holders of MCB Cash Management Optimizer (“the Fund”) on
Statement of Compliance with Best Practices of Code of Corporate Governance**

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (“the Code”) prepared by the Board of Directors of MCB-Arif Habib Savings and Investments Limited (“the Management Company”) of the Fund for the year ended 30 June 2014 to comply with the requirements of Listing Regulation No. 35 of Lahore Stock Exchange Limited, where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund’s compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company’s personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board’s statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company’s corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm’s length transactions and transactions which are not executed at arm’s length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm’s length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Fund’s compliance, in all material respects, with the best practices contained in the Code as applicable for the Fund for the year ended 30 June 2014.

Date: 28 July 2014

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

KPMG Taseer Hadi & Co. is a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity.

INDEPENDENT AUDITORS' REPORTS TO THE UNIT HOLDERS FOR THE YEAR ENDED JUNE 30, 2014



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

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Fax + 92 (21) 3568 5095
Internet www.kpmg.com.pk

Independent Auditors' Report to the Unit Holders

Report on the Financial Statements

We have audited the accompanying financial statements of **MCB Cash Management Optimizer** ("the Fund"), which comprise of the statement of assets and liabilities as at 30 June 2014, and the related income statement, statement of comprehensive income, distribution statement, statement of movement in Unit Holders' Fund, cash flow statement for the year ended 30 June 2014, and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the approved accounting standards as applicable in Pakistan and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 June 2014, and of its financial performance, its cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

**INDEPENDENT AUDITORS' REPORTS TO THE UNIT HOLDERS
FOR THE YEAR ENDED JUNE 30, 2014**



KPMG Taseer Hadi & Co.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation Rules, 2003) and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Date: 28 July 2014

Karachi

A handwritten signature in black ink, appearing to read 'KPMG Taseer Hadi & Co. Mazhar Saleem'.

**KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem**

**STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2014**

	<i>Note</i>	2014	2013
		(Rupees in '000)	
Assets			
Balance with banks	4	1,169,508	2,152,639
Investments	5	5,507,943	9,014,484
Term deposit receipts	6	3,500,000	-
Prepayments, profit and other receivable	7	152,503	6,502
Preliminary expenses	8	246	1,246
Total assets		10,330,200	11,174,871
Liabilities			
Payable to Management Company	9	11,738	10,980
Payable to Central Depository Company of Pakistan Limited - Trustee	10	796	771
Payable to Securities and Exchange Commission of Pakistan	11	10,032	7,770
Accrued and other liabilities	12	126,906	80,820
Total liabilities		149,472	100,341
Net assets		10,180,728	11,074,530
Unit holders' fund		10,180,728	11,074,530
Contingencies and commitments	13		
(Number of units)			
Number of units in issue (face value of units is Rs. 100 each)		101,784,629	109,545,606
(Rupees)			
Net asset value per unit	3.8	100.02	101.10

The annexed notes from 1 to 22 form an integral part of these financial statements.

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


Chief Executive Officer


Director

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	<i>Note</i>	2014 (Rupees in '000)	2013
Income			
Capital gain on sale of investments - net		8,005	39,354
Income from government securities		1,042,822	878,418
Income from reverse repurchase transactions in government securities		168	1,322
Profit on money market placement		104,944	75,455
Profit on bank deposits		133,172	89,951
		<u>1,289,111</u>	<u>1,084,500</u>
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	5.1	<u>(4,986)</u>	<u>6,407</u>
Total income		1,284,125	1,090,907
Expenses			
Remuneration of Management Company	9.1	129,341	107,221
Sindh Sales tax and Federal Excise Duty on Management fee	9.2 & 12.1	44,700	18,265
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10	10,182	8,852
Annual fee of Securities and Exchange Commission of Pakistan	11	10,032	7,770
Amortisation of preliminary expenses	8	1,000	1,000
Brokerage expenses		1,244	1,139
Auditor's remuneration	14	924	893
Other expenses		679	1,034
Total operating expenses		198,102	146,174
Net operating income for the year		1,086,023	944,733
Net element of loss and capital losses included in prices of units issued less those in units redeemed		(5,008)	(81,606)
Provision for workers' welfare fund	12.2	(21,620)	(17,263)
Net income for the year before taxation		1,059,395	845,864
Taxation	15	-	-
Net income for the year after taxation		1,059,395	845,864
Earnings per unit	16		

The annexed notes from 1 to 22 form an integral part of these financial statements.

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



Chief Executive Officer




Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	(Rupees in '000)	
Net income for the year after taxation	1,059,395	845,864
<u>Other comprehensive income:</u>		
<i>Items that are or may be reclassified subsequently to income statement</i>		
Unrealised diminution in investments classified as available-for-sale	(390)	-
Total comprehensive income for the year	1,059,005	845,864

The annexed notes from 1 to 22 form an integral part of these financial statements.

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



Chief Executive Officer



Director

DISTRIBUTION STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	(Rupees in '000)	
Undistributed income brought forward:		
- Realised income / (losses)	113,555	(4,465)
- Unrealised income	6,407	36,720
	<u>119,962</u>	<u>32,255</u>
Total comprehensive income for the year	1,059,005	845,864
Net Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing unrealised appreciation / (diminution)	85	(13,599)
Distributions to the unit holders of the Fund:		
Final Distribution at the rate of Rs. 1.0952 (2013 : Rs. nil) per unit declared on 4 July 2013		
- Bonus distribution	(119,920)	-
- Cash distribution	(55)	-
Interim distribution at the rate of Rs. 0.5240 (2013: Rs. nil) per unit declared on 26 July 2013		
- Bonus distribution	(63,636)	-
- Cash distribution	(26)	-
Interim distribution at the rate of Rs. 0.6020 (2013: Rs. nil) per unit declared on 27 August 2013		
- Bonus distribution	(72,136)	-
- Cash distribution	(30)	-
Interim Distribution at the rate of Rs. 0.6332 (2013 : Rs. 2.6745) per unit declared on 26 September 2013		
- Bonus distribution	(76,696)	(242,437)
- Cash distribution	(32)	(5,330)
Interim Distribution at the rate of Rs. 0.7058 (2013 : Rs. nil) per unit declared on 29 October 2013		
- Bonus distribution	(85,444)	-
- Cash distribution	(35)	-
Interim Distribution at the rate of Rs. 0.6127 (2013 : Rs. nil) per unit declared on 28 November 2013		
- Bonus distribution	(89,170)	-
- Cash distribution	(30)	-
Interim Distribution at the rate of Rs. 0.6487 (2013 : Rs. 2.1522) per unit declared on 27 December 2013		
- Bonus distribution	(96,324)	(183,989)
- Cash distribution	(32)	(4,283)
Interim Distribution at the rate of Rs. 0.7154 (2013 : Rs. 0.7366) per unit declared on 28 January 2014		
- Bonus distribution	(97,967)	(75,585)
- Cash distribution	(36)	(1,872)
Interim Distribution at the rate of Rs. 0.6940 (2013 : Rs. 0.5562) per unit declared on 27 February 2014		
- Bonus distribution	(104,267)	(47,786)
- Cash distribution	(34)	(1,423)
Interim Distribution at the rate of Rs. 0.6334 (2013 : Rs. 0.5988) per unit declared on 27 March 2014		
- Bonus distribution	(90,635)	(56,402)
- Cash distribution	(32)	(30)
Interim Distribution at the rate of Rs. 0.7322 (2013 : Rs. 0.6530) per unit declared on 29 April 2014		
- Bonus distribution	(106,257)	(62,843)
- Cash distribution	(36)	(33)
Interim Distribution at the rate of Rs. 0.6578 (2013 : Rs. 0.5953) per unit declared on 28 May 2014		
- Bonus distribution	(98,571)	(62,515)
- Cash distribution	(33)	(30)
Final Distribution at the rate of Rs. 0.7507 (2013 : Rs. nil) per unit declared on 27 June 2014		
- Bonus distribution	(75,374)	-
- Cash distribution	(37)	-
	<u>(1,176,845)</u>	<u>(744,558)</u>
Undistributed income carried forward:	<u>2,207</u>	<u>119,962</u>
Undistributed income carried forward:		
- Realised income	7,583	113,555
- Unrealised (losses) / income	(5,376)	6,407
	<u>2,207</u>	<u>119,962</u>

The annexed notes from 1 to 22 form an integral part of these financial statements.

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



Chief Executive Officer



Director

**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	(Rupees in '000)	
Net assets at the beginning of the year	11,074,530	18,971,363
Issue of 201,402,252 units (2013: 189,237,296 units)	20,210,703	19,105,294
Issue of 11,763,969 bonus units (2013: 7,303,122 units)	1,176,397	731,556
Redemption of 220,927,198 units (2013: 276,385,880 units)	(22,168,070)	(27,916,595)
	(780,970)	(8,079,745)
Net element of loss and capital losses included in prices of units issued less those in units redeemed:		
- amount representing loss and capital losses - transferred to income statement	5,008	81,606
- amount representing (income) / loss that forms part of unit holder's fund - transferred to distribution statement	(85)	13,599
	4,923	95,205
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - transferred to distribution statement	85	(13,599)
Net income for the year (excluding net unrealised appreciation in fair value of investments classified as 'at fair value through profit or loss' and capital gain on sale of investments)	1,056,377	800,103
Capital gain on sale of investments - net	8,005	39,354
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	(4,986)	6,407
Unrealised diminution on re-measurement of investments classified as 'at available-for-sale'	(390)	-
Total comprehensive income for the year	1,059,005	845,864
Distributions during the year	(1,176,845)	(744,558)
Net assets at end of the year	10,180,728	11,074,530
	(Rupees)	
Net asset value per unit at the beginning of the year	100.10	100.17
Net asset value per unit at the end of the year	100.02	100.10

The annexed notes from 1 to 22 form an integral part of these financial statements.

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



Chief Executive Officer



Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	1,059,395	845,864
Adjustments for non cash and other items:		
Capital gain on sale of investments - net	(8,005)	(39,354)
Income from government securities	(1,042,822)	(878,418)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'at fair value through profit or loss'	4,986	(6,407)
Amortisation of preliminary expenses	1,000	1,000
Net element of loss and capital losses included in prices of units issued less those in units redeemed	5,008	81,606
	(1,039,833)	(841,573)
	19,562	4,291
Decrease / (increase) in assets		
Investments	1,051,992	8,160,659
Prepayments, profit and other receivable	(146,001)	35,929
	905,991	8,196,588
Increase / (decrease) in liabilities		
Payable to Management Company	758	(9,625)
Payable to Central Depository Company of Pakistan Limited - Trustee	25	(477)
Payable to Securities and Exchange Commission of Pakistan	2,262	(2,002)
Accrued and other liabilities	46,086	17,464
	49,131	5,360
Net cash flow generated from operating activities	974,684	8,206,239
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments received against issuance of units	20,210,703	19,105,294
Payments against redemption of units	(22,168,070)	(27,916,595)
Cash distribution	(448)	(13,001)
Net cash used in financing activities	(1,957,815)	(8,824,302)
Net decrease in cash and cash equivalents	(983,131)	(618,063)
Cash and cash equivalents at beginning of the year	2,152,639	2,770,702
Cash and cash equivalents as at end of the year	1,169,508	2,152,639

The annexed notes from 1 to 22 form an integral part of these financial statements.

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



Chief Executive Officer



Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

MCB Cash Management Optimizer (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, 2008 and was approved as an open end investment scheme by the Securities and Exchange Commission of Pakistan (SECP) on 30 July 2009. It was constituted under a Trust Deed dated 10 July 2009 between MCB Asset Management Company Limited as the Management Company, a company incorporated under the Companies Ordinance, 1984, and Central Depository Company of Pakistan Limited as the Trustee, also incorporated under the Companies Ordinance, 1984.

The Board of Directors have approved that the Fund should be categorised as "Money Market Scheme" as per the Securities and Exchange Commission of Pakistan Circular 7 of 2009 dated 6 March 2009.

Pursuant to the merger of MCB Asset Management Limited and Arif Habib Investment Limited, the name of the Management Company has been changed from Arif Habib Investment Limited to MCB-Arif Habib Savings and Investments Limited .

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through certificate of registration issue by SECP. The registered office of the Management Company is situated at 8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi.

The Fund is an open end mutual fund and offers units for public subscription on a continuous basis.

The units of the Fund can be transferred to / from other funds managed by the Management Company and can also be redeemed by surrendering to the Fund. The units are listed on the Lahore Stock Exchange.

The Fund is purely a money market fund and has a policy to invest in short term corporate debt and government securities, repurchase agreements, term deposit and money market placements with scheduled banks, with a maximum maturity of 180 days and weighted average maturity upto 90 days.

The objective of the fund is to provide competitive returns from a low risk portfolio of short duration assets while maintaining high liquidity.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2' to the Management Company and has assigned stability rating of "AA (f)" (Double A ; fund rating) to the Fund.

Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited, as the 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

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.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of its revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have most significant effect on the amount recognised in the financial statements are as follows:

Investments stated at fair value and derivative financial instruments.

The management company has determined fair value of certain investments by using quotations from active market valuation done by Mutual Fund Association of Pakistan. Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matter of judgements (e.g. valuation, interest rates, etc.) and therefore, can not be determined with precision.

Other assets

Judgement is also involved in assessing the realisability of the assets balances.

2.5 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2014

The following standards, amendments and interpretations are effective for the year ended June 30, 2014. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures, if any.

<i>Standards / amendments / interpretations</i>	<i>Effective from accounting period beginning on or after</i>
Amendments to IAS 1 - Presentation of Financial Statements – Clarification of Requirements for Comparative information.	January 01, 2013
Amendments to IAS 32 Financial Instruments: Presentation - Tax effects of distributions to holders of an equity instrument, and transaction costs of an equity transaction.	January 01, 2013
Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting financial assets and financial liabilities.	January 01, 2013

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

2.6 New accounting standards and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the fund's operations or are not expected to have significant impact on the fund's financial statements other than certain additional disclosures.

<i>Standards / amendments / interpretations</i>	<i>Effective from accounting period beginning on or after</i>
Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	January 01, 2014
IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	January 01, 2014
IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting	January 01, 2014
IFRIC 21 - Levies	January 01, 2014
Amendment of IAS 19 'Employee Benefits' - Employee Contributions	July 01, 2014
Amendment of IAS 38 'Intangible Assets' and IAS 16 'Property, Plant and Equipment'	January 01, 2016
Amendment of IAS 41 'Agriculture' and IAS 16 'Property, Plant and Equipment'	January 01, 2016
Annual Improvements 2010-2012 and 2011-2013 cycle	Various

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IAS 27 (Revised 2011) – Separate Financial Statements due to non-adoption of IFRS 10 and IFRS 11
- IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures due to non- adoption of IFRS 10 and IFRS 11

3. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been applied in preparation of these financial statement. These accounting policies have been applied consistently to all years presented.

3.1 Financial instruments

The Fund classifies its financial instruments in the following categories:

- a) Financial instruments as 'at fair value through profit or loss'

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

An instrument is classified as 'at fair value through profit or loss' if it is held-for-trading or is designated as such upon initial recognition. Financial instruments are designated as 'at fair value through profit or loss' if the Fund manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Fund's documented risk management or investment strategy. Financial assets which are acquired principally for the purpose of generating profit from short term price fluctuation or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading or a derivative.

Financial instruments as 'at fair value through profit or loss' are measured at fair value and changes therein are recognised in the Income Statement.

All derivatives in a net receivable position (positive fair value), are reported as financial assets held for trading. All derivatives in a net payable position (negative fair value), are reported as financial liabilities held for trading.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund's loans and receivables comprise of cash and bank balances, receivable against sale of investments, deposits and dividend and profit receivable.

c) Available for sale

These are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

d) Financial liabilities

Financial liabilities, other than those as 'at fair value through profit or loss', are measured at amortised cost using the effective yield method.

Recognition

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instruments.

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell the financial assets. Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in case of a financial instrument not as 'at fair value through profit or loss', transaction costs that are directly attributable to the acquisition or issue of the financial instruments. Transaction costs on financial instruments 'at fair value through profit or loss' are expensed out immediately.

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available for sale' are measured at fair value. Gains or losses arising from changes in the fair value of the financial assets as 'at fair value through profit or loss' are recognised in the Income Statement. Changes in the fair value of financial instruments classified as 'available-for-sale' are recognised in Unit Holders' Fund until derecognised or impaired, when the accumulated adjustments recognised in Unit Holders' Fund are included in the Income Statement. The financial instruments classified as loans and receivables are subsequently measured at amortised cost less provision for impairment, if any.

Basis of valuation of government securities and GoP Ijara sukuk certificates

The fair value of the investments in government securities is determined by reference to the quotations obtained from the PKRV sheet on the Reuters page.

The fair value of the investments in GoP Ijara sukuk certificates is determined by using the market rates from Reuters page.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Impairment

Financial assets not carried 'at fair value through profit or loss' are reviewed at each balance sheet date to determine whether there is any indication of impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of asset and that loss events had an impact on the future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. In case of an investment in an equity security, a significant or prolonged decline in fair value below its cost is objective evidence of impairment. Impairment losses are recognised in Income Statement. Any subsequent decrease in impairment loss on debt securities classified as available-for-sale is recognised in Income Statement. However, any subsequent recovery in the fair value of an impaired available for sale equity security is recognised in other comprehensive income.

The Board of Directors of the Management Company has formulated a comprehensive policy for making provision against non-performing investments in compliance with Circular 13 of 2009 issued by SECP.

Derecognition

The Fund derecognises a financial asset when the contractual right to the cash flows from the financial assets expires or it transfers the financial assets and the transfer qualifies for derecognising in accordance with International Accounting Standard 39: Financial Instruments:

Recognition and Measurement.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.2 Derivatives

Derivative instruments are initially recognised at fair value. Subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

3.3 Securities under repurchase / resale agreements

Transactions of purchase of government securities under resale (reverse-repo) arrangements are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resell at a specified future date (reverse-repo) are not recognised in the Statement of Assets and Liabilities. Amount paid under these agreements are included in receivable in respect of reverse repurchase transactions. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the term of the reverse-repo agreement.

3.4 Preliminary expenses

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years commencing from 30 September 2009 as per the requirement of the Trust Deed of the Fund.

3.5 Unit holders' Fund

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

Unit holders' funds representing the units issued by the Fund, is carried at the net asset value representing the investors' right to a residual interest in the Fund assets.

3.6 Issue and redemption of units

Units shall be issued based on the offer price that is fixed on the basis of the NAV so determined on the business day preceding the day on which a duly completed investment application form is received along with the funds in favour of the trustee at the registered office, authorised branches or distributors before the cut-off time.

The units shall be redeemed based on the redemption price that is fixed on the basis of the NAV announced as of the close of the business day preceding the day on which a correctly filled application for redemption is received.

3.7 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of income per unit and distribution of income already paid out on redemption.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to income / (losses) held in the Unit Holder's Funds in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution (losses) relating to units issued and redeemed during an accounting period is recognised in the Income Statement.

3.8 Net asset value per unit

The net asset value (NAV) per unit as disclosed on the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year.

3.9 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.10 Taxation

Current

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income of that year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the Fund's unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of part IV of second schedule to the Income Tax Ordinance, 2001.

Deferred

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax assets on unutilised tax losses to the extent that these will be available for set off against future taxable profits.

However, the Fund has previously availed the tax exemption by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders. Accordingly, no current tax and deferred tax has been recognized in these financial statements.

3.11 Revenue recognition

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

- Income on government securities and bank deposits (including term deposit receipts) is recognised on an accrual basis.
- Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed is included in the Income Statement on the date of issue and redemption of units.
- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealised gains / (losses) arising on remeasurement of investments classified as 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.
- Discount on purchase of market treasury bills is amortised to income statement using the straight line method
- Income on reverse repurchase transactions and debt securities is recognised on a time proportion basis using effective interest rate method.

3.12 Expenses

All expenses including management fee, trustee fee and Securities Exchange Commission of Pakistan fee are recognised in the income statement on an accrual basis.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise of deposits and current accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

3.14 Other assets

Other assets are stated at cost less impairment losses, if any.

3.15 Dividend distributions and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

4. BALANCE WITH BANKS

	2014	2013
	(Rupees in '000)	
Saving accounts	1,169,492	2,152,609
Current accounts	16	30
	1,169,508	2,152,639

4.1 These carry mark-up at rates ranging between 6.5% to 10.35% per annum (2013: 6% to 12.25% per annum).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

	2014 (Rupees in '000)		2013 (Rupees in '000)	
	2014 (Rupees in '000)	2013 (Rupees in '000)	2014 (Rupees in '000)	2013 (Rupees in '000)
5. INVESTMENTS				
5.1 'Investments at fair value through profit or loss'				
Government of Pakistan Ijara Sukuk			400,600	400,600
Market Treasury Bills	2,303,133	8,613,884	2,303,133	8,613,884
Pakistan Investment Bonds	2,804,209	-	2,804,209	-
	<u>5,107,342</u>	<u>9,014,484</u>	<u>5,107,342</u>	<u>9,014,484</u>
5.2 'Investments classified as available-for-sale'				
Pakistan Investment Bonds	400,601	-	400,601	-
	<u>5,507,943</u>	<u>9,014,484</u>	<u>5,507,943</u>	<u>9,014,484</u>
5.1 'Investments at fair value through profit or loss'				
5.1.1 Investment in Ijara Sukuk				
Ijarah sukuk V - 3 years	400,000	200,000	600,000	-
Total of Investment in Ijara Sukuk - 30 June 2014	400,000	200,000	600,000	-
Total of Investment in Ijara Sukuk - 30 June 2013	400,400	400,600	200	4,44%
5.1.2 Market Treasury Bills				
Treasury bills - 3 months	2,961,000	66,592,500	69,506,500	47,000
Treasury bills - 6 months	4,850,000	20,149,270	22,684,070	2,315,200
Treasury bills - 12 months	1,000,250	8,700,132	9,700,382	-
Total of investment in Market Treasury Bills - 30 June 2014	<u>2,303,619</u>	<u>2,303,133</u>	<u>(486)</u>	<u>41.82%</u>
Total of investment in Market Treasury Bills - 30 June 2013	8,607,677	8,613,884	6,207	95.56%
5.1.3 Pakistan Investment Bond				
5.1.1.1 These treasury bills have cost of Rs. 2,276,246 million (2013: Rs. 8,513,149 million) These will mature latest by 16 October 2014 (2013: 12 December 2013) and carry effective yield ranging between 9.80% to 9.97% per annum (2013: 8.97% to 9.50%).				
5.1.1.2 These PIBs cost Rs. 2,808,709 million (2013 : Rs. nil). These will mature latest by 18 August, 2014 and carry interest at the rate of 11.25% per annum (2013: Nil).				
PIB - 3 years	-	2,800,000	-	2,800,000
PIB - 10 years	-	392,600	392,600	-
Total of investment in Pakistan Investment Bond - 30 June 2014	<u>2,808,709</u>	<u>2,804,209</u>	<u>(4,500)</u>	<u>27.54%</u>
Total of investment in Pakistan Investment Bond - 30 June 2013	-	-	-	-
5.2 'Investments classified as available-for-sale'				
5.2.1 Pakistan Investment Bond				
PIB - 3 years	-	400,000	-	400,000
Total of investment in Pakistan Investment Bond - 30 June 2014	<u>400,991</u>	<u>400,601</u>	<u>(390)</u>	<u>3.93%</u>
Total of investment in Pakistan Investment Bond - 30 June 2013	400,991	400,601	(390)	7.27%
5.2.1.1 These PIBs cost Rs. 400,991 million (2013 : Rs. nil). These will mature latest by 18 August, 2014 and carry interest at the rate 11.25% per annum (2013: Nil).				

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

6. TERM DEPOSIT RECEIPTS	2014	2013
	(Rupees in '000)	
Term deposit receipts	3,500,000	-

6.1 These carry interest rate ranging between 10.25% to 10.35% per annum (2013: nil). These will mature latest by 14th November, 2014.

7. PREPAYMENTS, PROFITS AND OTHER RECEIVABLE

Prepayments	101	101
Profit receivable on saving deposits	9,799	1,544
Profit receivable on term deposit receipts	11,425	-
Profit receivable on Pakistan investment bond	131,178	-
Profit receivable on GOP Ijara Sukuk	-	4,857
	152,503	6,502

8. PRELIMINARY EXPENSES

Opening balance	1,246	2,246
Less: amortisation during the year	(1,000)	(1,000)
Closing balance	246	1,246

8.1 Preliminary expenses represent expenditure incurred prior to the commencement of operations of the Fund. This expenditure is being amortised over a period of five years commencing from 30 September 2009 as per the requirement set out in the Trust Deed of the Fund.

9. PAYABLE TO MANAGEMENT COMPANY

Management fee payable	9.1	10,102	9,298
Sindh Sales Tax on Management Fee	9.2	1,617	1,665
Sales load payable		19	17
		11,738	10,980

9.1 Under the provisions of the NBFC Regulations, 2008, the Management Company of the Fund is entitled to a remuneration, during the first five years of the Fund of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter, of an amount equal to two percent of such assets of the Fund. During the year, the Management Company has charged its remuneration at a rate of ten percent on the daily gross earnings of the Fund with a cap of three percent per annum and a floor of 0.25 percent per annum of average daily net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

9.2 Management fee charged during the year is inclusive of 16% General Sales Tax levied by the Government of Sindh.

10. PAYABLE TO THE TRUSTEE

The Trustee (Central Depository Company of Pakistan Limited) is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net asset value of the Fund. The tariff structure applicable to the Fund as at 30 June 2014 in respect of trustee fee is as follows:

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Amount of Funds Under Management (Average NAV)	Tariff per annum
Upto Rs. 1 billion	0.15% per annum of NAV
From Rs. 1 billion to Rs. 10 billion	Rs. 1.5 million plus 0.075% per annum of NAV , exceeding Rs. 1 billion
On an amount exceeding Rs. 10 billion	Rs. 8.25 million plus 0.06% per annum of NAV, exceeding Rs. 10 billion

The remuneration is paid to the Trustee on monthly basis in arrears.

**11. PAYABLE TO THE SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN**

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorised as money market scheme is required to pay as annual fee to SECP, at an amount equal to 0.075 % of the average annual net assets of the Fund.

12. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration		572	470
Brokerage payable		491	82
Provision for Federal Excise Duty and related taxes	<i>12.1</i>	25,116	1,110
Provision for Workers' Welfare Fund	<i>12.2</i>	100,244	78,624
Others		483	534
		126,906	80,820

12.1 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% 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 Company 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 retain and continue with the provision of FED and related taxes in this financial information aggregating to Rs. 25.116 million as at 30 June 2014. In case, the suit is decided against the fund the same would be paid to management company, who will be responsible for submitting the same to authorities. Had the said provision of FED and related taxes were not recorded in the books of account of the Fund, the NAV of the Fund would have been higher by Rs. 0.25 per unit as at 30 June 2014.

12.2 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, challenging the applicability of WWF to the CISs, which is pending for adjudication.

On 15 July 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) 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 Court.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

During the year ended 30 June 2012, 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 filed by companies other than mutual funds 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.

The Management company, as a matter of abundant precaution, has decided to retain the entire provision for WWF in these financial statements.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2014.

14. AUDITOR'S REMUNERATION

	2014	2013
	(Rupees in '000)	
Annual audit fee	468	350
Half yearly review fee	260	215
Other certification and services	104	260
Out of pocket expenses	92	68
	924	893

15. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance 2001. Since the management has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above accordingly no provision for taxation has been made in these financial statements.

16. 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 EPU is not practicable.

17. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the holding company of the Management Company, the Trustee, directors and key management personnel, other associated undertakings and unit holders holding more than 10% of net assets of the Fund.

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 at contracted rates.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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17.1 Details of transactions with the connected persons / related parties during the year are as follows:

	2014	2013
	(Rupees in '000)	
Management Company		
Remuneration of the Management Company (including indirect taxes)	<u>174,041</u>	<u>125,486</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	<u>10,182</u>	<u>8,852</u>
MCB Bank Limited		
Profit on bank deposits	<u>6,333</u>	<u>10,274</u>
Bank Charges	<u>48</u>	<u>45</u>

17.2 Balance outstanding as at the year end are as follows:

Management Company		
Management fee payable	<u>10,102</u>	<u>9,451</u>
Sindh sales tax payable on management fee	<u>1,617</u>	<u>1,512</u>
Sales load payable	<u>19</u>	<u>17</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	<u>796</u>	<u>771</u>
MCB Bank Limited		
Bank deposits	<u>100,933</u>	<u>21,311</u>
Profit receivable	<u>678</u>	<u>87</u>

17.3 Transactions during the year with connected persons / related parties in the units of the Fund

	2014		2013	
	Units	(Rupees in '000)	Units	(Rupees in '000)
Units sold to:				
MCB Arif Habib Savings and Investments Limited	<u>49,887</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Adamjee Insurance Company Limited	<u>11,471,500</u>	<u>1,150,000</u>	<u>33,091,603</u>	<u>3,342,214</u>
Staff Provident Fund of Adamjee Insurance Company Limited	<u>849,019</u>	<u>85,000</u>	<u>-</u>	<u>-</u>
Adamjee Life Assurance Company Limited	<u>-</u>	<u>-</u>	<u>97,793</u>	<u>10,075</u>
Adamjee Life Assurance Company Limited - NUIL Fund	<u>403,894</u>	<u>40,500</u>	<u>489,713</u>	<u>49,233</u>
Adamjee Life Assurance Company Limited - IMF Fund	<u>1,808,066</u>	<u>181,500</u>	<u>34,908</u>	<u>3,530</u>
Adamjee Life Assurance Company Limited - ISF Fund	<u>676,883</u>	<u>67,900</u>	<u>83,562</u>	<u>8,472</u>
Adamjee Life Assurance Company Limited - ISF-II Fund	<u>641,871</u>	<u>64,400</u>	<u>77,061</u>	<u>7,860</u>
Nishat Mills Limited	<u>-</u>	<u>-</u>	<u>8,945,939</u>	<u>900,000</u>
Pakistan Petroleum Limited	<u>4,784,498</u>	<u>480,000</u>	<u>1,364</u>	<u>137</u>
Key management personnel	<u>118,352</u>	<u>11,878</u>	<u>25,955</u>	<u>2,633</u>
Mandate Under Discretionary Portfolio Services	<u>1,161,262</u>	<u>116,607</u>	<u>406,168</u>	<u>40,963</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

	30 June 2014		30 June 2013	
	Units	(Rupees in '000)	Units	(Rupees in '000)
Bonus units issued to:				
MCB Arif Habib Savings and Investments Limited	1,035	103	-	-
Staff Provident Fund of Management Company	13	1	240	24
Adamjee Insurance Company Limited	1,322,095	132,209	615,029	61,608
Adamjee Life Assurance Company Limited	14,629	1,463	23,104	2,314
Adamjee Life Assurance Company Limited - NUIL Fund	6,801	680	5,406	542
Adamjee Life Assurance Company Limited - IMF Fund	26,645	2,665	111	11
Adamjee Life Assurance Company Limited - ISF Fund	8,495	850	1,148	115
Adamjee Life Assurance Company Limited - ISF-II Fund	4,383	438	1,144	115
Nishat Mills Limited*	98,312	9,831	30,696	3,085
Pakistan Petroleum Limited	1,131,628	113,163	903,592	90,545
Key management personnel	2,186	219	1,741	174
Mandate Under Discretionary Portfolio Services	30,133	3,013,320	9,284	931
Units redeemed by:				
MCB Arif Habib Savings and Investments Limited	50,921	5,093	145,512	14,698
MCB Bank Limited	-	-	69,330,201	6,966,084
Staff Provident Fund of Management Company	839	84	23,576	2,385
Adamjee Insurance Company Limited	17,218,554	1,728,732	21,442,940	2,174,330
Staff Provident Fund of Adamjee Insurance Company Limited	849,019	85,300	-	-
Adamjee Life Assurance Company Limited	284,900	28,660	100,404	10,176
Adamjee Life Assurance Company Limited - NUIL Fund	431,491	43,344	504,422	50,999
Adamjee Life Assurance Company Limited - IMF Fund	1,869,619	187,733	2,385	240
Adamjee Life Assurance Company Limited - ISF Fund	724,628	72,784	78,545	7,950
Adamjee Life Assurance Company Limited - ISF-II Fund	656,239	65,864	108,285	11,014
Nishat Mills Limited*	9,074,948	910,297	-	-
Pakistan Petroleum Limited	-	-	3,842,550	385,000
Key management personnel	111,605	11,200	98,595	9,948
Mandate Under Discretionary Portfolio Services	1,317,043	132,138	73,338	7,400
	Units	(Rupees in '000)		
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Units held by:				
Staff Provident Fund of Management Company	-	826	-	84
Adamjee Insurance Company Limited	12,611,502	17,036,461	1,261,431	1,722,304
Adamjee Life Assurance Company Limited	-	270,270	-	27,323
Adamjee Life Assurance Company Limited - NUIL Fund	-	20,796	-	2,102
Adamjee Life Assurance Company Limited - IMF Fund	-	34,908	-	3,529
Adamjee Life Assurance Company Limited - ISF Fund	-	39,250	-	3,968
Adamjee Life Assurance Company Limited - ISF-II Fund	-	9,986	-	1,010
Nishat Mills Limited*	-	8,976,635	-	907,495
Pakistan Petroleum Limited	15,101,949	9,185,822	1,510,532	928,687
Key management personnel	12,473	3,538	1,248	358
Mandate Under Discretionary Portfolio Services	243,220	368,868	24,327	37,293

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

18. FINANCIAL RISK MANAGEMENT

The Fund's objective in managing risks is the creation and protection of participants' value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability.

Monitoring and controlling risks is primarily set up to be performed based on limits established by the internal controls set on different activities of the fund by the Board of Directors through specific directives and constitutive documents. These controls and limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risks type and activities.

The Fund primarily invests in Government Securities, Such investments are subject to varying degrees of risk. These risks emanate from various factors that include, but are not limited to:

- Market risk
- Credit risk
- Liquidity risk

18.1 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will effect the Fund's income or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Management of market risks

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pak Rupee.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently the Funds interest rate exposure arises on investment in Ijara sukuk certificates and bank balances. The Fund holds profit and loss sharing bank accounts that expose the Fund to cash flow interest rate risk. Other risk management procedures are the same as those mentioned in the credit risk management.

As at 30 June, details of the interest rate profile of the Fund's interest bearing financial instruments were as follows:

	2014	2013
	(Rupees in '000)	
Variable rate instruments		
Government of Pakistan - Ijara Sukuk	-	400,600
	-	400,600
Fixed rate instruments		
Treasury bills	2,303,133	8,613,884
Pakistan Investment Bonds	3,204,810	-
Term deposit receipts	3,500,000	-
	9,007,943	8,613,884
	9,007,943	9,014,484

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

(a) Sensitivity analysis for variable rate instruments

As at 30 June 2014, the Fund does not hold any variable rate instruments and is not exposed to cash flow interest rate risk.

(b) Sensitivity analysis for fixed rate instruments

As at 30 June 2014, the Fund holds Market Treasury Bills which are classified as fair value through profit or loss, exposing the Fund to fair value interest rate risk. In case of 100 basis points increase in rates announced by the Financial Market Association on 30 June 2014, the net income for the year and net assets would be lower by Rs. 5.772 million (2013: Rs. 21.284 million). In case of 100 basis points decrease in rates announced by the Financial Market Association on 30 June 2014, the net income for the year and net assets would be higher by Rs. 5.773 million (2013: Rs. 21.516 million).

As at 30 June 2014, the Fund also holds Pakistan Investment Bonds which are classified as fair value through profit or loss and available for sale, exposing the Fund to fair value interest rate risk. In case of 100 basis points increase in rates announced by the Financial Market Association on 30 June 2014, the net income for the year and net assets would be lower by Rs. 5.229 million (2013: Rs. nil). In case of 100 basis points decrease in rates announced by the Financial Market Association on 30 June 2014, the net income for the year and net assets would be higher by Rs. 3.552 million (2013: Rs. nil).

As at 30 June 2014, the Fund also holds Term deposit receipts which are classified as 'loans and receivables'. Since 'loans and receivables' are carried at amortised cost, any increase or decrease in market interest rates will not affect the net income for the year nor the net assets of the Fund as at 30 June 2014.

The composition of the Fund's investment portfolio and rates announced by Financial Markets Association of Pakistan is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2014 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Price risk

Price risk is the risk that the fair value or future cash flow of financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Currently, the Fund does not hold any security which exposes the Fund to price risk.

18.2 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. At the year-end it arises principally from bank balances and income receivable on bank deposits.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations and guidelines given by SECP from time to time.

Exposure to credit risk

In summary, compared to the maximum amount included in statement of assets and liabilities, the maximum exposure to credit risk at 30 June was as follows:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

credit risk at 30 June was as follows:

	2014		2013	
	Statement of	Maximum	Statement of	Maximum
	Assets and	Exposure	Assets and	Exposure
	Liabilities		Liabilities	
	(Rupees in '000)		(Rupees in '000)	
Balance with banks	1,169,508	1,169,508	2,152,639	2,152,639
Term deposit receipts	3,500,000	3,500,000	-	-
Investments	5,507,943	-	9,014,484	-
Prepayments, profit and other receivable	152,503	21,224	6,502	1,544
Preliminary expenses	246	-	1,246	-
	10,330,200	4,690,732	11,174,871	2,154,183

Difference in the balance as per statement of assets and liabilities and maximum exposure in investment is due to the fact that investment in government securities of Rs. 5,507.942 million (2013: Rs. 9,014.484 million), preliminary expenses of Rs. 0.246 million (2013: Rs. 1.246 million) and profit receivable on government securities of Rs. 131.279 million (2013: Rs. 4.958 million) are not exposed to credit risk.

None of the above financial assets were considered to be past due or impaired as on 30 June 2014.

Credit ratings and Collaterals

Details of credit rating of balance with banks, deposits and other receivables as at 30 June are as follows:

Ratings	2014	2013
	(Percentage holding)	
AAA	8.72%	16.18%
AA+	0.67%	17.64%
AA	90.61%	66.18%
Total	100.00%	100.00%

Concentration of credit risk

Concentration is the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentration of risks arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Details of Fund's concentration of credit risk of financial instruments by industrial distribution are as follows:

	30 June 2014		30 June 2013	
	(Rupees in '000)	Percentage	(Rupees in '000)	Percentage
Commercial banks	4,669,508	99.55%	2,152,639	99.93%
Others	21,224	0.45%	1,544	0.07%
	4,690,732	100.00%	2,154,183	100.00%

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

18.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions, if any, at the option of the unit holders. The Fund's approach to managing liquidity risk is to ensure, as far as possible, that the Fund will have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is, therefore, to invest the majority of its assets in investments that are traded in an actual market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short-term to ensure settlement. However, during the current year, no borrowing was obtained by the Fund. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

The liquidity position of the Fund is monitored by Fund Manager and Risk and Compliance Department on daily basis.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

The maturity profile of the Fund's liabilities based on contractual maturities is given below:

	30 June 2014			Total
	Up to three months	More than three months and up to one year	More than one year	
----- (Rupees in '000) -----				
Payable to Management Company	11,738	-	-	11,738
Payable to Central Depository Company of Pakistan Limited - Trustee	796	-	-	796
Payable to Securities and Exchange Commission of Pakistan	10,032	-	-	10,032
Accrued and other liabilities	1,546	-	-	1,546
	24,112	-	-	24,112
30 June 2013				
	Up to three months	More than three months and up to one year	More than one year	Total
----- (Rupees in '000) -----				
Payable to Management Company	10,980	-	-	10,980
Payable to Central Depository Company of Pakistan Limited - Trustee	771	-	-	771
Payable to Securities and Exchange Commission of Pakistan	7,770	-	-	7,770
Accrued and other liabilities	1,086	-	-	1,086
	20,607	-	-	20,607

Units of the Fund are redeemable on demand at the holder's option, however, the Fund does not anticipate significant redemption of units.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

18.4 Financial instruments by category

As at 30 June 2014, all the financial assets are carried on the Statement of Assets and Liabilities are categorised either as 'loans and receivables' or financial assets 'at fair value through profit or loss'. All the financial liabilities carried on the Statement of Assets and Liabilities are categorised as other financial liabilities i.e. liabilities other than 'at fair value through profit or loss'.

30 June 2014			
Loans and receivables	Assets at fair value through profit or loss	Assets classified as available for sale	Total
----- (Rupees in '000) -----			
Assets			
Balance with banks	1,169,508	-	1,169,508
Investments	-	5,107,342	5,507,943
Term deposit receipts	3,500,000	-	3,500,000
Prepayments, profit and other receivable	152,503	-	152,503
Preliminary expenses	246	-	246
	4,822,257	5,107,342	10,330,200
		Liabilities at fair value through profit or loss	Total
		Other financial liabilities	
		----- (Rupees in '000) -----	
Liabilities			
Payable to Management Company	-	11,738	11,738
Payable to Central Depository Company of Pakistan Limited- Trustee	-	796	796
Payable to Securities and Exchange Commission of Pakistan	-	10,032	10,032
Accrued expenses and other liabilities	-	1,546	1,546
	-	24,112	24,112

30 June 2013			
Loans and receivables	Assets at fair value through profit or loss	Assets classified as available for sale	Total
----- (Rupees in '000) -----			
Assets			
Balance with banks	2,152,639	-	2,152,639
Investments	-	9,014,484	9,014,484
Prepayments, profit and other receivable	6,502	-	6,502
Preliminary expenses	1,246	-	1,246
	2,160,387	9,014,484	11,174,871
		Liabilities at fair value through profit or loss	Total
		Other financial liabilities	
		----- (Rupees in '000) -----	
Liabilities			
Payable to Management Company	-	10,980	10,980
Payable to Central Depository Company of Pakistan Limited- Trustee	-	771	771
Payable to Securities and Exchange Commission of Pakistan	-	7,770	7,770
Accrued expenses and other liabilities	-	1,086	1,086
	-	20,607	20,607

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

18.5 Unit holders' fund risk management

The Fund's capital is represented by redeemable units. The Fund is required by the NBFC Regulations, 2008, to maintain minimum fund size to Rs. 100 million to be maintained all the time during the life of the scheme. The units issued by the Fund provides an investor with the right to require redemption for cash at a value proportionate to the unit holder's share in the Fund's net assets at the redemption date.

The Fund's objective in managing the unit holders' fund is to ensure a stable base to maximise returns to all investors and to manage liquidity risk arising from redemption. In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of investments.

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Investments on the statement of assets and liabilities are carried at fair value. The Management Company is of the view that the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Valuation techniques using significant unobservable inputs.

30 June 2014

	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----		
'At fair value through profit or loss'			
- Fixed income securities	-	5,107,342	-
- Variable income securities	-	-	-
'Available-for-sale'			
- Fixed income securities	-	400,601	-

30 June 2013

'At fair value through profit or loss'			
- Fixed income securities	-	8,613,884	-
- Variable income securities	-	400,600	-
'Available-for-sale'			
- Fixed income securities	-	-	-

20. SUPPLEMENTARY NON FINANCIAL INFORMATION

The information regarding pattern of unit holding, list of top ten brokers, meetings of the Board of Directors of the management company and members of the Investment Committee are as follows:

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

20.1 Pattern of unit holding

Details of pattern of unit holding as at 30 June:

	2014		
	Number of	Investment (Rupees in '000)	Percentage
Individuals	607	1,263,408	12.41%
Associated companies / Directors	1	1,261,431	12.39%
Insurance companies	9	492,442	4.84%
Banks / DFIs	4	1,323,645	13.00%
NBFCs	2	104,685	1.03%
Retirement funds	27	231,547	2.27%
Public limited companies	5	1,578,652	15.51%
Others	70	3,924,918	38.55%
	725	10,180,728	100.00%

	2013		
	Number of	Investment (Rupees in '000)	Percentage
Individuals	762	1,361,432	12.29%
Associated companies / Directors	8	2,667,815	24.09%
Insurance companies	8	740,191	6.68%
Banks / DFIs	4	797,395	7.20%
NBFCs	4	137,578	1.24%
Retirement funds	33	234,630	2.12%
Public limited companies	2	745,787	6.73%
Others	86	4,389,702	39.65%
	907	11,074,530	100.00%

20.2 Top ten brokers / dealers by percentage of commission paid

Details of commission paid by the fund to top ten brokers by percentage during the year are as follows:

	2014
1 Optimus Markets (Pvt) Ltd	17.73%
2 BMA Capital Management Ltd	13.54%
3 Invest & Finance Securities Ltd	13.05%
4 JS Global Capital Ltd	12.97%
5 Invest One Markets (Pvt) Ltd	12.40%
6 Invest Capital Markets Ltd	8.64%
7 C&M Management (Pvt) Ltd	4.96%
8 KASB Securities Ltd	4.35%
9 Icon Securities (Pvt) Ltd	2.54%
10 Summit Capital (Pvt) Ltd	2.26%

	2013
1 Invest & Finance Securities Limited	22.61%
2 Icon Securities (Pvt) Limited	19.22%
3 BMA Capital Management Limited	10.74%
4 C & M Management (Pvt) Limited	9.78%
5 Invest Capital Markets Limited	6.65%
6 Vector Capital (Pvt) Limited	6.31%
7 Optimus Markets (Pvt) Limited	4.95%
8 KASB Securitas Limited	4.73%
9 JS Global Capital Limited	4.71%
10 Summit Capital (Pvt) Limited	4.44%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

20.3 Attendance at meetings of the Board of Directors

The 104th, 105th, 106th, 107th, 108th, 109th, 110th and 111th Board meetings were held on 4 July 2013, 5 August 2013, 23 October 2013, 31 December 2013, 6 February 2014, 7 March 2014, 21 April 2014 and 27 June 2014 respectively.

Information in respect of attendance by Directors in the meetings is given below:

Name of Director	Number of meetings			Meeting not attended
	Held	Attended	Leave granted	
Mr. Mian Mohammad Mansha	8	1	7	104th, 105th, 106th, 107th, 108th, 109th and 111th
Mr. Nasim Beg	8	7	1	106th
Mr. Yasir Qadri (Chief Executive Officer)	8	8	-	-
Dr. Syed Salman Ali Shah	8	7	1	107th
Mr. Haroun Rashid	8	6	2	104th and 106th
Mr. Ahmed Jahangir	8	8	-	-
Mr. Samad A. Habib	8	6	2	105th and 109th
Mr. Mirza Mehmood Ahmed	8	7	1	106th
Mr. M. Saqib Saleem (COO & Company Secretary)	8	8	-	-
Mr. Umair Ahmed (Chief Financial Officer)	8	8	-	-

20.4 Particulars of investment committee and fund manager

Details of members of investment committee of the Fund are as follows:

Name	Designation	Qualification	Experience in years
Mr. Yasir Qadri	Chief executive officer	MBA	19
Mr. Kashif Rafi	Senior Vice President - Investments	MBA & CFA (level I)	13
Mr. Muhammad Asim	Vice President - Head of Equities	MBA & CFA	11
Mr. Mohsin Pervez	Vice President - Investments	MBA & CFA (level I)	13
Mrs. Uzma Khan	Assistant Vice President - Head of Research	MBA & CFA	9

20.5 Other funds managed by the fund manager

Mr. Kashif Rafi

Mr. Kashif Rafi is the Manager of the Fund as at year end. He has obtained a Masters degree in Business Administration and is a Certified Financial Analyst (Level I). Other funds being managed by him are as follows:

- MCB Dynamic Cash Fund; and
- MetroBank Pakistan Sovereign Fund

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

21. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for the purposes of comparison and better presentation as follows:

Reclassification from component	Reclassification to component	Rupees in '000
Payable to Management Company	Accrued expenses and other liabilities (Provision for Federal Excise Duty and related taxes)	<u><u>1,110</u></u>
Remuneration of Management Company	Sindh Sales tax and Federal Excise Duty on Management Fee	<u><u>18,265</u></u>

22. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors of the Management Company on
_____.

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



Chief Executive Officer



Director

**PATTERN OF HOLDING AS PER REQUIREMENT OF CODE OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED JUNE 30, 2014**

Category	No.of Unit Holders	Units
Associated Companies, undertakings and related Parties		
Adamjee Insurance Co. Ltd-Investment Department	1	12,611,502
Public Sector Companies and Corporations	66	36,742,814
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance, Insurance Companies, Modarbas and Mutual Funds.	15	19,203,443
Individuals	607	12,613,162
Trust	35	5,511,759
Unitholders holding 5 percent or more Voting interest in the listed company		
Pakistan Petroleum Limited	1	15,101,949
	725	101,784,629

**PATTERN OF UNIT HOLDING BY SIZE
FOR THE YEAR ENDED JUNE 30, 2014**

No of Unit Holders	Unit Holdings	Total Units Held
453	1-10000	1,265,681
191	10001-100000	5,233,648
61	100001-1000000	18,137,848
20	1000001-Onwards	77,147,452
<hr/> 725 <hr/>		<hr/> 101,784,629 <hr/>

PERFORMANCE TABLE

Performance Information	2014	2013	2012	2011	2010
Total Net Assets Value – Rs. in million	10,180.73	11,075.00	18,971.00	10,393.00	6,525.00
Net Assets value per unit – Rupees	100.02	101.10	100.17	100.25	101.89
Highest offer price per unit	101.74	103.59	103.13	103.17	103.34
Lowest offer price per unit	100.00	100.23	100.00	100.02	100.03
Highest Redemption price per unit	101.39	102.81	103.13	103.17	103.34
Lowest Redemption price per unit	100.00	100.19	100.00	100.02	100.03
Distribution per unit (Annual) Rs.	0.75	1.10	1.69	1.75	1.89
Distribution per unit (Interim) – Rs.	7.16	7.97	0.65	3.13	5.95
Average Annual Return - %					
One year	8.25	9.20	11.30	11.60	10.70
Two year	8.73	5.40	12.13	11.80	NA
Three year (inception date September 30, 2009)	9.57	4.00	NA	NA	NA
Net Income for the period – Rs. in million	1,059.01	845.86	1,391.36	1,062.93	552.425
Income Distribution – Rs. in million	1,056.87	864.53	1,380.56	1,036.98	552.425
Accumulated Capital Growth – Rs. in million	2.13	(18.66)	10.81	25.94	0.00
Weighted average Portfolio Duration (months)	4.17	2.60	0.73	492.75	4.75

Disclaimer

The past performance is not necessarily indicative of future performance and unit prices and investments and returns may go down, as well as up.

Please find us on



by typing: **Bachat Ka Doosra Naam**

MCB-Arif Habib Savings and Investments Limited

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