



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

SEPTEMBER
2017
(UNAUDITED)

MCB-Arif Habib Savings and Investments Limited

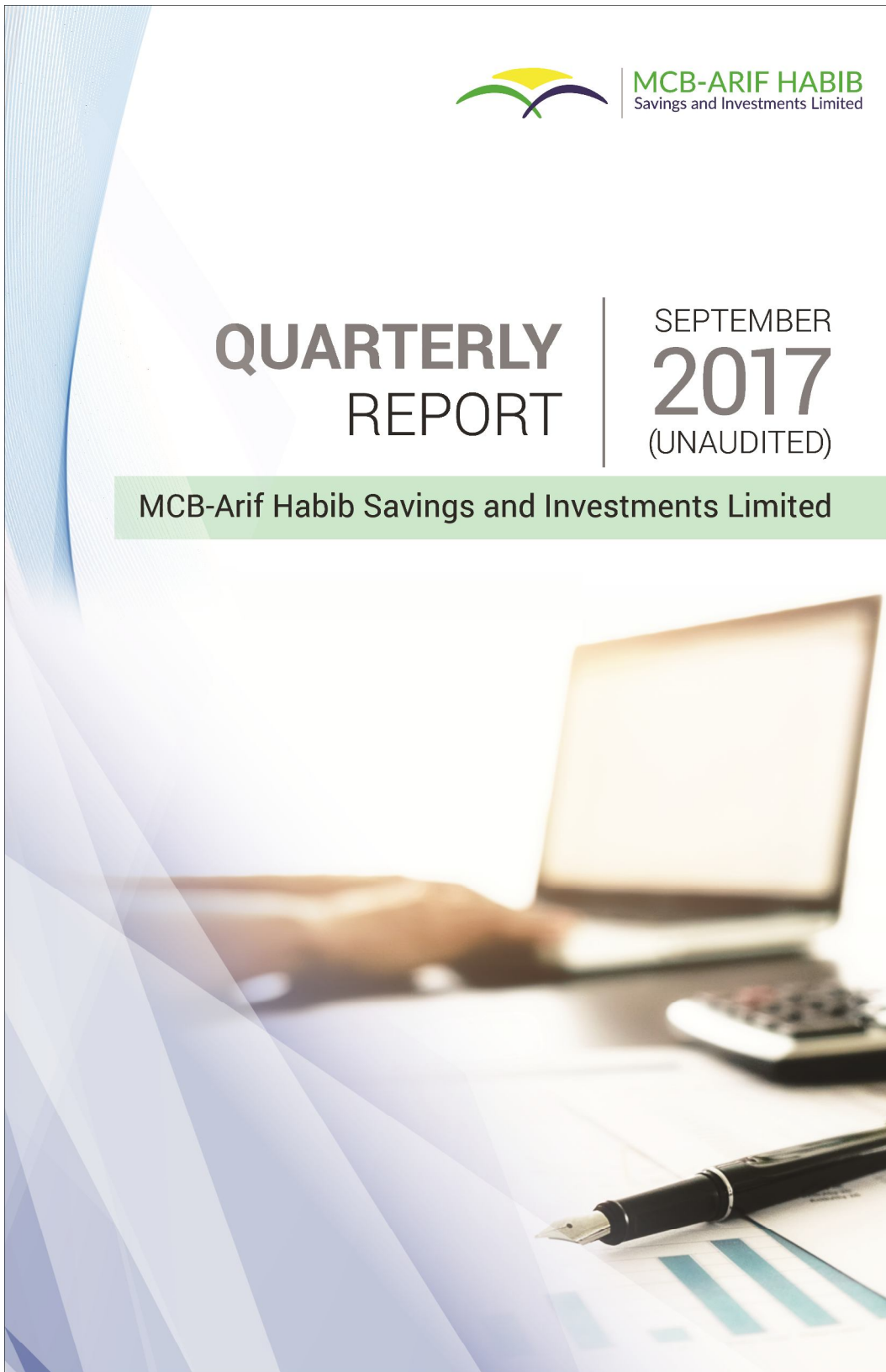


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Vision

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

To 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.

COMPANY INFORMATION

Board of Directors	Mian Muhammad Mansha Mr. Nasim Beg Mr. Muhammad Saqib Saleem Dr. Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Qamar Beg	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mirza Qamar Beg Mr. Nasim Beg	Chairman Member Member Member
Human Resource & Remuneration Committee	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Sleem	
Chief Financial Officer & Company Secretary	Mr Abdul Basit	
Share Registrar	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B' S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Summit Bank Limited Bank Al-Habib Limited MCB Islamic Bank Limited Faysal Bank Limited	
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants 1st Floor, Shaikh Suaikh Sultan Trust, Buiding No.2, Beamaount Road, Karachi - 75530	
Legal Advisor	Akhund Forbes D-21, Block-4, Scheme-5 Clifton, karachi Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Registered Office	MCB-Arif Habib Savings & Investments Limited Registered Office: 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi-74900	
Rating	Asset Manager: "AM2++"(PACRA) Entity Ratings: "AA-" Long Term (PACRA) "A1+" Short Term (PACRA)	

DIRECTORS' REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2017

The Board of Directors of MCB-Arif Habib Savings and Investments Limited (MCBAH) is pleased to present the Quarterly Report on the affairs of MCBAH for the period ended September 30, 2017.

The Company recorded a gross income of Rs. 181.44 million, which includes management/investment advisory fee and other operating income. After accounting for administrative, operating & financial expenses and income sharing of Rs. 123.09 million, the company earned a profit before tax of Rs. 58.35 million. The net profit after tax for the period amounts to Rs. 40.82 million, as compared to net profit of Rs. 35.47 million for the corresponding period ended September 30, 2016. With stability in funds under management and improved performance expectations, the company is expected to deliver better results going forward.

MARKET & ECONOMIC REVIEW

Economy and Money Market Review

The economic scorecard in first quarter of FY18 posted a mixed picture relative to several economic indicators. The LSM grew at an astounding pace of 13% YoY, boosted by growth in Steel, Auto and Food & Beverages sector. Add to this the agricultural sector growth (being reflected in cotton crop, sugar crop and wheat crop bumper numbers coming in), we are well on our way to meet the 6% target GDP growth for FY18.

CPI for the first quarter averaged at a moderate level of 3.4% YoY, supported by lower oil prices, stable food prices and a higher base effect. Going forward we expect inflation to remain under control, averaging below 4.5% for FY18, as stable commodity prices along with a contained currency to rein in inflation. As a result of the stable indicators, the monetary policy committee maintained a status quo in its first meeting held for the current fiscal year.

Indicators where our concerns are growing, include widening fiscal deficit and current account deficit (CA). On the back of rising overall imports bill, the CA deficit for 2MFY18 has doubled from USD 1.3bn in SPY to USD 2.6bn. As a result of the financing gap, the foreign exchange reserves of the country fell by USD 1.3 billion during the 1QFY18.

Fiscal account which was one source of comfort turned out to be a red herring. Fiscal deficit for FY17 was recorded at ~ PKR 1.8 tn and provinces recorded an unexpected deficit on account of election preparation spending. Keeping the current pace in view, we consider fiscal deficit targets of near 4% are not achievable and are likely to remain between 5.5% and 6%.

PIB yields during the quarter inched up by ~45 bps for 3 year, and 56 bps for 5 year bonds. Political uncertainty along with deterioration in the external account kept the market participants at bay from long tenor bonds. Furthermore, the bearish sentiment was also backed by SBP in its MPS, which highlighted its concerns on external account as trade deficit widened.

Equity Market Review

Equity market remained in the red zone throughout the quarter with political uncertainty taking the centre stage. Weak economic data on both fiscal and external side with unclear political direction pushed benchmark index down ~11.5% in 2MFY18, foreign buying drove gains in Sep'17 where KSE-100 gained 2.9% in Sep'17 to close at 42,409 pts. However, the first quarter of the new fiscal year closed itself down 8.9%, the worst quarterly return since FY09.

During the quarter, foreigners remained net sellers of USD 90 million; the buying was majorly absorbed by Banks (USD \$33.5 mn) & Insurance Companies (USD \$49.3 mn). Sep'17 saw the first net foreign inflow (US\$28 mn) since the start of fiscal year, primarily on account of inclusion of five

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Pakistani stocks (MCB, BAFL, SNGP, THAL and MTL) in the FTSE Global Indices. Average volumes during the quarter dwindled to 178 Mn shares compared to 280 Mn shares in the preceding quarter while average value traded declined to PKR 9.3 Bn from PKR 15.0 Bn from last quarter. Amongst major sectors that pulled the index down were cements (down 28% QoQ) continuing the lackluster performance on concerns over future pricing discipline on upcoming capacity expansions of ~5 Mn tons in the next 6-7 months in the Southern region. In the banking space, sentiments turned out to be sour when HBL received a notice from New York (NY) State Department of Financial Services (DFS) seeking to impose a hefty penalty of USD 629.6 mn on the bank which was later reduced to US\$225 Mn. Fertilizer sector (down 3% QoQ) recouped some of the losses in third month of the quarter on the back of surge in international urea prices by ~22% in September 2017. Autos also continued to witness correction (-19% QTD) along with dampened sentiments due to anticipated pressure on USD-PKR parity as external account continued to deteriorate. E&Ps was the only major sector that witnessed gains (up by 8% QoQ) due to increase in oil prices by ~22% QoQ peaking at US\$ 56.6/bbl.

MARKET & ECONOMY - FUTURE OUTLOOK

Challenges continue to increase on both economic and political front and require comprehensive plan and undeterred focus to consolidate the improvements seen in last few years. We project a current account deficit of USD 17 billion for the FY18 and is one of the key areas to focus. Nevertheless, our in-house projections estimate a financing gap of USD 6 billion which if not funded through borrowing may eat up the existing foreign exchange reserves.

Going forward, we expect market to remain range bound in the short run, as political uncertainty along with twin deficits continue to create concerns on the sustainability of macroeconomic strength witnessed over the past few years. We believe certain policy adjustments are necessary to maintain the direction of economic growth. Nevertheless, market valuations remain at a very attractive level, and they will sooner or later come into play. The risk premiums (difference between earnings yield and 10-year interest rates) are at historically high level, suggesting market to remain very cheap. Furthermore, KSE-100 trades at a forward P/E of 7.9x, at a steep discount of 35% from its emerging market peer group. Enduring themes that should play out over the medium-term regardless of the political situation include (i) PKR depreciation and higher interest rates (ii) CPEC and continued GoP support for the textiles sector that would encourage exports. We advice local investors to carefully watch the economic trends and build exposure on any weakness.

On the fixed income front, market is expected to remain cautious on back of a precarious external account position along with an uptick in inflation trajectory. Visibility on economic front, in particular to balance of payments, would guide further participation towards fixed income markets.

MUTUAL FUND INDUSTRY REVIEW

The Net Assets of the open end mutual fund industry increased by PKR 21.68 billion during 1QFY17 and stood at PKR 595.18 billion at the end of the period. AUMs of Income (Conventional & Islamic), Equity (Islamic) and Money Market (Conventional & Islamic) increased, while assets under management of all other funds decreased in 1QFY17.

In terms of the segment share, Equity funds continued to be the leader with a share of ~60.4%, followed by Income funds ~20.56% at 1QFY17.

MUTUAL FUND INDUSTRY OUTLOOK

Disconnect between macro environment and equity market performance would enhance attractiveness

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towards equity funds for an investor with 2 to 3 years investment horizon. Money market funds are expected to remain stable because of lower absolute returns. Opportunities for capital gains remain limited with yields on the lower end and little room for further monetary easing. With lower interest rates, investors are keen to explore avenues to enhance returns and are increasingly becoming open to professional investment advisory services.

Principal Risks and Uncertainties

Industry AUMs have been growing at a 5 year CAGR of ~10%. The increase in competition poses a threat in terms of market share if the size of pie does not increase. However, since the market is far from a maturity stage, this threat remains minimal. Nevertheless, as competition increases, there may be pressure on management fee',

As in all business sectors, political stability is important for investor confidence. Because of this, Foreign and local investors may redeem their investments from financial markets driving down prices and the returns.

Economic instability reflected in burgeoning current account deficit, declining reserves and intervention supported currency also remains a likely threat to the economic growth, which could hamper the Company's profitability.

Future Plans

Focus on retail segment has increased and asset management companies are increasing their reach beyond main cities. MCB-AH is also aggressively focusing on the retail segment, where overall penetration is miniscule. Focus on increased distribution, technology and branch network along with new products shall be the key elements of the Company's strategy. In this regard, the Company has also taken various initiatives including increased investment in the digital space under the brand of 'iSave' that greatly simplifies the transactions from account opening to account management and reporting. The Company has also increase its presence in additional cities including Peshawar and Gujrat, with more to follow going forward. Building on technological tools, part of the growth strategy in urban cities includes establishing MCBAH Kiosks in leading shopping malls which will also increase our access to potential investors. Alongside this expansionary phase the Company will be making heavy investments towards marketing particularly digitizing the investment experience of the end users. Therefore, in the short-run, the costs will escalate, which are expected to translate into longer-term benefits in the form of increased market share and profitability.

**DIRECTORS' REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

The Management believes, that increased investment in distribution and technology shall augur well, with more visible impact on the profitability building up gradually over the next couple of years.

Corporate Social Responsibility and Impact on Environment

The Company's business has no adverse impact on the environment and with the increased use of technology; the Company shall reduce the use of paper.

For and on behalf of the Board



Muhammad Saqib Saleem
Chief Executive
Karachi: October 20, 2017.



Samad A. Habib
Director

لے کر اکاؤنٹ کے انتظام اور رپورٹنگ تک کے تمام مراحل کو بے حد آسان بنادیتا ہے۔ علاوہ ازیں، کمپنی نے پشاور اور گجرات سمیت مزید شہروں تک اپنے دائرہ کار کو وسیع کیا ہے اور مستقبل میں یہ توسیع جاری رہے گی۔ شہری علاقوں کے لئے ترقی کے لائحہ عمل میں ٹیکنالوجی پر مبنی آلات کے علاوہ مقبول ترین شاہنگ مالز میں MCBAH Kiosks کا قیام شامل ہے جس کے ذریعے ہماری رسائی متوقع صارفین تک بھی ہوگی۔ اس توسیعی مرحلے کے ساتھ ساتھ کمپنی مارکیٹنگ اور خاص طور پر حتمی صارفین کے سرمایہ کاری کے تجربے کو ڈیجیٹل بنانے کے لئے خطیر سرمایہ کاری کریں گے۔ چنانچہ مختصر میعاد میں ہماری لاگت بڑھ جائے گی لیکن طویل میعاد میں مارکیٹ شیئر اور منافع کے استعداد میں اضافے کی صورت میں اس کے ثمرات متوقع ہیں۔ انتظامیہ پُر امید ہے کہ ڈسٹری بیوشن اور ٹیکنالوجی میں سرمایہ کاری میں اضافے سے اگلے کچھ برسوں میں منافع کی استعداد میں واضح طور پر مثبت اثر مرتب ہوگا اور اس میں بتدریج اضافہ ہوگا۔

کارپوریٹ سوشل ریسپانسیبلیٹی (CSR) اور ماحول پر اثر

کمپنی کے کاروبار کا ماحول پر کوئی منفی اثر نہیں پڑتا، اور ٹیکنالوجی کے استعمال میں اضافے کی بدولت کمپنی میں کاغذ کے استعمال میں کمی آئے گی۔

برائے اور مین جانب بورڈ



صدائے حبیب
ڈائریکٹر



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
20 اکتوبر 2017ء

جبکہ اثاثہ جات جو باقی تمام فنڈز کے زیر انتظام آتے ہیں 1QFY17 میں کم ہوئے۔ شعبہ جاتی شیئر کے اعتبار سے ایکویٹی اور ایکویٹی سے متعلق فنڈز 60.4% کے ساتھ بدستور قائدانہ حیثیت کے حامل تھے، جبکہ انکم فنڈز 20.56% کے ساتھ 1QFY17 میں دوسرے نمبر پر رہے۔

مییوچل فنڈ کی صنعت کا منظر

Macro environment اور ایکویٹی مارکیٹ پر فارمنس کے خدشات انکم فنڈز اور کم شرح منافع سرمایہ کار کیلئے 2 اور 3 سالہ سرمایہ کاری کے رجحانات میں اضافہ کا باعث بنے گی۔ کیپٹل گین کے مواقع ابھی بہت شرح منافع کی بنا پر محدود رہیں گے۔ انٹریسٹ کی بہت ترشحوں کے سبب سرمایہ کار منافعوں میں اضافے کے نئے مواقع تلاش کر رہے ہیں اور ان میں سرمایہ کاری کی پیشہ ورانہ مشاورتی خدمات حاصل کرنے کا رجحان تیزی سے بڑھ رہا ہے۔

اہم ترین خطرات اور غیر یقینی صورتحال

AUMs میں 10 فیصد کے 5 سالہ CAGR سے ترقی ہو رہی ہے۔ بڑھتے ہوئے مقابلے کے ماحول میں اگر مارکیٹ شیئر کی کم خدشات کا باعث ہو سکتی ہے۔ تاہم چونکہ مارکیٹ اپنے عروج کے مرحلے سے بہت دور ہے اس لئے یہ خطرہ بہت کم ہے۔ بہر حال، بڑھتے ہوئے مقابلے کے نتیجے میں میجمنٹ فیس پر دباؤ بڑھ سکتا ہے۔ تمام کاروباری شعبوں کی طرح ملک میں بڑھتی ہوئی سیاسی بے چینی ایک خطرہ بنی ہوئی ہے۔ چنانچہ امکان ہے کہ غیر ملکی اور مقامی سرمایہ کار مالیاتی مارکیٹس سے اپنی سرمایہ کاریاں نکال لے جائیں جس کے نتیجے میں قیمتوں اور منافع جات کی سطح گر سکتی ہے۔ کرنٹ اکاؤنٹ کے تیزی سے بڑھتے ہوئے خسارے، ذخائر میں کمی اور کرنسی میں معاشی عدم استحکام معاشی ترقی کی راہ میں رکاوٹ بن سکتا جو کمپنی کی منافع حاصل کرنے کی استعداد کو متاثر کر سکتی ہے۔

مستقبل کے منصوبے

ریٹیل شعبے میں زیادہ توجہ دی جا رہی ہے اور Asset میجمنٹ کمپنیاں اپنے دائرہ کار کو بڑے شہروں سے آگے لے جا رہی ہیں۔ MCB-AH بھی متحرک انداز میں ریٹیل شعبے پر توجہ مرکوز کر رہی ہے جہاں مجموعی سرائیت بے حد معمولی ہے۔ ڈسٹری بیوٹن میں اضافے، ٹیکنالوجی اور برانچ نیٹ ورکنگ پر توجہ کے ساتھ ساتھ نئی مصنوعات کمپنی کے لائحہ عمل کے کلیدی عناصر ہوں گے۔ اس ضمن میں کمپنی نے مختلف اقدامات بھی اٹھائے ہیں، مثلاً iSave کے برانڈ کے تحت ڈیجیٹل میدان میں سرمایہ کاری میں اضافہ، جو اکاؤنٹ کھولنے سے

فرٹیلایز سیکٹر (down 3% QoQ) نے سہ ماہی کے تیسرے مہینے میں اپنے کچھ نقصانات کا ازالہ کیا جب عالمی منڈی میں Sept، 17 میں یوریا کی قیمتوں میں تقریباً 22% کا اضافہ ہوا۔ آٹوز کی کارکردگی بھی کمزور رہی (19% Qtb-) کے ساتھ رجحانات مزید پست ہو گئے کیوں کہ بیرونی اکاؤنٹس کے حجم کرنے کے خدشات کی وجہ سے روپے اور ڈالر کی قدر کو برابر رکھنے کیلئے دباؤ کی امید کی جارہی تھی۔ E&P واحد ایسا سیکٹر تھا جس میں منافع (up by 8% Qod) دیکھنے کو ملا بوجہ تیل کی قیمتوں میں 22% QoQ اضافہ جس سے تیل \$56.6/bbl پر پہنچ گیا۔

مارکیٹ اور معیشت - مستقبل کا منظر

گوکہ حکومت اب تک معیشت کو مستحکم رکھنے میں خاصی کامیاب رہی ہے۔ تاہم خدشات ہیں کہ جڑواں خساروں کو سنبھالنا ایک چیلنج ثابت ہو سکتا ہے۔ ہمارے اندازوں کے مطابق کرنٹ اکاؤنٹ خسارہ FY18 میں 17 بلین ڈالر کے قریب ہوگا، جو جمع شدہ زرمبادلہ کو تیزی کے ساتھ کم کرنے کی صلاحیت رکھتا ہے۔ اگر سارے حالات کو دیکھا جائے تو معاشی افق پر واضح اور تسلسل کے ساتھ پالیسیوں پر کام کرنے کی فوری ضرورت ہے تاکہ ہم اپنی معاشی ترقی کی راہ پر گامزن رہ سکیں۔

مزید برآں، رجحان کے مطابق ابھی کچھ عرصے تک مارکیٹ غیر مستحکم رہ سکتی ہے کیونکہ سیاسی عدم استحکام بشمول جڑواں خساروں کے بنیادی مالیاتی بنیادوں پر اثر انداز ہوتا رہے گا۔ ہمارا یقین ہے کہ معاشی ترقی کی سمت کو برقرار رکھنے کیلئے کچھ پالیسی ترامیم ضروری ہیں۔ اس کے باوجود اسٹاک مارکیٹ کے اعداد و شمار پُرکشش سطح پر ہیں اور جلد یا بدیر شیرزی قیمتوں میں بہتری آسکتی ہے۔ خدشات کے پرمیئم (دس سالہ شرح منافع اور رینگ پیلڈ کی تفریق) Equity Risk Premium تاریخ کی اونچی سطح کے قریب ہونے کے باعث مارکیٹ کو بہت سستار بننے کا اشارہ دے رہے ہیں۔ اس کے ساتھ ساتھ کے ایس ای 100، 7.9x کے PE Ratio پر اپنے ایمرجنگ مارکیٹ بیئر گروپ سے پینتیس فیصد سے زائد ڈسکاؤنٹ پر تجارت کر رہا ہے۔ سیاسی صورتحال سے قطع نظر ان پائیدار عوامل کو میڈیٹ ٹرم سے وسیع ہو کر دیکھنا چاہیے (i) پاکستانی روپے کی قیمت میں کمی اور سود کی اعلیٰ شرح (ii) سی پیک، اور نیکسٹل کے شعبے کے لیے حکومت پاکستان کا تعاون جو کہ برآمدات کی حوصلہ افزائی کرے گا۔ ہم مقامی سرمایہ کاروں کو معاشی رجحانات پر خصوصی توجہ دیتے ہوئے کسی بھی گراؤٹ کو شینر جمع کرنے کا موقع سمجھ کر سرمایہ کاری کرنے کا مشورہ دے رہے ہیں۔

فلسفہ انکم مارکیٹ میں غیر معمولی بیرونی اکاؤنٹس کی محتاط پوزیشن پر رہنے کی امید ہے۔ معاشی محاذ پر صورتحال، خاص طور پر ادائیگیوں کا توازن، فلسفہ انکم مارکیٹوں کی سمت تعین کرنے میں اہم کردار ادا کرے گا۔

میوچل فنڈ کی صنعت کا جائزہ

Open end میوچل فنڈ کی صنعت کے net اثاثہ جات 1QFY17 کے دوران 21.68 بلین روپے تک بڑھے اور مدت کے اختتام پر 595.18 بلین روپے پر بند ہوئے۔ انکم کے AUMs (شرعی / کنوینشنل)، ایکویٹی (شرعی) اور منی مارکیٹ (شرعی / کنوینشنل) بڑھے

فیکل اکاؤنٹ جو کہ پرسکون طور پر چل رہا تھا خطرے میں نظر آیا۔ FY17 میں فیکل ڈیفیٹ 1.8 ٹریلین روپے پر ریکارڈ کیا گیا اور صوبائی سطح پر آنے والے الیکشن کی وجہ سے غیر متوقع خسارہ ریکارڈ کیا گیا۔ اس صورتحال کو سامنے رکھتے ہوئے ہم حکومت کا 4.1% معاشی ترقی کا ہدف پورا کرنے کی صلاحیت پر غیر یقینی کا شکار ہیں۔

PIB کا منافع اس سہ ماہی کی دوران نہایت ہی سست رفتاری سے تین سالہ بانڈز کیلئے 45 bps اور پانچ سالہ بانڈز کیلئے 56bps بڑھا۔ سیاسی عدم استحکام اور بیرونی اکاؤنٹ کی نازک صورتحال نے مارکیٹ کے شرائط کو طویل المیعاد بانڈز سے دور رکھا۔ مزید برآں SBP کے MPS میں روپے نے Bearish Sentiment کو سہارا دیا جس نے اپنے تحفظات کا اظہار بیرونی اکاؤنٹ پر کیا کیونکہ مالیاتی خسارہ وسعت اختیار کر گیا تھا۔

ایکویٹی مارکیٹ کا مجموعی جائزہ:

سیاسی عدم استحکام اور بیرونی اکاؤنٹ کے بڑھتے ہوئے خسارہ نے ایکویٹی مارکیٹ میں منفی رجحان پیدا کیا۔ سہ ماہی کے پہلے دو ماہ میں بیج مارک اینڈیکس 11.5% کم ہوا۔

17 Sep، میں بیرونی سرمایہ کاری سے KSE-100 2.9% اضافے کے ساتھ ستمبر 2017 میں 42,909 پوائنٹس پر بند ہوا۔ اس سب کے ساتھ نئے مالیاتی سال کی پہلی سہ ماہی 8.9% پر بند ہوئی، جو کہ FY09 کے بعد اب تک کی کسی سہ ماہی میں بہت ترین کارکردگی تھی۔ سہ ماہی کے دوران غیر ملکی 90 ملین ڈالر کے کلی خریدار رہے۔ زیادہ تر خریداری بینکوں (33.5 ملین ڈالر) اور انشورنس کمپنیوں نے جذب کی (49.3 ملین ڈالر)۔

مالی سال کی ابتداء سے 17 ستمبر میں پہلی مرتبہ 28 ملین کا حجم دیکھا گیا، بنیادی طور پر ایسا FTSE Global Indices میں پاکستانی اسٹاک (MCB, BAFL, SNGP, THAL, MTL) کی شمولیت کی وجہ سے ممکن ہوا۔ سہ ماہی کے دوران اوسط حجم 178 ملین شیئرز تک گرا، مقابل گزشتہ سہ ماہی جس میں حجم 280 ملین شیئرز تھا۔ اوسط تجارتی حجم گزشتہ سہ ماہی کے مقابلے میں 15.0 بلین سے 9.3 بلین تک زوال پذیر ہوا۔

بنیادی طور پر جو ایکٹرز انڈیکس کو زوال پزیر کرنے کا سبب بنے ان میں سیمنٹ (down 28% QoQ) کی کارکردگی مسلسل پست رہی بوجہ سیمنٹ کی قیمتوں میں مستقل کمی اور آنے والے توسیعی پروگرام جن میں اگلی اگلے 6-7 ماہ میں جنوبی خطے کی پیداوار کو پانچ ملین ٹن تک وسیع کرنے کا انتظام کرنا شامل رہا۔ بینکنگ کے شعبے میں رجحانات اس وقت ناخوش گوار ہو گئے جب HBL کو N.Y (New York) کے شعبے مالیاتی خدمات (DFS) کی طرف سے نوٹس موصول ہوا جس میں 629.6 ملین ڈالر کا جرمانہ بینک پر عائد کیا گیا تھا جو بعد میں کم کر کے 225 ملین ڈالر کر دیا گیا۔

ایم سی بی - عارف حبیب سیوننگز اینڈ انویسٹمنٹس لمیٹڈ (MCBAH) کے بورڈ آف ڈائریکٹرز کی طرف سے سہ ماہی رپورٹ برائے مدت اختتام پذیر 30 ستمبر 2017ء پیش خدمت ہے۔

کمپنی کی مجموعی آمدنی 181.44 ملین روپے ہے جس میں منجسٹ / انویسٹمنٹ ایڈوائزری فیس اور دیگر آپریٹنگ آمدنی شامل ہے۔ ایڈمنسٹریٹو، آپریٹنگ اور فنانشل اخراجات اور 123.09 ملین روپے آمدنی کی شراکت داری کو منہا کرنے کے بعد کمپنی کا منافع قبل از ٹیکس 58.35 ملین روپے ہے۔ مذکورہ مدت میں خالص منافع بعد از ٹیکس 40.82 ملین روپے ہے، جبکہ مدت اختتام پذیر 30 ستمبر 2016ء کا خالص منافع 35.47 ملین روپے تھا۔ زیر انتظام مالیات میں استحکام اور بہتر کارکردگی کی توقعات کے ساتھ کمپنی بہتر نتائج حاصل کرنے کے لئے پُر امید ہے۔

مارکیٹ اور معیشت کا جائزہ

معیشت اور بازار زر کا مجموعی جائزہ

مالی سال 2018ء کی پہلی سہ ماہی میں معاشی اشاریوں میں ملا جلا رجحان پایا گیا اور اکا نامک سکور کارڈ میں صورتحال مختلف معاشی علامات کی بنیاد پر ملی جلی رہی۔ LSM نے توقعات سے زیادہ یعنی YoY 13% کے ساتھ فروغ پایا جس میں بنیادی کردار اسٹیل، آٹو اور غذائی اشیاء و مشروبات کی کارکردگی نے ادا کیا۔ علاوہ ازیں زرعی سیکٹر کی ترقی کے مطابق (جو کہ کپاس، چینی اور گیہوں کی فصلوں کے آنے والے اعداد و شمار سے ظاہر ہے) ہم پورے 2018ء کیلئے اپنا ہدف GDP 6% گروتھ حاصل کرنے کی راہ پر گامزن ہیں۔

پہلی سہ ماہی میں CPI اوسطاً YoY 3.4% پر رہا جسے تیل کی قیمت میں کمی اور غذائی اشیاء کی مستحکم قیمتوں سے سہارا ملا۔ ہمیں امید ہے کہ آگے افراط زر مقررہ حد میں رہے گا جس کا اوسط مالی سال 2018ء میں 4.5% سے کم رہنے کا امکان ہے کیونکہ کموڈٹی کی مستحکم قیمتوں کیساتھ روپے کی مضبوط قدر افراط زر کو قابو میں رکھے گی۔ لہذا ان سب انڈیکسز کے نتیجے میں مالیاتی پالیسی کمیٹی نے رواں مالی سال کیلئے ہونے والی اپنی پہلی میٹنگ میں شرح سود کو برقرار رکھا۔

انڈیکسز جنہوں نے انتہائی گھٹنی بجائی شروع کردی ان میں شامل ہیں وسیع ہوتے ہوئے فیکل اور کرنٹ خسارہ جات شامل ہیں (CA)۔ بنیادی طور پر بڑھتے ہوئے امپورٹ بل کی وجہ سے اس سال کے پہلے دو ماہ میں ہی ڈیفیسیٹ 1.3 بلین ڈالر سے دو گنا ہو کر 2.6 بلین ڈالر ہو گیا۔ اس مالیاتی خلا کے نتیجے میں 1QFY18 کے دوران ملک کے غیر ملکی زرمبادلہ کے ذخائر میں 1.3 بلین ڈالر کی کمی ہوئی۔

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2017

		Un-audited September 30, 2017	Audited June 30, 2017
	Note		
		----- (Rupees) -----	
ASSETS			
Non-current assets			
Fixed assets	4	381,643,483	375,063,339
Long-term investments	5	507,090,491	547,193,018
Long-term loans and prepayments		27,280,956	26,918,837
Long-term deposits		4,632,206	4,290,038
		920,647,136	953,465,232
Current assets			
Receivable from related parties		528,874,553	484,368,200
Loans and advances		23,754,501	7,480,791
Deposits, prepayments and other receivables		67,938,668	62,662,594
Accrued mark-up		80,091	72,809
Short-term investments	6	584,947,193	669,301,170
Taxation - net		71,486,375	73,896,711
Cash and bank balances		14,745,567	18,692,497
		1,291,826,947	1,316,474,772
Total assets		2,212,474,083	2,269,940,004
EQUITY AND LIABILITIES			
Authorised share capital			
72,000,000 (2017: 72,000,000) ordinary shares of Rs 10 each		720,000,000	720,000,000
Issued, subscribed and paid-up share capital			
Reserves		720,000,000	720,000,000
		851,357,652	859,537,437
Total equity		1,571,357,652	1,579,537,437
LIABILITIES			
Non-current liabilities			
Deferred taxation		50,339,484	49,012,986
Current liabilities			
Trade and other payables		590,776,947	641,389,581
Total liabilities		641,116,431	690,402,567
Total equity and liabilities		2,212,474,083	2,269,940,004

CONTINGENCIES AND COMMITMENTS

11

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

		Quarter ended	
	Note	September 30, 2017	September 30, 2016
-----Rupees-----			
Revenue			
Management fee / Investment advisory fee	8	168,894,426	154,724,154
Processing and other related income		1,998,591	1,174,090
Profit on bank deposits		244,863	376,574
Income from Government Securities		-	3,373,950
Capital (loss) / gain on sale of investments - net		(15,797,466)	5,016,622
Unrealised appreciation on re-measurement of investments classified as ' financial assets at fair value through profit or loss' - net		4,370,219	6,052,074
Other income		6,172	99,833
Total income		159,716,805	170,817,297
Expenses			
Administrative and operating expenses	9	(97,552,831)	(69,566,767)
Selling and distribution expenses	10	(24,256,296)	(51,261,061)
Financial charges		(92,119)	(27,968)
Worker's welfare fund		(1,191,000)	(935,000)
Total expenses		(123,092,246)	(121,790,796)
Reversal on provision of selling and distribution expenses		21,725,155	-
Profit for the quarter before taxation		58,349,714	49,026,502
Taxation			
- Current		(15,673,796)	(11,718,032)
- Deferred		(1,849,294)	(1,839,832)
		(17,523,090)	(13,557,864)
Profit for the quarter after taxation		40,826,624	35,468,638
Earning per share - basic and diluted		0.57	0.49

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Quarter ended	
	September 30, 2017	September 30, 2016
	-----Rupees-----	
Profit for the quarter after taxation	40,826,624	35,468,638
Other Comprehensive income for the quarter		
Unrealised (diminution)/appreciation on re-measurement of 'available-for-sale'		
financial assets - related parties (net of deferred tax) 5.1 & 6.2	(49,006,409)	37,649,821
Unrealised diminution on re-measurement of 'available-for-sale'		
financial assets - Government Securities	-	(1,005,593)
	(49,006,409)	36,644,228
Total comprehensive (loss) / profit for the quarter	(8,179,785)	72,112,865

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Quarter ended	
	September 30, 2017	September 30, 2016
	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period before taxation	58,349,714	49,026,502
Adjustments for non cash and other items:		
Depreciation	4,492,196	2,439,147
Amortisation	1,642,538	1,141,653
Capital (loss) / gain on sale of investments - net	15,797,466	(5,016,622)
Loss / (Gain) on fixed assets	182,179	(44,986)
Unrealised appreciation on re-measurement of investments classified as ' financial assets at fair value through profit or loss' - net	(4,370,219)	(6,052,074)
	17,744,160	(7,532,882)
	76,093,874	41,493,620
WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets		
Receivable from related parties	(44,506,353)	(3,518,227)
Deposits, prepayments and other receivables	(5,625,523)	517,807
Loan and advances	(16,273,710)	(17,249,271)
	(66,405,587)	(20,249,692)
(Decrease) / increase in current liabilities		
Trade and other payables	(50,612,634)	10,773,841
NET CASH USED IN WORKING CAPITAL CHANGES	(117,018,221)	(9,475,850)
CASH GENERATED FROM OPERATIONS	(40,924,347)	32,017,769
Income tax paid	(13,786,256)	(19,431,097)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	(54,710,602)	12,586,672
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(10,624,063)	(3,107,108)
Additions in capital work in progress	(2,316,954)	(5,385,296)
Proceeds from sale of property and equipments	43,960	45,000
Investment made - net	64,022,848	(36,680,534)
Long term loans and receivables	(362,119)	208,756
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES	50,763,672	(44,919,182)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(3,946,930)	(32,332,510)
Cash and cash equivalents at the beginning of the period	18,692,497	41,867,164
Cash and cash equivalents at the end of the period	14,745,567	9,534,654

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



Chief Executive Officer



Chief Financial Officer



Director

MCB Arif Habib Savings and Investments Limited

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

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** MCB-Arif Habib Savings and Investments Limited ("the Company") was incorporated in the name of Arif Habib Investment Management Limited (AHIML) on August 30, 2000 as an unquoted public limited company under the requirements of the Companies Ordinance, 1984. During 2008, AHIML was listed on the Karachi Stock Exchange Limited (now integrated into the Pakistan Stock Exchange Limited) by way of offer for sale of shares by a few of its existing shareholders to the general public. In the same financial year, the name of AHIML was changed from "Arif Habib Investment Management Limited" to "Arif Habib Investments Limited" (AHIL). On January 19, 2011, a transfer agreement was signed between Arif Habib Corporation Limited (AHCL) [the then parent of AHIL] and MCB Bank Limited (MCB Bank) [the then parent of MCB Asset Management Company Limited (MCB AMC)] for the transfer of the entire business of MCB AMC to AHIL to achieve synergies in business and to access a wider distribution network. The scheme of amalgamation ("the Scheme") was approved by the shareholders of AHIL and MCB AMC in their respective extraordinary general meetings held on May 21, 2011. The Scheme was also approved by the Securities and Exchange Commission of Pakistan (SECP) with the effective date of amalgamation being June 27, 2011 (the effective date). In accordance with the terms contained in the Scheme, the Company became a subsidiary of MCB Bank Limited from the end of the year ended June 30, 2011 which owns 51.33% ordinary shares in the Company till date. Pursuant to the merger of MCB AMC with and into AHIL, the name of AHIL has been changed to MCB-Arif Habib Savings and Investments Limited effective from May 23, 2013.
- 1.2** The Company is registered as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 and as an Asset Management Company and an Investment Advisor under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.
- 1.3** The registered office of the Company is situated at 24th Floor, Centrepont, Off Shaheed-e- Millat Expressway, near K.P.T. Interchange, Karachi, Pakistan.
- 1.4** The Company has been assigned an Asset Manager rating of AM2++ by the Pakistan Credit Rating Agency Limited (PACRA). The rating was determined by PACRA on June 23, 2017. Currently, the Company is managing the following funds under management:

		Net assets value as at	
		September 30,	June 30,
		2017	2017
		(Unaudited)	(Audited)
Note		----- Rupees in million -----	
Open-end Collective Investment Schemes (CISs)			
	MCB Cash Management Optimizer	12,080	10,094
	MCB DCF Income Fund	6,112	6,189
	MCB Pakistan Asset Allocation Fund	3,192	3,439
	MCB Pakistan Frequent Payout Fund	743	900
	MCB Pakistan Sovereign Fund	1,181	1,351
	MCB Pakistan Stock Market Fund	9,790	11,629
	Pakistan Capital Market Fund	619	675
	Pakistan Cash Management Fund	1,026	628
	Pakistan Income Enhancement Fund	1,575	1,688
	Pakistan Income Fund	1,550	1,722
	Alhamra Islamic Asset Allocation Fund	1,967	1,485
	Alhamra Islamic Stock Fund	2,938	2,915
	Alhamra Islamic Income Fund	2,684	1,981
	Alhamra Islamic Active Asset Allocation Fund Plan - I	1,460	1,584
	Alhamra Islamic Active Asset Allocation Fund Plan - II	814	88
Pension Funds			
	Pakistan Pension Fund	1,393	1,451
1.5	Alhamra Islamic Pension Fund	682	729
Discretionary and non-discretionary portfolios		27,242	25,061

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

The Company is also managing investments under discretionary portfolio management agreements, the details of which are given below:

	Net assets value as at	
	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
	----- Rupees in million -----	
Number of clients	75	70
Total portfolio at cost (Rs in millions)	29,559	24,924
Total portfolio at market value (Rs in millions)	26,527	24,878
	September 30, 2017	September 30, 2016
Fee earned (Rs in millions)	2	7

1.5 During the period the name of fund has been changed from Pakistan Islamic Pension Fund to Alhamra Islamic Pension Fund

1.6 In accordance with the requirements of Rule 9, of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the Company has obtained sufficient insurance coverage from Jubilee General Insurance Company Limited against any loss that may be incurred as a result of employees' fraud or gross negligence. The insurance Company has been assigned a credit rating of AA+ by the Pakistan Credit Rating Agency Limited (PACRA).

2 BASIS OF PRESENTATION

2.1 Statement of compliance

- This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.
- "The Companies Act, 2017 was enacted on 30th May 2017 and is applicable with immediate effect. However, owing to the practical difficulty being faced by the companies in the preparation of the Financial Statements Circular No. 17/ 2017 dated October 06, 2017 issued by Institute of Chartered Accountants of Pakistan to be read with circular no. 23 of 2017 dated October 04, 2017 issued by Securities and Exchange Commission of Pakistan (SECP) have notified that the companies whose interim period ends on or before 31 December 2017, shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. "
- The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Company for the year ended June 30, 2017.
- This condensed interim financial information is unaudited. The Board of Directors of the Company declares that this condensed interim financial information gives a true and fair view of the state of the Company's affairs.
- As more fully explained in note 3.4.1 the SECP has directed that the requirements of IFRS 10 'Consolidated Financial Statements' are not applicable in case of investments by companies in mutual funds established under Trust structure.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

2.2 Accounting Convention

This condensed interim financial information has been prepared under the historical cost convention except that investments have been marked to market and are carried at their respective fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupee which is the Company's functional and presentation currency.

3 "SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, ASSUMPTIONS AND CHANGES THEREIN"

3.1 The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published audited financial statements of the Company for the year ended June 30, 2017.

3.2 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended June 30, 2017

3.3 The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Company for the year ended June 30, 2017.

3.4 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

3.4.1 IFRS 10 'Consolidated Financial Statements' - effective for annual periods beginning on or after January 1, 2015. This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance on control. However, the SECP vide S.R.O. 56 (I) / 2016 has directed that the requirements of IFRS 10 are not applicable in case of investments made by companies in mutual funds established under Trust structure. Accordingly the requirements of this standard are not applicable on investments made by the Company in mutual funds managed by it.

	Note	(Unaudited) September 30, 2017	(Audited) June 30, 2017
4 FIXED ASSETS		----- Rupees -----	
Property and equipment	4.1	89,811,623	87,070,895
Intangible assets	4.2	287,783,181	286,260,719
Capital work in progress	4.4	4,048,679	1,731,725
		<u>381,643,483</u>	<u>375,063,339</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

4.1 Property and equipment

Following is a statement of property and equipment:

-----Unaudited-----						
Particulars	Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Total
-----Rupees-----						
As at July 1, 2017						
Cost / revaluation	28,094,752	22,523,576	15,025,031	57,748,037	7,662,267	131,053,663
Accumulated depreciation	(18,535,777)	(9,633,950)	(2,716,360)	(5,434,414)	(7,662,267)	(43,982,768)
Net book value	9,558,975	12,889,626	12,308,671	52,313,623	-	87,070,895
Quarter ended September 30, 2017						
Opening net book value	9,558,975	12,889,626	12,308,671	52,313,623	-	87,070,895
Additions during the period	2,151,200	1,545,255	176,155	3,586,453	-	7,459,063
Disposals						
Cost	-	(57,836)	(188,317)	-	-	(246,153)
Accumulated depreciation	-	20,014	-	-	-	20,014
	-	(37,822)	(188,317)	-	-	(226,139)
Depreciation for the period	(1,201,631)	(1,450,827)	(347,123)	(1,492,615)	-	(4,492,196)
Closing net book value	10,508,544	12,946,232	11,949,386	54,407,461	-	89,811,623
As at September 30, 2017						
Cost	30,245,952	24,010,995	15,012,869	61,334,490	7,662,267	138,266,573
Accumulated depreciation	(19,737,408)	(11,064,763)	(3,063,483)	(6,927,029)	(7,662,267)	(48,454,950)
Net book value	10,508,544	12,946,232	11,949,386	54,407,461	-	89,811,623
Depreciation rates (% per annum)	25%	20%-50%	10%	10%	25%	
-----Audited-----						
Particulars	Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Total
-----Rupees-----						
As at July 1, 2016						
Cost / revaluation	31,702,035	12,704,062	9,776,101	30,259,863	7,662,267	92,104,328
Accumulated depreciation	(25,188,074)	(7,454,615)	(1,743,281)	(1,058,431)	(7,662,267)	(43,106,668)
Net book value	6,513,961	5,249,447	8,032,820	29,201,432	-	48,997,660
Year ended June 30, 2017						
Opening net book value	6,513,961	5,249,447	8,032,820	29,201,432	-	48,997,660
Additions during the year	6,693,098	11,433,860	5,362,759	27,488,174	-	50,977,891
Disposals / transfers						
Cost	(9,786,325)	(1,477,051)	(113,829)	-	-	(11,377,205)
Accumulated depreciation	9,702,862	1,350,384	113,822	-	-	11,167,068
	(83,463)	(126,667)	(7)	-	-	(210,137)
Write-offs						
Cost	(514,056)	(137,295)	-	-	-	(651,351)
Accumulated depreciation	514,055	137,294	-	-	-	651,349
	(1)	(1)	-	-	-	(2)
Depreciation for the year	(3,564,620)	(3,667,013)	(1,086,901)	(4,375,983)	-	(12,694,517)
Closing net book value	9,558,975	12,889,626	12,308,671	52,313,623	-	87,070,895
As at June 30, 2017						
Cost	28,094,752	22,523,576	15,025,031	57,748,037	7,662,267	131,053,663
Accumulated depreciation	(18,535,777)	(9,633,950)	(2,716,360)	(5,434,414)	(7,662,267)	(43,982,768)
Net book value	9,558,975	12,889,626	12,308,671	52,313,623	-	87,070,895
Depreciation rates (% per annum)	25%	20%-50%	10%	10%-20%	25%	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

4.2 Intangible assets

Following is a statement of intangible assets:

Particulars	Computer software	Goodwill	Management rights	Total
Rupees				
As at July 1, 2017				
Cost	40,020,325	82,126,933	192,000,000	314,147,258
Accumulated amortisation	(27,886,539)	-	-	(27,886,539)
Net book value	12,133,786	82,126,933	192,000,000	286,260,719
Quarter ended September 30, 2017				
Opening net book value	12,133,786	82,126,933	192,000,000	286,260,719
Additions during the period	3,165,000	-	-	3,165,000
Disposals / transfers				
Cost	-	-	-	-
Accumulated amortisation	-	-	-	-
Amortisation for the period	(1,642,538)	-	-	(1,642,538)
Closing net book value	13,656,248	82,126,933	192,000,000	287,783,181
As at September 30, 2017				
Cost	43,185,325	82,126,933	192,000,000	317,312,258
Accumulated amortisation	(29,529,077)	-	-	(29,529,077)
Net book value	13,656,248	82,126,933	192,000,000	287,783,181
Amortisation rates (% per annum)	25%			
Rupees				
As at July 1, 2016				
Cost	32,027,019	82,126,933	192,000,000	306,153,952
Accumulated amortisation	(23,291,245)	-	-	(23,291,245)
Net book value	8,735,774	82,126,933	192,000,000	282,862,707
Year ended June 30, 2017				
Opening net book value	8,735,774	82,126,933	192,000,000	282,851,799
Additions during the year	7,993,306	-	-	7,993,306
Disposals / transfers				
Cost	-	-	-	-
Accumulated amortisation	-	-	-	-
Amortisation for the year	(4,595,294)	-	-	(4,595,294)
Closing net book value	12,133,786	82,126,933	192,000,000	286,260,719
As at June 30, 2017				
Cost	40,020,325	82,126,933	192,000,000	314,147,258
Accumulated amortisation	(27,886,539)	-	-	(27,886,539)
Net book value	12,133,786	82,126,933	192,000,000	286,260,719
Amortisation rates (% per annum)	25%			

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

4.3 Depreciation and amortisation is allocated as follows:

	Note	(Unaudited) September 30, 2017		(Unaudited) September 30, 2016	
		Depreciation	Amortisation	Depreciation	Amortisation
		----- Rupees -----			
Charged to profit and loss		4,193,623	1,533,410	2,383,479	705,668
Charged to Collective investment Schemes under management	9.1	298,446	109,128	55,668	435,985
		<u>4,492,069</u>	<u>1,642,538</u>	<u>2,439,147</u>	<u>11,41,653</u>

4.4 It includes certain capital expenditure being incurred on newly rented premises and IT related developments.

			Un-audited September 30, 2017	Audited JUNE 30, 2017
5	LONG TERM INVESTMENTS	Note	----- (Rupees) -----	----- (Rupees) -----
	In Collective Investment Schemes - related parties			
	Available-for-sale investments	5.1	507,090,491	547,193,018

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

5.1 Available-for-sale investments		As at September 30, 2017				As at June 30, 2017		
Name of the Investee Fund	Note	As at July 01, 2017	Purchases/ (Redemptions)	As at September 30, 2017	Units	Cost	Market value	Unrealised appreciation on re-measurement of investments (Rupees)
Open end mutual funds								
Pakistani Pension Fund	5.1.1	805,305	-	805,305		102,112,651	247,366,582	145,253,931
								263,737,823
Alhamra Islamic Pension Fund	5.1.1	876,129	-	876,129		108,787,629	259,723,909	150,936,280
								283,455,195
						210,900,280	507,090,491	296,190,211
								547,193,018
								336,292,738

5.1.1 Net unrealized (diminution)/appreciation on re-measurement of investments classified as available for sale'

	Un-audited September 30, 2017	Audited June 30, 2017
	(Rupees)	(Rupees)
Market value of investments	507,090,491	547,193,018
Less: Cost of investments	(210,900,280)	(210,900,280)
	296,190,211	336,292,738
Less: Net unrealised appreciation in fair value of investments at the beginning of the period/year	(336,292,738)	(212,547,010)
Less: amount realised on redemption	-	-
	(40,102,527)	123,745,728

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

6 SHORT-TERM INVESTMENTS

At fair value through profit or loss
Available-for-sale investments

Note	September 30, 2017	June 30, 2017
	Rupees	Rupees
6.1	415,781,306	384,081,782
6.2	169,165,887	285,219,388
	<u>584,947,193</u>	<u>669,301,170</u>

6.1 At fair value through profit or loss

Name of the Investee Fund	As at July 01, 2017	Purchases during the period	Redemptions during the period	As at September 30, 2017	As at September 30, 2017			As at June 30, 2017			Unrealised appreciation/(diminution) on re-measurement of investments
					Carrying value	Market value	Unrealised appreciation/(diminution) on re-measurement of investments	Carrying value	Market value		
Rupees											
MCD Cash Management Optimizer	3,821,037	1,481,359	1,219,260	4,083,086	411,411,087	415,781,306	4,370,219	383,488,757	394,081,782	553,025	
					411,411,087	415,781,306	4,370,219	383,488,757	394,081,782	553,025	

September 30, 2017
Rupees

June 30, 2017

6.2 Available-for-sale investments

Units of Mutual Funds

Name of the Investee Fund	As at July 01, 2017	Purchases during the period	Redemptions during the period	As at September 30, 2017	As at September 30, 2017			As at June 30, 2017		
					Carrying value	Market value	Unrealised appreciation/(diminution) on re-measurement of investments	Carrying value	Market value	Unrealised appreciation/(diminution) on re-measurement of investments
					Rupees					
					Number of units					
MCP Pakistan Stock Market Fund	2,782,581	-	976,209	1,806,372	197,301,869	169,165,887	(28,135,982)	303,928,693	285,219,388	(18,709,305)
					197,301,869	169,165,887	(28,135,982)	303,928,693	285,219,388	(18,709,305)

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

7 RUNNING FINANCE

During the year ended June 30, 2015, the Company had obtained a short-term finance facility under mark up arrangement with MCB Bank Limited (a related party) amounting to Rs 500 million. The facility carried mark-up at one month KIBOR+0.5% (2016: KIBOR+0.5%) per annum. The facility was secured against pledge of government securities and will be expired on May 31, 2018.

8 MANAGEMENT FEE / INVESTMENT ADVISORY FEE

		Note	QUARTER ENDED	
			SEPTEMBER 30, 2017	SEPTEMBER 30, 2016
-----Rupees-----				
From Collective Investment Schemes - related parties	8.1	188,276,934	166,579,406	
From Discretionary Portfolio		2,573,767	8,258,888	
		190,850,701	174,838,294	
Less : Indirect taxes and duties on management fee		(21,956,275)	(20,114,140)	
		168,894,426	154,724,154	

8.1 From Collective Investment Schemes - related parties

MCB Cash Management Optimizer	19,613,872	9,023,786
MCB Pakistan Asset Allocation Fund	19,237,600	14,561,548
MCB DCF Income Fund	26,506,207	28,419,508
Alhamra Islamic Income Fund	3,704,724	1,641,000
MCB Pakistan Sovereign Fund	2,254,966	18,514,370
Pakistan Capital Market Fund	3,649,022	3,550,850
Pakistan Cash Management Fund	2,132,822	2,472,063
Pakistan Income Enhancement Fund	5,185,771	11,164,443
Pakistan Income Fund	7,054,300	4,537,350
Alhamra Islamic Asset Allocation Fund	9,465,602	5,229,215
Alhamra Islamic Pension Fund	3,020,218	2,286,317
Pakistan Pension Fund	6,041,575	4,968,746
MCB Pakistan Stock Market Fund	61,205,530	48,804,625
Alhamra Islamic Stock Fund	16,718,245	6,859,151
Pakistan Sarmaya Mahfooz Fund	-	1,900,016
MCB Pakistan Frequent Payout Fund	2,169,056	2,646,418
Alhamra Islamic Active Asset Allocation Fund Plan - I	252,347	-
Alhamra Islamic Active Asset Allocation Fund Plan - II	65,077	-
	188,276,934	166,579,406

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

9 ADMINISTRATIVE AND OPERATING EXPENSES

	QUARTER ENDED	
	SEPTEMBER 30, 2017	SEPTEMBER 30, 2016
	-----Rupees-----	
Salaries, allowances and other benefits	60,722,747	42,437,172
Legal and professional charges	1,963,054	3,089,204
Traveling and conveyance charges	930,752	991,460
Rent, utilities, repairs and maintenance	20,257,050	13,050,734
Office supplies	196,973	125,982
Auditors' remuneration	600,000	700,000
Directors' meeting fee	1,200,000	1,100,000
Insurance	387,044	371,990
Depreciation	4,193,623	2,383,479
Amortisation	1,533,410	705,668
Printing and stationery	814,148	806,861
Telephone expenses	1,612,116	1,285,921
Entertainment expenses	865,012	343,944
Books, periodicals, subscription and training	2,143,994	2,091,937
Registrar fee	132,909	82,414
	97,552,831	69,566,767

9.1 The SECP vide S.R.O No. 1160 (1) / 2015 dated November 25, 2015 introduced amendments in the NBFC Regulations. As a result of these amendments, the management company may charge fees and expenses related to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CISs) upto a maximum of 0.1% of average annual net assets of the scheme. Accordingly, effective from November 27, 2015, expenses amounting to Rs 11.89 million (2016: 10.757) have been charged by the Company to the respective CISs under its management.

10 The SECP vide Circular 40/2016 dated December 30, 2016, prescribed certain conditions on Asset Management Companies (AMC) for charging of selling and marketing expenses to open end equity, for opening of new branches in cities, except Karachi, Lahore, Islamabad and Rawalpindi. Minimum shall be 0.4% per annum of net assets of fund or actual expenses whichever is lower.

11 CONTINGENCIES AND COMMITMENTS

11.1.1 The Punjab Revenue Authority issued a show cause notice no. PRA/AM.70/14/18 dated June 20, 2014 to MCB- ArifHabib Savings and Investments Limited requiring the Company to pay Sales Tax under the Punjab Sales Tax on Services Act, 2012 with effect from May 22, 2013 on management fee earned in Punjab. The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies together with their respective Collective Investment Schemes through their trustees, through a petition on July 8, 2014 in the Sindh High Court (SHC) challenging the above notice. The SHC has ordered suspension of the show cause notice till the next hearing of appeal in its Order dated July 10, 2014. The management is expecting no outflow of economic resources as the payment relating to sales tax is already made to Sindh Revenue Board and in case the decision is made against the Company the same is required to be settled between the two authorities.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
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11.1.2 On January 30, 2017, the Additional Commissioner Inland Revenue [ACIR] passed an order under section 122(5A) of the Income Tax Ordinance, 2001 amending the assessment for tax year 2011 after making certain additions / disallowances in the profit and loss account and created a demand of Rs. 25.567 million. The disallowances mainly pertained to apportionment of expenses, management / processing fee and related income sharing, amortisation of management rights / goodwill created on merger of the MCB Asset Management Company into the Company etc. The Company has filed an appeal before the Commissioner Inland Revenue – Appeals [CIR-A] against the impugned order and notice of demand issued thereagainst.

11.1.3 The case of the Company was selected for audit by the Commissioner Inland Revenue, Zone III, Large Taxpayers Unit, Karachi for tax year 2014 vide letter dated November 9, 2016. The audit proceedings were conducted by the Deputy Commissioner Inland Revenue [DCIR] and a Show-Cause Notice [SCN] dated February 10, 2017 was issued. Based on a recent judgment of a superior court, the SCN was challenged on legal grounds. However, the DCIR did not agree with the legal objections raised and passed an order dated March 24, 2017 under section 122(1) of the Income Tax Ordinance, 2001 after making certain additions / disallowances in the profit and loss account and created a demand of Rs. 93.398 million. The disallowances mainly pertained to apportionment of expenses, management / processing fee and related income sharing, amortisation of management rights / goodwill created on merger of the MCB Asset Management Company into the Company etc. An appeal before the Commissioner Inland Revenue - Appeals [CIR-A] was filed by the Company which, subsequent to the quarter end, has been adjudged in favor of the Company in respect of major disallowances made in the Order of the DCIR. The management of the Company is in the process of filing a further appeal before the next appellate forum in respect of disallowances confirmed by the CIR-A.

11.1.4 On March 29, 2017, the Additional Commissioner Inland Revenue [ACIR] passed an order under section 122(5A) of the Income Tax Ordinance, 2001 amending the assessment for tax year 2012 Rs. 82.841 million. The disallowances mainly pertained to apportionment of expenses, management / merger of the MCB Asset Management Company into the Company, disallowance of brought forward losses. The Company has filed an appeal before the Commissioner Inland Revenue - Appeals [CIR-A] against the impugned order and notice of demand issued there against.

11.1.5 On April 29, 2017, a notice under section 122(9) of the Income Tax Ordinance, 2001 was passed by the Additional Commissioner Inland Revenue [ACIR] to conduct the amendment of assessment proceedings for tax year 2011 of the pre-merger entity MCB Asset Management Company Limited [MCB AMC]. An order under section 122(5A) of the Income Tax Ordinance, 2001, to conclude the said proceedings was received by the Company subsequent to the year end, on July 3, 2017. A demand of Rs. 4.85 million has been raised by the ACIR by making disallowances mainly pertaining to apportionment of expenses, management / processing fee and related income sharing and disallowance of brought forward losses. The Company has filed an appeal before the Commissioner Inland Revenue - Appeals [CIR-A] against the impugned order and notice of demand issued there against.

11.1.6 The Additional Commissioner Inland Revenue (ACIR) issued a notice to the Company under section 122(5A) of the Income Tax Ordinance, 2001 vide letter No.Addl.CIR/AR-A/Z-III/LTU/2014-15 dated 14 November 2014 relating to Tax year 2013. The ACIR was of the view that the deemed assessment order for the tax year 2013 was erroneous and was prejudicial to the interest of revenue necessitating amendment of assessment. The ACIR passed an order under section 122(5A) of the Income Tax Ordinance, 2001 dated 28 August 2015 after making certain additions/disallowances in the profit and loss account and created a demand of Rs.39.38 million. These additions/disallowances sharing, workers welfare fund, etc. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) against the above order and has also filed a constitution petition for a stay of demand. An amount of Rs.13.50 million has been paid under the protest to the taxation authorities.

However, no provision has been made in these financial statements against the above order as the additions/disallowances made by ACIR at the appellate forums and these additions are not maintainable.

11.1.7 On February 29, 2016, the Deputy Commissioner Inland Revenue (DCIR) passed an order under section 122(1) of the Income Tax Ordinance, 2001 relating to the tax year 2010 of MCB AMC making certain additions / disallowances in the return filed by the Company. The assessing officer to Rs. 1.947 million. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the said order. Subsequently, the Company again received a notice of demand amounting to Rs 0.980 million on 4 May 2016 from the Additional Commissioner Inland Revenue (ACIR) against which it filed an appeal before the CIR(A) which is pending adjudication.

As at September 30, 2017, no provision has been made in these financial statements in respect of these orders as the management is confident that the Company has good grounds to contest the amendments made by the tax authorities.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
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11.1.8 On June 5, 2017, the Company received an order passed by the Assistant Commissioner - Sindh Revenue Board [AC-SRB] wherein a demand of Rs. 16.95 million has been raised on (alleged) short levy / improper treatment of input tax in the sales tax returns for the tax periods from July 2011 to June 2015. An appeal against the aforesaid order has been filed before the concerned Commissioner Appeals - Sindh Revenue Board.

No provision has been made in these financial statements against the above disallowances made by the assessing officers vide above orders as the management and the tax advisors of the Company are confident that good grounds exist to contest the additions / disallowances before the appellate forums. Further, the Company has also obtained a restraining order from the Sindh High Court to prohibit the tax authorities from taking any coercive action against the said orders and notice of demand.

11.2 During the year 2017, Labour Inspector filed a complaint before Sindh Labour Court No. 5, alleging contravention of Section 24(1) of the Sindh Shops and Commercial Establishment Act, 2015. The aforesaid complaint was disposed off on 17 July 2017 by the Labour Court imposing a penalty of Rs. 2,000 to the Company. The Company is considering to appeal against the order of the Labour Court.

No provision has been made in these financial statements against the above penalty imposed by the Labour Court vide above order as the management of the Company is confident that the matter will be decided in its favor at the appellate forum.

12 TRANSACTIONS WITH RELATED PARTIES

MCB Bank Limited (MCB) holds 51.33% ordinary shares of the Company as at the year end. Therefore, all subsidiaries and associated undertakings of MCB are related parties of the Company. Other related parties comprise of collective investment schemes managed by the Company, directors, key management personnel and their close family members and the defined contribution plan. Transactions with related parties are in the normal course of business and carried out at contracted rates and terms. Details of such transaction are as follows:

	Quarter ended	
	September 30,	September 30,
	2017	2016
	-----Rupees-----	
12.1 Transactions with related parties during the period		
MCB BANK LIMITED		
Commission and other expenses	13,678,392	12,674,457
Profit in bank deposits	159,237	186,839
Bank charges	85,961	39,721
Reimbursement of expenses	-	2,500,000
Branch sharing expenses	1,025,178	931,980
MCB ISLAMIC BANK LIMITED		
Profit on bank deposits	4,255	-
Bank charges	3,241	-
ADAMJEE LIFE ASSURANCE COMPANY LIMITED		
Investment advisory income	3,713,438	6,081,460
Amount paid against insurance	206,668	57,022
ADAMJEE INSURANCE COMPANY LIMITED		
Amount paid against insurance	102,000	126,172

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Quarter ended	
	September 30, 2017	September 30, 2016
	-----Rupees-----	
MCB FINANCIAL SERVICES LIMITED		
Trustee fee	-	600,000
NISHAT REAL ESTATE DEVELOPMENT COMPANY PVT. LIMITED		
Rent expense	810,470	-
ARIF HABIB LIMITED		
Sharing of expenses	137,308	-
MCB DCF INCOME FUND		
Remuneration income	26,506,207	28,419,508
Share of sale load	-	67,497
Reimbursement of expenses	1,563,788	1,676,667
MCB PAKISTAN ASSET ALLOCATION FUND		
Remuneration income	19,237,600	14,561,548
Share of sale load	-	69,787
Back end load	1,989,393	-
Reimbursement of expenses	851,221	644,316
Selling and marketing	3,404,641	
MCB CASH MANAGEMENT OPTIMIZER		
Remuneration income	19,613,872	9,023,786
Reimbursement of expenses	2,740,511	1,330,050
Investment in units	150,000,000	492,137,553
Redemption of units	123,500,000	212,090,525
ALHAMRA ISLAMIC INCOME FUND		
Remuneration income	3,704,724	1,641,000
Share of sale load	-	8,786
Reimbursement of expenses	571,844	253,786
Sharia advisor fee	225,000	225,000

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Quarter ended	
	September 30, 2017	September 30, 2016
	-----Rupees-----	
MCB PAKISTAN STOCK MARKET FUND		
Remuneration income	61,205,529	48,804,625
Share of sale load	-	498,120
Reimbursement of expenses	2,708,209	2,159,497
Amount received against conversion cost	-	544,939
Selling and marketing	10,832,837	
Redemption of units	90,000,000	25,000,000
PAKISTAN INCOME FUND		
Remuneration income	7,054,299	4,537,350
Share of sale load	-	9,839
Reimbursement of expenses	416,183	267,690
MCB PAKISTAN SOVERIGN FUND		
Remuneration income	2,254,967	18,514,372
Share of sale load	-	44,577
Reimbursement of expenses	317,526	2,294,497
Investment in units	-	124,986,422
Redemption of units	-	339,000,000
PAKISTAN CAPITAL MARKET FUND		
Remuneration income	3,649,022	3,550,850
Share of sale load	-	26,246
Reimbursement of expenses	161,461	157,117
ALHAMRA ISLAMIC STOCK FUND		
Remuneration income	16,718,245	6,859,151
Amount received against conversion cost	-	562,733
Share of sale load	935,960	52,899
Reimbursement of expenses	739,745	303,531
Selling and marketing	2,958,982	
Sharia advisor fee	225,000	225,000
PAKISTAN PENSION FUND		
Remuneration income	6,041,575	4,968,746
Share of sale load	212,052	170,954
Contribution made to Pension fund on behalf of employees	1,052,127	750,239
ALHAMRA ISLAMIC ASSET ALLOCATION FUND		
Remuneration income	9,465,602	5,229,215
Share of sale load	-	129,056
Back-end load	9,198	519
Reimbursement of expenses	418,832	237,093
Selling and marketing	1,675,328	-
Sharia advisor fee	225,000	225,000
ALHAMRA ISLAMIC PENSION FUND		
Remuneration income	3,020,219	2,286,317
Share of sale load	211,080	47,131
Contribution made to Pension fund on behalf of employees	2,755,937	1,590,842

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Quarter ended	
	September 30, 2017	September 30, 2016
	-----Rupees-----	
PAKISTAN CASH MANAGEMENT FUND		
Remuneration income	2,132,822	2,472,063
Reimbursement of expenses	307,490	366,259
PAKISTAN INCOME ENHANCEMENT FUND		
Remuneration income	5,185,771	11,164,443
Share of sale load	-	31,225
Reimbursement of expenses	415,182	658,670
MCB PAKISTAN FREQUENT PAYOUT FUND		
Remuneration income	2,169,057	2,646,418
Share of sale load	-	17,454
Reimbursement of expenses	200,764	239,661
Selling and marketing	803,054	-
AL-HAMRA ISLAMIC ACTIVE ASSET ALLOCATION FUND PLAN-I		
Management fee	252,347	-
Reimbursement of expenses	383,219	-
AL-HAMRA ISLAMIC ACTIVE ASSET ALLOCATION FUND PLAN-II		
Management fee	65,077	-
Reimbursement of expenses	94,204	-
KEY MANAGEMENT PERSONNEL	12,052,423	13,741,174

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Unaudited September 30, 2017	Audited June 30, 2017
	-----Rupees-----	
12.2 Amounts outstanding as at year end		
MCB BANK LIMITED		
Bank balance	10,441,811	11,206,085
Commission payable	32,380,705	48,574,718
Mark-up receivable	63,612	34,212
NISHAT REAL ESTATE DEVELOPMENT COMPANY PVT. LIMITED		
Rent deposit	784,326	784,326
MCB ISLAMIC BANK LIMITED		
Bank balance	706,394	2,745,552
Mark-up receivable	1,842	24,198
ADAMJEE LIFE ASSURANCE COMPANY LIMITED		
Advisory fee receivable	10,019,074	8,731,065
MCB FINANCIAL SERVICES LIMITED		
Payable against trustee fee	-	226,000
ARIF HABIB LIMITED		
Sharing of expenses	-	441,856
MCB DCF INCOME FUND		
Remuneration receivable	107,649,364	106,720,514
Sales load receivable	27,950,490	28,018,233
Receivable against reimbursement of expenses	1,034,859	524,823
MCB PAKISTAN ASSET ALLOCATION FUND		
Remuneration receivable	25,004,545	24,836,759
Sales load receivable	16,231,749	16,230,551
Back-end load	6,939	6,939
Receivable against reimbursement of expenses	548,226	257,038
Receivable against selling & marketing expenses	6,204,444	2,799,803
MCB CASH MANAGEMENT OPTIMIZER		
Remuneration receivable	61,228,590	59,215,590
Closing balance of investment in units	415,781,360	384,081,729
Receivable against reimbursement of expenses	1,880,572	664,025

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Unaudited September 30, 2017	Audited June 30, 2017
	-----Rupees-----	
ALHAMRA ISLAMIC INCOME FUND		
Remuneration receivable	9,988,570	9,525,302
Sales load receivable	3,099,681	3,053,115
Receivable against reimbursement of expenses	376,000	111,885
Receivable against shariah fee	300,000	75,000
MCB PAKISTAN STOCK MARKET FUND		
Remuneration receivable	73,353,438	76,724,748
Sales load receivable	4,768,500	5,572,296
Other receivable	8,597	6,052
Conversion cost receivable	-	-
Closing balance of investment in units	169,165,727	285,219,441
Receivable against reimbursement of expenses	1,763,260	971,257
Receivable against selling & marketing expenses	24,169,137	13,336,300
PAKISTAN INCOME FUND		
Remuneration receivable	11,383,361	11,542,973
Sales load receivable	256,492	245,297
Receivable against reimbursement of expenses	267,611	134,570
MCB PAKISTAN SOVEREIGN FUND		
Remuneration receivable	29,732,743	30,248,261
Sales load receivable	4,169,840	4,169,840
Closing balance of investment in units	-	-
Receivable against reimbursement of expenses	206,782	173,767
PAKISTAN CAPITAL MARKET FUND		
Remuneration receivable	7,027,183	7,149,396
Sales load receivable	405,535	608,197
Receivable against reimbursement of expenses	105,910	56,505
ALHAMRA ISLAMIC STOCK FUND		
Remuneration receivable	11,211,709	10,763,732
Sales load receivable	188,000	439,701
Conversion cost receivable		
Receivable against reimbursement of expenses	503,716	224,540
Receivable against selling & marketing expenses	5,920,237	2,961,255
Receivable against shariah fee	300,000	75,000
PAKISTAN PENSION FUND		
Remuneration receivable	7,911,391	7,991,039
Sales load receivable	589,340	940,963
Closing balance of investment in units	247,366,588	263,737,823
ALHAMRA ISLAMIC ASSET ALLOCATION FUND		
Remuneration receivable	9,367,703	8,710,001
Sales load receivable	1,599,409	1,986,320
Back end load receivable	74,158	7,231
Receivable against reimbursement of expenses	290,852	123,832
Receivable against selling & marketing expenses	3,267,929	1,592,601
Receivable against shariah fee	300,000	75,000

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Unaudited September 30, 2017	Audited June 30, 2017
	-----Rupees-----	
ALHAMRA ISLAMIC PENSION FUND		
Remuneration receivable	3,985,500	4,048,307
Sales load receivable	108,034	619,674
Closing balance of investment in units	259,723,868	283,455,195
PAKISTAN SARMAYA MAHFOOZ FUND (Matured)		
Remuneration receivable	2,335,803	2,335,803
Sales load receivable	2,307,278	2,307,278
Receivable against reimbursement of expenses	34,320	34,320
PAKISTAN CASH MANAGEMENT FUND		
Remuneration receivable	12,571,040	12,744,520
Receivable against reimbursement of expenses	199,978	121,768
Other receivable	222,399	222,399
Other payable	181,000	181,000
PAKISTAN INCOME ENHANCEMENT FUND		
Remuneration receivable	18,175,900	18,453,728
Sales load receivable	4,766,112	4,757,245
Other receivable		7,660
Receivable against reimbursement of expenses	577,348	162,167
MCB PAKISTAN FREQUENT PAYOUT FUND		
Remuneration receivable	1,547,426	1,671,792
Sales load receivable	3,624,619	3,624,619
Formation cost		-
Other receivable		-
Receivable against reimbursement of expenses	128,976	74,789
Receivable against selling & marketing expenses	1,848,635	1,045,581
AL-HAMRA ISLAMIC ACTIVE ASSET ALLOCATION FUND PLAN-I		
Management fee	77,519	591,876
Formation Cost	5,000,000	5,000,000
Other receivable	30,000	30,000
Receivable against reimbursement of expenses	250,152	133,648
AL-HAMRA ISLAMIC ACTIVE ASSET ALLOCATION FUND PLAN-II		
Management fee	35,597	33,536
Sales load receivable	240,448	6,886
Other receivable	30,000	30,000
Receivable against reimbursement of expenses	97,583	3,379

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Unaudited September 30, 2017	Audited June 30, 2017
	-----Rupees-----	
KEY MANAGEMENT PERSONNEL	2,024,798	2,145,140

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 20, 2017 by the Board of Directors of the Company.

14 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison or better presentation. No significant reclassification was made in this condensed interim financial information during the current period.

15 GENERAL

Amounts have been rounded off to the nearest Rupee unless otherwise stated.



Chief Executive Officer



Chief Financial Officer



Director

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