

# **MCB PAKISTAN ASSET ALLOCATION FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
<b>Board of Directors</b>	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
<b>Audit Committee</b>	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mirza Qamar Beg Mr. Nasim Beg	Chairman Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Company Secretary</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Chief Financial Officer</b>	Mr. Abdul Basit	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> 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	
<b>Bankers</b>	MCB Bank Limited Bank Al-Falah Limited Faysal Bank Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited NRSP Micro Finance Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited Khushali Micro Finance Bank Limited Telenor Micro Finance Bank Limited Finca Micro Finance Bank Limited JS Bank Limited Zarai Traqiati Bank Limited Habib Bank Limited First Mirco Finance Bank Limited National Bank of Pakistan Silk Bank Limited	
<b>Auditors</b>	<b>A.F. Ferguson &amp; Co.</b> Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
<b>Rating</b>	<b>AM2++</b> Asset Manager Rating assigned by PACRA	

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

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Dear Investor,

On behalf of the Board of Directors, we are pleased to present **MCB Pakistan Asset Allocation Fund** accounts review for the nine months ended March 31, 2018.

## MARKET & ECONOMIC REVIEW

### Economy and Money Market Review

The economic scorecard showed a mixed picture with the real side depicting strong growth momentum while external side demanding policy measures.

The policy makers allowed the PKR/USD parity to adjust towards ~115 to support the deteriorating reserves position by arresting the worsening external account. The government at the end of March announced a tax amnesty scheme for undeclared foreign and domestic assets with tax rates ranging from 2%-5%.

The real growth remained strong depicted by Large Scale Manufacturing registering a growth of 6.24% YoY in first eight months of FY18 supported by strong growth in Petroleum Products, Steel and Food & Beverage sectors. The better preliminary crop numbers of cotton, wheat and sugar along with strong LSM growth is expected to keep the growth target of 6% in reach.

The fiscal deficit for the first half of this financial year was recorded at ~2.2% of GDP, despite high tax collection. Tax Authorities managed to collect PKR 2.0 trillion during the period, showing a growth of 17.6% compared to same period last year.

CPI for the nine months of FY18 remained modest averaging 3.78% YoY supported by stable food prices, controlled house rent and higher base effect. However, rising oil prices and depreciating currency indicate upward pressure going forward.

On the external side, trade deficit widened to alarming levels. The current account deficit (CAD) for the nine months clocked in at ~USD 10.8 billion (up 50% YoY). Trade deficit for the first nine months of the financial year reached USD 19.7 billion up ~22% YoY. Import registered an increase of ~17% during the half year, propelled by petroleum imports and an expansionary fiscal and monetary policies. On the flip side, the impact of textile package introduced by the government in order to boost exports, started to gain some momentum as textile exports grew by ~8% during the nine months of the financial year, though insufficient to bridge the gap created by rising imports. Resultantly, the foreign exchange reserves declined by USD ~3.6 billion, despite USD 2.5 billion bond issuance in international bond markets. PKR also depreciated by ~10% against USD indicating a much need attempt from government to address widening external account.

Money markets took clue from the rising inflation expectations, after the recent rupee depreciation, as against all tenors, 3-months Treasury Bills remained the most preferred play. Meanwhile, longer tenor PIBs remained out of favor with very low participation from financial institutions and banks in auctions.

### Equity Market Review

The benchmark index posted a cumulative 9MFY18 return of -2.16% as compared to 27.45% SPLY. However, much anticipated currency depreciation event rejuvenated subdued investor interest in the market. Also, developments on the macro front along with relative calm on the political front (Senate elections held on Mar3'18) drove market performance during the quarter. This was evident in 3QFY18's gain of ~12.5% in the benchmark index.

Macro vulnerabilities continued to impact the market as burgeoning current account deficit and higher debt servicing continued to exert pressure on SBP's foreign exchange reserves. Furthermore, announcement of a status quo in Monetary Policy on Mar 30'18 was quite contrary to market expectations. Other eminent events till date include 1) SC's decision declaring Nawaz Sharif ineligible to continue as party head while dismissing all political actions taken by him since Jul 28'17 (Panama case verdict) and 2) inclusion of Pakistan in FATF's watch-list.

While 9MFY18 numbers show USD 124 mn foreign selling, this trend was reversed in the last quarter where massive foreign buying of ~USD 31.2 mn was witnessed. In 9MFY18, foreign selling was mainly absorbed by insurance companies (USD 104 mn). Average volumes and value traded were 175 mn shares and PKR 8.3 bn respectively. Positive contribution to the index was led by E&Ps (+26%) and Refineries (+15%). E&Ps rallied on the back of increase in oil prices by ~37%. Negative contributors to the index were Cement(-23%), Autos(-16%) and Oil Marketing Companies(-13%). Cement sector's lackluster performance was because of concerns over future pricing discipline on upcoming capacity expansions of ~4.5 mn tons in the next 7-8 months in the Southern region. However, the sector rebounded in the latest quarter on the back of price increase of ~Rs 50/bag in a phased manner throughout the month of March as well as

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

improved dispatches number. Auto performed poorly on anticipation of currency depreciation and strengthening of Yen. OMC sector underperformed due to disappointing results (inventory losses), ban on import of furnace oil and weak demand outlook.

It is important to highlight that in 3QFY18, Commercial Banks, Chemicals and Fertilizers outperformed the market gaining (14.1%, 14.9% and 11.3% respectively). Banks' rally can be attributed to currency depreciation and ensuing rate rise expectations. Chemicals gained due to strong international chemical margins. Interest in fertilizer sector remained high due to strong international fertilizer prices, comfortable inventory situation and outstanding sales numbers.

### FUND PERFORMANCE

The fund posted a negative return of 4.11% during the period compared to the benchmark return of 6.38%. The fund enhanced its exposure towards equities from 24% to 47.8% with changing equity market scenario. The fund has remained focused on maintaining a balance between defensive high yielding and growth stocks.

On the fixed income side, the exposure towards T-bills and Terms deposits with banks were decreased to 0%.

The Net Assets of the Fund as at March 31, 2018 stood at Rs. 3,420 million as compared to Rs.3,439 million as at June 30, 2017 registering a slight decrease of 0.55%.

The Net Asset Value (NAV) per unit as at March 31, 2018 was Rs. 84.3589 as compared to opening NAV of Rs. 81.0263 per unit as at June 30, 2017 registering an increase of Rs.3.3326 per unit.

### MARKET & ECONOMY - FUTURE OUTLOOK

The recent rupee depreciation of ~10% is expected to reflect in the external account numbers going forward. Exports are expected to continue growth trajectory with textile package also providing support. Unnecessary imports are expected to slow down reflecting the higher imported cost. Given our outlook of trade deficit and weak performance on remittances, we expect current account deficit to approach ~USD 16 billion for the FY18 which in our estimates indicate an additional financing need of near USD 5 billion. Next year could fare better, provided oil stays close to current levels, given machinery imports would slow down and impact of recent rupee devaluation would be more visible in proceeding year's numbers.

The recent tax amnesty scheme announced could be successful as it is followed by some complimentary steps to curb the undeclared money. Additionally, regulations over the world would allow information sharing of residents from September, 2017 and undeclared assets would be difficult to hide. The tax amnesty scheme could bring in much needed foreign inflow of around ~USD 4 bn.

KSE-100 trades at a forward P/E of 10.28x, at a steep discount of 19.5% from its emerging market peer group. Enduring themes that should play out over the medium-term include PKR depreciation and higher interest rates, CPEC and continued GoP support for the export-oriented sector that would encourage exports. The upcoming budget with expectations of removal of tax on bonus shares and rationalization of capital gains tax could propel positive sentiments. The success of the amnesty scheme would also be a positive omen as foreign inflows would allow to control external vulnerabilities and stock market would become a potential investment avenue after whitening of money.

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

### ACKNOWLEDGMENT

The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



Muhammad Saqib Saleem  
Chief Executive Officer  
April 19, 2018



Nasim Beg  
Vice Chairman / Director

### بازار اور معیشت - مستقبل کی صورتحال

روپے کی قدر میں حالیہ 10% کمی کی عکاسی متوقع طور پر خارجی اکاؤنٹ کے بلند ہوتے ہوئے اعداد و شمار میں ہوگی۔ برآمدات کی ترقی کا سفر جاری رہنے کی امید ہے، اور ٹیکسٹائل پنچ بھی پشت پناہی فراہم کرے گا۔ درآمداتی لاگت میں اضافے کے باعث غیر ضروری درآمدات میں کمی متوقع ہے۔ تجارتی خسارے اور ترسیلات زر کی کمزور کارکردگی کے پیش نظر کرنٹ اکاؤنٹ کا خسارہ متوقع طور پر 16 بلین ڈالر تک پہنچ جائے گا، جس کے نتیجے میں ہمارے تخمینے کے مطابق تقریباً 5 بلین ڈالر کی اضافی سرمایہ کاری کی ضرورت ہوگی۔ اگلا برس کافی بہتر ہو سکتا ہے، بشرطیکہ تیل موجودہ سطحوں کے قریب برقرار رہے، مشینری کی موجودہ درآمدات میں کمی ہو، اور روپے کی قدر میں حالیہ کمی کی عکاسی اگلے سال کے اعداد و شمار میں واضح تر ہو۔

حالیہ اعلان کردہ ٹیکس معاف اسکیم کامیاب ہو سکتی ہے کیونکہ اس کے ساتھ ساتھ غیر اعلانیہ رقم پر قابو پانے کے لیے کچھ مفید اقدامات کیے گئے ہیں۔ اس کے علاوہ عالمی سطح کے اصول و ضوابط کے نتیجے میں ستمبر 2017ء سے رہائشیوں کی معلومات ظاہر کرنے کی اجازت ہوگی اور غیر اعلانیہ اثاثہ جات کو پوشیدہ رکھنا مشکل ہو جائے گا۔ ٹیکس معاف اسکیم تقریباً 4 بلین ڈالر کی مطلوب آمد کو بھی یقینی بنا سکتی ہے۔

KSE-100 کی تجارت 10.82x کی فارورڈ P/E پر ہوئی جو اس کے ابھرتے ہوئے مارکیٹ peer گروپ کے مقابلے میں 19.5% کی بھرپور رعایت ہے۔ مستحکم پیش رفت، جن کا اثر درمیانی مدت تک رہے گا، میں روپے کی قدر میں کمی اور انٹریسٹ کی اونچی شرحیں، اور CPEC اور برآمدات پر منحصر شعبے کے لئے حکومت پاکستان کی مسلسل پشت پناہی (جن کی بدولت برآمدات کی حوصلہ افزائی ہوگی) شامل ہیں۔

آئندہ بجٹ، جس میں بونس حصص پر ٹیکس ختم ہونے اور کیپٹل منافعوں کی rationalization کی متوقع ہے، خوش آئند ثابت ہو سکتا ہے۔ ٹیکس معاف اسکیم کی کامیابی بھی مثبت علامت ہوگی کیونکہ غیر ملکی آمدات سے خارجی خطرات پر قابو پایا جاسکے گا اور اسٹاک مارکیٹ کا لے دھن کی صفائی کے بعد سرمایہ کاری کا اچھا موقع فراہم کرے گی۔ مقررہ آمدنی کی جہت میں توقع ہے کہ مارکیٹ خارجی اکاؤنٹ کی خطرناک صورتحال اور افراط زر کی سطح میں اضافے کی بنیاد پر محتاط رہے گی۔ معاشی رُخ، خاص طور پر ادائیگیوں کے توازن کی واضح تصویر سے مقررہ آمدنی کی مارکیٹس میں مزید شرکت کی طرف راہنمائی ہوگی۔

### اعلیٰ تھنکر

بورڈ فنڈ کے گراں قدر سرمایہ کاروں، سیکورٹیز اینڈ اینڈ ایچجی کمیشن آف پاکستان اور فنڈ کے ٹرسٹیوں کی مسلسل معاونت اور پشت پناہی کے لئے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز مینجمنٹ ٹیم کی کوششوں کو بھی خراج تحسین پیش کرتے ہیں۔



نسیم بیگ  
وائس چیئرمین / ڈائریکٹر



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
19 اپریل 2018ء

کاروں کی محدود دلچسپی میں اضافہ کر دیا۔ علاوہ ازیں، وسیع زرخ میں متعدد پیش رفت اور سیاسی زرخ میں نسبتاً کم ہلچل (سیٹیٹ انتخابات منعقدہ 3 مارچ 2018ء) کا دوران سہ ماہی بازاری کی کارکردگی پر اثر ہوا، جو مالی سال 2018ء کی تیسری سہ ماہی میں بیخ مارک انڈیکس میں 12.5% منافع سے ظاہر ہے۔

کلاں معاشیات کے خطرات کا مارکیٹ پر اثر جاری رہا، اور کرنٹ اکاؤنٹ کے تیزی سے بڑھتے ہوئے خسارے اور پہلے سے زیادہ debt سروسنگ نے اسٹیٹ بینک آف پاکستان کے غیر ملکی زرمبادلہ کے ذخائر پر دباؤ جاری رکھا۔ علاوہ ازیں، 30 مارچ 2018ء کو مانیٹری پالیسی میں سابقہ معیار جاری رکھنے کا اعلان مارکیٹ کی توقعات کے برخلاف تھا۔ تاحال دیگر اہم واقعات میں (۱) سپریم کورٹ کا نواز شریف کو پارٹی سربراہی جاری رکھنے سے نااہل قرار دینے اور 28 جولائی 2017ء سے ان کے تمام سیاسی اقدامات کو بے اثر قرار دینے کا فیصلہ (پانامہ کیس کا فیصلہ)، اور (۲) پاکستان کی FATF کی واج لسٹ میں شمولیت شامل ہیں۔

اگرچہ مالی سال 2018ء کے نوماہ کے اعداد و شمار کے مطابق 124 ملین امریکی ڈالر کی غیر ملکی فروخت ہوئی، لیکن آخری سہ ماہی میں اس رجحان میں تبدیلی آگئی اور 31.2 ملین ڈالر کی خطر خریداری دیکھی گئی۔ مالی سال 2018ء کے نوماہ میں غیر ملکی فروخت کا اثر زیادہ تر انشورنس کمپنیوں نے قبول کیا (104 ملین امریکی ڈالر)۔ اوسطاً 8.3 بلین روپے مالیت کے 175 ملین حصص کی تجارت ہوئی۔

انڈیکس میں سب سے زیادہ مثبت کردار E&Ps (+26%) اور ریٹائرمنٹ (+15%) نے ادا کیا۔ E&Ps نے تیل کی قیمتوں میں اضافے کی بدولت 37% ترقی کی۔ انڈیکس پر منفی اثرات سیمنٹ کے شعبے (-23%)، گاڑیوں کے شعبے (-16%) اور آئل مارکیٹنگ کمپنیوں (-13%) نے مرتب کئے۔ سیمنٹ کے شعبے کی غیر معیاری کارکردگی کی وجہ سے 7-8 ماہ میں جنوبی خطے میں استعداد میں 4.5 ملین ٹن وسعت کی قیمتوں کے تعین کے نظام میں خدشات ہیں۔ تاہم مارچ کے پورے مہینے کے دوران 50 روپے فی تھیلی قیمت میں بتدریج اضافے اور ترسیلات کی تعداد میں اضافے کے باعث موجودہ سہ ماہی میں اس شعبے نے دوبارہ ترقی کی۔ گاڑیوں کے شعبے نے روپے کی قدر میں کمی اور جاپانی ین میں استحکام کی توقع میں غیر معیاری مارکردگی کا مظاہرہ کیا۔ OMC کے شعبے نے مایوس کن نتائج (انویٹری کے نقصانات)، فرنس آئل کی درآمد پر پابندی اور مانگ میں کمی کے رجحان کے باعث مطلوبہ سے کم کارکردگی کا مظاہرہ کیا۔

یہ بات قابل ذکر ہے کہ مالی سال 2018ء کی تیسری سہ ماہی میں کمرشل بینک، کیمیکلز اور کھاد کے شعبے بالترتیب 14.1%، 14.9% اور 11.3% ترقی کر کے مارکیٹ میں صف اول میں رہے۔ بینکوں کی ترقی کا سبب روپے کی قدر میں کمی اور اس کے نتیجے میں شرح میں اضافے کی توقعات کو قرار دیا جاسکتا ہے۔ کیمیکلز کے شعبے نے مستحکم بین الاقوامی منافع کی بدولت ترقی کی۔ کھاد کے شعبے میں دلچسپی میں اضافے کے اسباب کھاد کی بین الاقوامی قیمتوں میں استحکام، انویٹری کی اطمینان بخش صورتحال اور شاندار فروخت ہیں۔

#### فنڈ کی کارکردگی

دوران مدت فنڈ نے 4.11% منفی منافع پوسٹ کیا، جبکہ اس کا بیخ مارک منافع 6.38% تھا۔ فنڈ نے ایکویٹیز میں اپنی شمولیت کو ایکویٹی مارکیٹ کی بدلتی ہوئی صورتحال کے پیش نظر 24% سے بڑھا کر 47.8% کر لیا۔ فنڈ نے مدافعانہ بلند پیداوار اور ترقیاتی اسٹاکس کے مابین توازن برقرار رکھنے کی طرف توجہ مرکوز رکھی۔ مقررہ آمدنی کی جہت میں بینکوں کے ساتھ ٹی بلز اور ٹرم ڈپازٹس میں شمولیت کو کم کر کے 0% کر دیا گیا۔

31 مارچ 2018ء کو فنڈ کے net اثاثہ جات 3,420 ملین روپے تھے، جو 30 جون 2017ء کو 3,439 ملین روپے کے مقابلے میں 0.55% کمی ہے۔ 31 مارچ 2018ء کو Net اثاثہ جاتی قدر (NAV) 84.3589 روپے تھی، جو 30 جون 2017ء کو ابتدائی NAV 81.0263 روپے فی یونٹ کے مقابلے میں 3.3326 روپے فی یونٹ اضافہ ہے۔



عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان Asset Allocation فنڈ کے 31 مارچ 2018ء کو ختم ہونے والے نوماہ کے اکاؤنٹس کا جائزہ پیش خدمت ہے۔

بازار اور معیشت کا جائزہ

معیشت اور بازار کا جائزہ

معاشی اعداد و شمار میں ملاحظہ رحمان جاری رہا۔ حقیقی رُخ بدستور ترقی کی جانب اشارہ کر رہا ہے، جبکہ خارجی رُخ پالیسی کے اقدامات مطالبہ کر رہا ہے۔ پالیسی ساز پاکستانی روپے اور امریکی ڈالر کے مابین برابری کو 115 کی جانب لے گئے تاکہ گھٹتے ہوئے ذخائر کے باعث خارجی اکاؤنٹ کی بگڑتی ہوئی حالت پر قابو پایا جاسکے۔ مارچ کے اختتام پر حکومت نے غیر اعلانیہ ملکی وغیرہ ملکی اثاثہ جات کے لئے ٹیکس میں رعایت کی پالیسی کا اعلان کیا اور ٹیکس کی شرحوں کو 2% سے 5% کے درمیان لے آئی۔

حقیقی ترقی مستحکم رہی جس کی عکاسی بڑے پیمانے کی مینوفیکچرنگ (LSM) میں مالی سال 2018ء کے پہلے آٹھ ماہ میں 6.24% YoY ترقی سے ہوئی، اور اس کی پشت پناہی پٹرولیم مصنوعات، اسٹیل اور اشیائے خورد و نوش کے شعبے میں مستحکم ترقی نے کی۔ کپاس، گندم اور چینی کی بہتر ابتدائی فصل بشمول مضبوط LSM ترقی کی بدولت 6% ترقی کا ہدف متوقع طور پر قابل حصول ہے۔

موجودہ مالی سال کی پہلی ششماہی میں ٹیکس کے بھرپور حصول کے باوجود مالی خسارہ مجموعی ملکی پیداوار (GDP) کا 2.2% تھا۔ ٹیکس کے اداروں نے دورانِ مدت 2.0 ٹریلین روپے ٹیکس جمع کیا جو سال گزشتہ کی اسی مدت کے مقابلے میں 17.6% زیادہ ہے۔

مالی سال 2018ء کے نوماہ کے لئے CPI کا اوسط YoY 3.78% کے درمیانے درجے پر تھا جس کی پشت پناہی اشیائے خورد و نوش کی مستحکم قیمتوں، محدود رہائشی کرائے اور پہلے سے زیادہ base effect سے ہوئی۔ تاہم تیل کی بڑھتی ہوئی قیمتیں اور روپے کی گھٹتی ہوئی قدر دباؤ میں مزید اضافے کی طرف اشارہ کر رہی ہیں۔

خارجی رُخ پر تجارتی خسارے میں تشویشناک سطح تک اضافہ ہو گیا۔ کرنٹ اکاؤنٹ کا خسارہ (CAD) برائے نوماہ 10.8 بلین ڈالر تھا (YoY 50% اضافہ)۔ مالی سال کے پہلے نوماہ میں تجارتی خسارہ 19.7 ڈالر تک پہنچ گیا، جو YoY 22% اضافہ ہے۔ سال کے نصف اوّل کے دوران درآمدات میں 17% اضافہ ہوا جس کے اسباب پٹرولیم کی درآمدات اور وسعت پذیر اقتصادی اور مالیاتی پالیسی ہیں۔ دوسری جانب برآمدات کے فروغ کے لئے حکومت کے متعارف کردہ ٹیکسٹائل پیکیج کے اثرات نے کچھ رفتار پکڑی اور مالی سال کے پہلے نوماہ کے دوران ٹیکسٹائل کی برآمدات میں 8% اضافہ ہوا، لیکن یہ اضافہ بڑھتی ہوئی برآمدات سے پیدا ہونے والی خلیج کو ہڈ کرنے کے لئے ناکافی تھا۔ نتیجتاً، غیر ملکی زرمبادلہ کے ذخائر میں 3.6 بلین ڈالر کمی ہوئی، اگرچہ بین الاقوامی بانڈ مارکیٹ میں 2.5 بلین ڈالر مالیت کے بانڈز کا اجراء ہوا۔ علاوہ ازیں، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں 10% کمی ہوئی جس سے وسعت پذیر خارجی اکاؤنٹ پر حکومتی توجہ کی ضرورت کی عکاسی ہوتی ہے۔

روپے کی قدر میں حالیہ کمی کے بعد افراطِ زر میں تمام tenors کے مقابلے میں اضافے کی توقعات بازارِ زر کے لئے اشارہ تھا۔ سہ ماہیہ ٹریڈری بلز کو سب سے زیادہ ترجیح حاصل رہی، جبکہ طویل المیعاد پاکستان انویسٹمنٹ بانڈز (PIBs) سب سے کم مقبول رہے کیونکہ ان کو مالیاتی اداروں اور auctions میں بینکوں سے بہت محدود پذیرائی حاصل ہوئی۔

ایکیوٹی مارکیٹ کا جائزہ

مالی سال 2018ء کے نوماہ میں بیج مارک انڈیکس کا مجموعی منافع 2.16% تھا بلکہ قابل SPLY 27.45%۔ تاہم روپے کی قدر میں متوقع کمی نے مارکیٹ میں سرمایہ



# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

	Note	March 31, 2018 (Un-audited) (Rupees in '000)	June 30, 2017 (Audited)
<b>ASSETS</b>			
Balances with banks	4	1,216,259	1,232,442
Investments	5	2,250,916	2,062,777
Dividend and profit receivable		26,608	15,436
Receivable against sale of investments		119,134	202,521
Advances, deposits, prepayments and other receivables		107,903	27,624
<b>Total assets</b>		<b>3,720,820</b>	<b>3,540,800</b>
<b>LIABILITIES</b>			
Payable to the Management Company	6	16,435	8,924
Payable to the Trustee		417	383
Payable to the Securities and Exchange Commission of Pakistan		2,309	2,284
Payable against purchase of investments		228,519	18,250
Payable on redemption of units		41	41
Accrued expenses and other liabilities	7	52,677	72,118
<b>Total liabilities</b>		<b>300,398</b>	<b>102,000</b>
<b>NET ASSETS</b>		<b>3,420,422</b>	<b>3,438,800</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>3,420,422</b>	<b>3,438,800</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
		(Number of units)	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>40,546,082</b>	<b>42,440,527</b>
		(Rupees)	
<b>NET ASSET VALUE PER UNIT (FACE VALUE PER UNIT RS. 100/- EACH)</b>		<b>84.3589</b>	<b>81.0263</b>

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

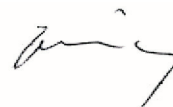
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

Note	Nine Months ended		Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
----- (Rupees in '000) -----				
<b>Income</b>				
Income from Government securities	36,401	22,023	12,532	5,572
Income from term finance certificates	6,876	6,747	2,635	2,241
Income from commercial papers	458	-	443	-
(Loss) / Gain from spread transactions	-	(4,802)	-	563
Dividend income	49,794	53,428	22,934	11,698
Profit on balances with banks and term deposit receipts	50,890	24,902	11,485	10,219
Income from Clean Placements	2,570	-	2,570	-
Other income	31	11	20	4
Gain on sale of investments - net	7,842	257,459	52,694	41,748
	154,862	359,768	105,313	72,045
Unrealised appreciation in the fair value of future contracts - net	-	-	-	576
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss' - net	5.8 67,137	(42,345)	193,162	(81,498)
<b>Total income / (loss)</b>	<u>221,999</u>	<u>317,423</u>	<u>298,475</u>	<u>(8,877)</u>
<b>Expenses</b>				
Remuneration of the Management Company	6.1 48,600	35,000	16,162	10,834
Sindh sales tax on remuneration of the Management Company	6.2 6,318	4,550	2,101	1,408
Selling and marketing expenses	6.3 9,719	185	3,232	185
Allocated expenses	6.4 2,746	1,977	913	612
Remuneration of the Trustee	3,181	2,501	1,055	789
Sindh sales tax on remuneration of the Trustee	413	325	137	102
Annual fee to the Securities and Exchange Commission of Pakistan	2,309	1,662	768	514
Auditors' remuneration	785	708	236	222
Brokerage and settlement charges	14,984	10,196	6,516	2,614
Legal and professional charges	123	44	36	44
Provision for workers' welfare fund	7.1 2,649	(7,589)	2,649	(7,589)
Other expenses	386	490	151	214
<b>Total expenses</b>	<u>92,213</u>	<u>50,049</u>	<u>33,956</u>	<u>9,949</u>
<b>Net Income / (loss) from operating activities</b>	<u>129,786</u>	<u>267,374</u>	<u>264,519</u>	<u>(18,826)</u>
Element of loss and capital losses included in the prices of units issued less those in units redeemed - net	3.1 -	(35,073)	-	(23,897)
<b>Net Income / (loss) for the period before taxation</b>	<u>129,786</u>	<u>232,301</u>	<u>264,519</u>	<u>(42,723)</u>
Taxation	10 -	-	-	-
<b>Net Income / (loss) for the period after taxation</b>	<u>129,786</u>	<u>232,301</u>	<u>264,519</u>	<u>(42,723)</u>
<b>Earnings per unit</b>	11			
<b>Allocation of net Income / (loss) for the period</b>				
Net Income / (loss) for the period after taxation	129,786	232,301	264,519	(42,723)
Income already paid on units redeemed	(17,056)	-	(17,056)	-
	<u>112,730</u>	<u>232,301</u>	<u>247,463</u>	<u>(42,723)</u>
<b>Accounting income available for distribution</b>				
- Relating to capital gains	74,729		246,106	
- Excluding capital gains	38,001		1,357	
	<u>112,730</u>		<u>247,463</u>	

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

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

  
\_\_\_\_\_  
**Chief Executive Officer**

  
\_\_\_\_\_  
**Chief Financial Officer**

  
\_\_\_\_\_  
**Director**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>----- (Rupees in '000) -----</u>			
<b>Net Income / (loss) for the period after taxation</b>	129,786	232,301	264,519	(42,723)
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to income statement</i>				
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'available-for-sale' - net	(3,217)	(17,694)	1,442	(11,115)
<b>Total comprehensive Income / (loss) for the period</b>	<u>126,569</u>	<u>214,607</u>	<u>265,961</u>	<u>(53,838)</u>

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

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



**Chief Executive Officer**



**Chief Financial Officer**



**Director**

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

	Nine Months ended March 31, 2018				Nine Months ended March 31, 2017
	(Rupees in '000)				
	Capital Value	Undistributed income / (loss)	Unrealised (losses) / gains on available for sale investments	Total	Total
<b>Net assets at beginning of the period</b>	4,242,708	(810,518)	6,610	3,438,800	2,718,292
Issue of 11,953,194 units (2017: 9,240,594 units)					
- Capital value (at net asset value per unit at the beginning of the period)	968,522	-	-	968,522	
- Element of loss	(3,760)	-	-	(3,760)	
Total proceeds on issuance of units	964,762	-	-	964,762	790,093
Redemption of 13,847,639 units (2017: 20,213,291 units)					
- Capital value (at net asset value per unit at the beginning of the period)	(1,122,023)	-	-	(1,122,023)	
- Element of loss	29,370	(17,056)	-	12,314	
Total payments on redemption of units	(1,092,653)	(17,056)	-	(1,109,709)	1,712,908
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-	35,073
Total comprehensive Income / (loss) for the period	-	129,786	(3,217)	126,569	214,607
Distribution during the period	-	-	-	-	-
Net Income / (loss) for the period less distribution	-	129,786	(3,217)	126,569	214,607
<b>Net assets at end of the period</b>	<b>4,114,817</b>	<b>(697,788)</b>	<b>3,393</b>	<b>3,420,422</b>	<b>2,045,157</b>
<b>Undistributed income brought forward</b>					
- Realised loss		(705,678)			(597,931)
- Unrealised loss		(104,840)			(172,208)
		(810,518)			(770,139)
Accounting income available for distribution					
- Relating to capital gains		74,729			
- Excluding capital gains		38,001			
		112,730			
Net Income for the period after taxation					232,301
Element of income and capital gains included in prices of units issued less those in units redeemed - amount representing unrealised income		-			209,527
Distribution for the period		-			-
<b>Undistributed income carried forward</b>		<b>(697,788)</b>			<b>(328,311)</b>
<b>Undistributed income carried forward</b>					
- Realised loss		(421,049)			(285,966)
- Unrealised (loss)		(276,739)			(42,345)
		<b>(697,788)</b>			<b>(328,311)</b>
		(Rupees)			(Rupees)
Net assets value per unit at beginning of the period		<b>81.0263</b>			<b>79.0558</b>
Net assets value per unit at end of the period		<b>84.3589</b>			<b>87.3560</b>

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

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



**Chief Executive Officer**



**Chief Financial Officer**



**Director**

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

	Nine Months Ended	
	March 31, 2018	March 31, 2017
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	129,786	232,301
<b>Adjustments:</b>		
Unrealised diminution in the fair value of future contracts - net	-	-
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'at fair value through profit or loss' - net	(67,137)	42,345
Element of loss and capital losses included in the prices of units issued less those in units redeemed - net	-	35,073
	62,649	309,719
<b>Increase in assets</b>		
Investments - net	86,050	1,087,443
Fair value of derivative asset	-	4,466
Dividend and profit receivable	(11,172)	(3,533)
Receivable against sale of investments	83,387	(35,600)
Advances, deposits, prepayments and other receivables	(80,279)	10,682
	77,986	1,063,458
<b>(Decrease) in liabilities</b>		
Payable to the Management Company	7,511	(1,142)
Payable to the Trustee	34	(53)
Payable to the Securities and Exchange Commission of Pakistan	25	(1,321)
Accrued expenses and other liabilities	(19,441)	(5,149)
	(11,871)	(7,665)
<b>Net cash flows generated from operating activities</b>	128,764	1,365,512
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	964,762	790,093
Payments against redemption of units	(1,109,709)	(1,712,908)
<b>Net cash flows used in financing activities</b>	(144,947)	(922,815)
<b>Net (decrease) increase in cash and cash equivalents</b>	(16,183)	442,697
Cash and cash equivalents at beginning of the period	1,232,442	635,630
<b>Cash and cash equivalents at end of the period</b>	1,216,259	1,078,327

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

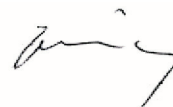
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

## 1 LEGAL STATUS AND NATURE OF BUSINESS

MCB Pakistan Asset Allocation Fund (the Fund) was established under a Trust Deed dated November 22, 2007 executed between MCB Asset Management Company Limited (which merged with and into Arif Habib Investments Limited with effect from June 27, 2011) as the Management Company and the Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 17, 2007.

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

The Management Company of the Fund has been licensed to act as an asset management company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 24th Floor, Centre Point, off. Shaheed-e-Millat Expressway, near KPT interchange, Karachi, Pakistan.

The Fund is an open-end collective investment scheme categorised as an "asset allocation" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

## 2 BASIS OF PREPARATION

**2.1** This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of:

- International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of the directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

**2.2** This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2017.

**2.3** The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2018 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2017, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2017.

**2.4** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the Fund.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

2.5 This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund and rounded to the nearest thousand rupees, unless otherwise specified.

## 3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

The accounting policies, financial risk management objectives and policies, basis of accounting estimates applied and methods of computation adopted in the preparation of the condensed interim financial statement are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017, except as described in notes 3.1.

3.1 The Securities and Exchange Commission of Pakistan (SECP) through its SRO 756(I)/2017 dated August 03, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the Regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded in the form of additional units at zero cost in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised Regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised Regulations.

Previously, an equalization account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealized appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognized in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 01, 2017 as required by SECP vide its S.R.O. No. 756(I) / 2017 dated August 03, 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognized as per the previous accounting policy, the income of the Fund would have been higher by Rs. 9.557 million. However, the change in accounting policy does not have any impact on the 'cash flow statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' which have been incorporated in these statements.

	Note	March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
<b>4 BALANCES WITH BANKS</b>			
In current account	4.1	5,819	3,774
In saving accounts	4.1	1,210,440	1,228,668
		<b>1,216,259</b>	<b>1,232,442</b>

4.1 These carry profit at rates ranging from 3.75% to 7.00% (June 30, 2017: 3.75% and 6.35%) per annum. Balance of Rs 0.145 million (June 30, 2017: Rs 6.233 million) in saving accounts and Rs 5.819 million (June 30, 2017: Rs 3.774 million) in current account are maintained with MCB Bank Limited, a related party of the Fund.



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	<b>Note</b>	<b>March 31, 2018 (Un-audited) (Rupees in '000)</b>	<b>June 30, 2017 (Audited)</b>
<b>5 INVESTMENTS</b>			
<b>At 'fair value through profit or loss' - held-for-trading</b>			
Listed equity securities	5.1	1,756,280	796,714
Listed debt securities - term finance certificates	5.2	116,105	135,531
Government securities - market treasury bills	5.3	-	624,490
		<b>1,872,385</b>	<b>1,556,735</b>
<b>Available-for-sale</b>			
Listed equity securities	5.4	20,925	52,878
Government securities - Pakistan investment bonds	5.5	3,044	3,164
		<b>23,969</b>	<b>56,042</b>
<b>Loans and receivables</b>			
Letter of Placements	5.6	330,000	-
Commercial paper	5.7	24,562	-
Term Deposit Receipts	5.8	-	450,000
		<b>354,562</b>	<b>450,000</b>
		<b>2,250,916</b>	<b>2,062,777</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

**5.1 Listed equity securities - 'At fair value through profit or loss' - held-for-trading**

Name of investee company	As at July 1, 2017	Purchased during the period	Bonus / rights issue during the period	Sold during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised appreciation/ (diminution) as at March 31, 2018	Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
(Number of shares)											
(Rupees in '000)											
Unless stated otherwise, the holdings are in ordinary shares of Rs 10 each											
Automobile Assembler											
Honda Atlas Cars (Pakistan) Limited	-	50,000	-	-	50,000	31,482	22,768	(8,714)	0.67%	1.01%	0.03%
Indus Motors Company Limited	1,480	8,500	-	1,480	8,500	15,495	14,809	(686)	0.43%	0.66%	0.01%
Pak Suzuki Motor Company Limited	-	5,250	-	5,250	-	-	-	-	-	-	-
						46,977	37,577	(9,400)	1.10%	1.67%	0.04%
Cable and Electrical Goods											
Pak Elektron Limited	500,000	2,457,500	-	2,957,500	-	-	-	-	-	-	-
						-	-	-	0.00%	0.00%	0.00%
Cement											
Cherat Cement Company Limited	-	194,700	-	194,700	-	-	-	-	-	-	-
Dewan Cement Limited	-	1,185,500	-	550,000	635,500	16,539	17,152	613	0.50%	0.76%	0.13%
D.G. Khan Cement Company Limited*	375,396	1,375,000	-	1,750,396	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	2,449,000	-	1,249,000	1,200,000	34,807	35,100	293	1.03%	1.56%	0.09%
Lucky Cement Limited	112,600	313,500	-	219,700	206,400	137,672	142,338	4,666	4.16%	6.32%	0.06%
Maple Leaf Cement Factory Limited	-	215,500	-	132,500	83,000	5,860	5,879	19	0.17%	0.26%	0.01%
Pioneer Cement Limited	-	300,000	-	300,000	-	-	-	-	-	-	-
						194,878	200,469	5,591	5.86%	8.90%	0.29%
Chemicals											
Engro Polymer and Chemicals Limited	500000	9,309,500	-	9,809,500	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	2,500,000	-	900,000	1,600,000	16,658	16,816	158	0.49%	0.75%	0.11%
						16,658	16,816	158	0.49%	0.75%	0.11%
Commercial Banks											
Askari Bank Limited	-	1,202,500	-	400,000	802,500	16,082	18,393	2,311	0.54%	0.82%	0.06%
Bank Al-Falah Limited	1,002,000	4,090,000	-	1,192,000	3,900,000	175,646	206,037	30,391	6.02%	9.15%	0.24%
Bank Of Punjab Limited	-	1,800,000	-	-	1,800,000	16,559	17,784	1,225	0.52%	0.79%	0.07%
Faysal Bank Limited	-	6,014,000	677,100	3,950,000	2,741,100	55,996	72,310	16,314	2.11%	3.21%	0.18%
Habib Bank Limited	199,500	1,506,900	-	946,000	760,400	156,854	161,319	4,465	4.72%	7.17%	0.05%
Bank Al-Habib Limited	-	1,132,000	-	1,132,000	-	-	-	-	-	-	-
MCB Bank Limited*	-	1,253,900	-	903,800	350,100	75,154	77,068	1,914	2.25%	3.42%	0.03%
United Bank Limited	155,100	855,700	-	1,010,800	-	-	-	-	-	-	-
						496,291	552,911	56,620	16.16%	24.56%	0.63%

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

\* These denote related parties / connected persons

Name of investee company	As at July 1, 2017	Purchased during the period	Bonus / rights issue during the period	Sold during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised appreciation/ (diminution) as at March 31, 2018	Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company	
												----- (Rupees in '000) -----
----- (Number of shares) -----												
<b>Engineering</b>												
Aisha Steel Mills Limited *	1,000,000	-	-	1,000,000	-	-	-	-	-	-	-	
Crescent Steel & Allied Products Limited	-	336,200	-	210,400	125,800	16,929	15,915	(1,014)	0.47%	0.71%	0.16%	
International Industries Limited	145,900	640,200	-	571,900	214,200	65,275	60,918	(4,357)	1.78%	2.71%	0.18%	
International Steels Limited	-	531,000	-	531,000	-	-	-	-	-	-	-	
Mughal Iron and Steel Industries Limited*	71,000	310,000	-	381,000	-	-	-	-	-	-	-	
						<b>82,204</b>	<b>76,833</b>	<b>(5,371)</b>	<b>2.25%</b>	<b>3.42%</b>	<b>0.34%</b>	
<b>Fertilizer</b>												
Engro Corporation Limited	225,100	1,028,100	-	1,144,600	108,600	32,703	33,628	925	0.98%	1.49%	0.02%	
Engro Fertilizers Limited	-	726,500	-	240,000	486,500	32,913	33,612	699	0.98%	1.49%	0.04%	
Fauji Fertilizer Company Limited	-	675,000	-	675,000	-	-	-	-	-	-	-	
						<b>65,616</b>	<b>67,240</b>	<b>1,624</b>	<b>1.96%</b>	<b>2.98%</b>	<b>0.06%</b>	
<b>Insurance</b>												
Adamjee Insurance Company Limited*	-	145,000	-	-	145,000	8,409	8,410	1	0.25%	0.37%	0.04%	
Pakistan Reinsurance Company Limited	488,000	-	-	-	488,000	23,819	20,984	(2,835)	0.61%	0.93%	0.16%	
						<b>32,228</b>	<b>29,394</b>	<b>(2,834)</b>	<b>0.86%</b>	<b>1.30%</b>	<b>0.20%</b>	
<b>Oil and Gas Exploration Companies</b>												
Mari Petroleum Company Limited	-	40,340	-	-	40,340	62,641	59,726	(2,915)	1.75%	2.65%	0.04%	
Oil and Gas Development Company Limited (note 5.1.1)	50,000	2,114,900	-	1,775,800	389,100	62,194	67,735	5,541	1.98%	3.01%	0.01%	
Pakistan Oilfields Limited	34,700	392,300	-	265,000	162,000	93,154	105,391	12,237	3.08%	4.68%	0.07%	
Pakistan Petroleum Limited	260,100	698,300	-	662,000	296,400	59,474	63,086	3,612	1.84%	2.80%	0.02%	
						<b>277,463</b>	<b>295,938</b>	<b>18,475</b>	<b>8.65%</b>	<b>13.14%</b>	<b>0.14%</b>	
<b>Oil and Gas Marketing Companies</b>												
Hi-Tech Lubricants Limited	65,000	283,100	-	167,700	180,400	19,617	18,976	(641)	0.55%	0.84%	0.16%	
Pakistan State Oil Company Limited	-	160,000	-	160,000	-	-	-	-	-	-	-	
Sui Northern Gas Pipelines Limited	-	4,853,400	-	4,102,000	751,400	88,090	84,690	(3,400)	2.48%	3.76%	0.12%	
						<b>107,707</b>	<b>103,666</b>	<b>(4,041)</b>	<b>3.03%</b>	<b>4.60%</b>	<b>0.28%</b>	
<b>Paper And Board</b>												
Cherat Packaging Limited.	15,000	5,500	4,050	24,550	-	-	-	-	-	-	-	
						<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	
<b>Pharmaceuticals</b>												
AGP Limited	-	890,548	-	525,000	365,548	29,244	33,152	3,908	0.97%	1.47%	0.13%	
						<b>29,244</b>	<b>33,152</b>	<b>3,908</b>	<b>0.97%</b>	<b>1.47%</b>	<b>0.13%</b>	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

Name of investee company	As at July 1, 2017	Purchased during the period	Bonus / rights issue during the period	Sold during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised appreciation/ (diminution) as at March 31, 2018	Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
<b>Power Generation and Distribution</b>											
Hub Power Company Limited (note 5.1.1)	644,100	199,600	-	843,700	-	-	-	-	-	-	-
K- Electric Limited (par value of Rs 3.50 per share)	6,898,500	529,500	-	7,428,000	-	-	-	-	-	-	-
<b>Refinery</b>											
Attock Refinery Limited	-	115,000	-	109,400	5,600	1,399	1,399	-	0.04%	0.06%	0.01%
<b>Technology and Communication</b>											
Systems Limited	-	747,500	-	184,000	563,500	45,058	54,445	9,387	1.59%	2.42%	0.50%
NetSol Technologies Limited	400,000	25,000	-	353,000	72,000	4,324	5,193	869	0.15%	0.23%	0.08%
TRG Pakistan Limited	-	936,500	-	-	936,500	36,032	34,051	(1,981)	1.00%	1.51%	0.17%
<b>Textile Composite</b>											
Gul Ahmed Textile Mills Limited	-	2,182,500	-	1,486,500	696,000	27,289	29,705	2,416	0.87%	1.32%	0.20%
Kohinoor Textile Mills Limited	-	400,000	-	-	400,000	30,000	28,140	(1,860)	0.82%	1.25%	0.13%
Nishat Mills Limited*	-	1,279,000	-	245,000	1,034,000	162,264	164,292	2,028	4.80%	7.30%	0.29%
<b>Leather &amp; Tanneries</b>											
Service Industries Limited	1,420	-	-	-	1,420	1,958	1,194	(764)	0.03%	0.05%	0.01%
<b>Investment Banks / Investment Companies / Securities Companies</b>											
Arif Habib Corporation Limited *	230,000	-	-	-	230,000	18,494	11,468	(7,026)	0.34%	0.51%	0.42%
<b>Leasing Companies</b>											
Orix Leasing Pakistan Limited	-	250,000	-	125,000	125,000	4,625	5,250	625	0.15%	0.23%	0.09%
<b>Transport</b>											
Pakistan National Shipping Corporation Limited	-	229,300	-	160,600	68,700	7,319	7,147	(172)	0.21%	0.32%	0.05%
<b>Total as at March 31, 2018</b>											
						<b>1,688,028</b>	<b>1,756,280</b>	<b>68,252</b>	<b>51.33%</b>	<b>77.99%</b>	
Total as at June 30, 2017											
						843,234	796,714	(46,520)	23.15%	38.61%	

\* These denote related parties / connected persons

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

**5.1.1** These include shares with market value aggregating to Rs 74.485 million (June 30, 2017: Rs 37.025 million) which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

## 5.2 Listed debt securities - term finance certificates

Name of the Issuer	As at July 1, 2017	Purchased during the period	Sold / matured during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised appreciation/ (diminution) as at March 31, 2018	Market value as a percentage of net assets	Market value as a percentage of total investments
----- (Number of certificates) -----				-----Rupees in '000-----				%	%
Certificates having a face value of Rs. 5,000 each unless stated otherwise									
Bank Alfalah Limited-V	2,000	-	-	2,000	10,265	10,050	(215)	0.29%	0.45%
Habib Bank Limited-I	1,250	-	1,250	-	-	-	-	-	-
Bank Al-Habib Limited - II	-	21,228	-	21,228	106,957	106,055	(902)	3.10%	4.71%
Total as at March 31, 2018					117,222	116,105	(1,117)	3.39%	5.16%
Total as at June 30, 2017					135,168	135,531	363	3.94%	6.57%

**5.2.1** These carry profit at the rate of 7.68% and 7.23% (June 30, 2017: 6.64% and 7.39%) per annum and will mature by February 20, 2021 to March 17, 2026 (June 30, 2017: February 20, 2021 to February 19, 2026).

## 5.3 Government securities - Market Treasury Bills

Tenor	Face value				Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised appreciation / (diminution) as at March 31, 2018	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2017	Purchased during the period	Sold/matured during the period	As at March 31, 2018					
----- (Rupees in 000) -----									
3 Months	625,000	5,660,000	6,285,000	-	-	-	-	-	-
6 Months	-	138,400	138,400	-	-	-	-	-	-
12 Months	-	37,465	37,465	-	-	-	-	-	-
<b>Total as at March 31, 2018</b>					-	-	-	-	-
Total as at June 30, 2017					624,495	624,490	(5)	18.16%	30.27%

**5.3.1** These carry purchase yield at the rate of Nil (June 30, 2017: 5.96%) per annum and will mature on Nil (June 30, 2017: July 6, 2017).

## 5.4 Listed Equity securities - Available for Sale

Name of investee company	As at July 1, 2017	Purchased during the period	Bonus/ rights issue during the period	Sold during the period	As at March 31, 2018	Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised appreciation/ (diminution) as at March 31, 2018	Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
----- (Number of shares) -----					----- (Rupees in '000) -----				%	%	%
Unless stated otherwise, the holdings are in ordinary shares of Rs 10 each											
<b>Automobile Assembler</b>											
Indus Motors Company Limited	1,500	-	-	1,500	-	-	-	-	-	-	-
<b>Food and Personal Care Products</b>											
Shezan International Limited	4,650	-	-	-	4,650	2,099	2,548	449	0.07%	0.11%	0.06%
<b>Pharmaceuticals</b>											
The Searle Company Limited	1,516	-	303	29	1,790	448	629	181	0.02%	0.03%	0.00%
<b>Power Generation and Distribution</b>											
Kot Addu Power Company Limited	308,000	-	-	308,000	-	-	-	-	-	-	-
<b>Textile Composite</b>											
Kohinoor Textile Mills Limited	238,000	-	14,280	-	252,280	19,991	17,748	(2,243)	0.52%	0.79%	0.08%
<b>Total as at March 31, 2018</b>											
						22,538	20,925	(1,613)	0.61%	0.93%	
Total as at June 30, 2017						46,263	52,878	6,615	1.54%	2.57%	

\* These denote related parties / connected persons

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

**5.4.1** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at a rate of 5 percent value of the bonus shares declared by the company. In accordance with the requirement of the Ordinance, these shares shall only be released to a shareholder if the company collects from the shareholder tax equal to 5 percent of the value of the bonus shares issued. The value of tax is computed on the basis of day-end price on the first day of book closure.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because the CISs are exempt from deduction of income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by the CISs. A stay order has been granted by the High Court of Sindh in favour of the CISs.

As at March 31, 2018, the following bonus shares of the Fund were withheld by certain companies at the time of declaration. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the CISs.

Name of the investee company	31-Mar-18		30-Jun-17	
	Bonus Shares			
	Number	Market value	Number	Market value
(Rupees in '000) (Rupees in '000)				
The Searle Company Limited	1,790	629	1,491	763

### 5.5 Government securities - Pakistan Investment Bonds

Tenor	Face value				Carrying value as at March 31, 2018	Market value as at March 31, 2018	Unrealised appreciation / (diminution) as at March 31, 2018	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2017	Purchased during the period	Sold/matured during the period	As at March 31, 2018					
	(Rupees in 000)								
5 years	3,000	203,000	203,000	3,000	3,048	3,044	(4)	0.09%	0.14%
<b>Total as at March 31, 2018</b>					<b>3,048</b>	<b>3,044</b>	<b>(4)</b>	<b>0.09%</b>	<b>0.14%</b>
Total as at June 30, 2017					3,169	3,164	(5)	0.09%	0.15%

**5.5.1** These carry profit at the rate of 11.5% (June 30, 2017: 11.5%) per annum and will mature on July 18, 2018 (June 30, 2017: July 18, 2018).

**5.6** Letters of Placement carries profit at the rate of 6.18% (June 30, 2017: Nil) per annum and is due to mature by May 10, 2018 (June 30, 2017: September 13, 2017). Letter of Placements represented 9.65% (June 30, 2017: Nil) of the total net assets of the Fund.

**5.7** This Commercial paper issued by Hascol Petroleum Limited has been purchased during the period carrying yield of 7.46% per annum maturing on June 29, 2018. At March 31, 2018, Commercial paper represented 0.72% (June 30, 2017: Nil) of the total net assets of the Fund.

**5.8** Term deposit receipt carries profit at the rate of Nil % (June 30, 2017: 6.18% and 6.5%) per annum and is due to mature by Nil (June 30, 2017: September 13, 2017). Term deposit receipt represented Nil % (June 30, 2017: 13.11%) of the total net assets of the Fund.

	March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
Note	(Rupees in '000)	

### 6 PAYABLE TO THE MANAGEMENT COMPANY

Management remuneration payable	6.1	5,673	5,141
Sindh sales tax payable on management remuneration	6.2	738	668
Payable against selling and marketing expenses	6.3	3,232	2,800
Payable against allocated expenses	6.4	284	257
Sales load payable		6,508	58
		<u>16,435</u>	<u>8,924</u>

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

- 6.1** The Management Company has charged remuneration at a rate of 2% of the average net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.
- 6.2** During the year, Sindh Sales Tax on management remuneration has been charged at the rate of 13% (June 30, 2017: 13%)
- 6.3** SECP vide a circular no.40 SCD/PRDD/ Circular/361/2016 dated December 30, 2016, allowed the Asset Management Companies to charge selling and marketing expenses to open end equity, asset allocation and index funds, initially for three years (from January 1, 2017 till December 31, 2019). Maximum cap of selling and marketing expenses shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged at the rate of 0.4% of net assets of the Fund, being lower than the actual expenses incurred.
- 6.4** In accordance with the Regulation 60 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company has charged expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund for the period.

		March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
	Note	(Rupees in '000)	
<b>7 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision against Sindh Workers' Welfare Fund (SWWF)	7.1	11,722	9,073
Federal Excise Duty payable on management remuneration	7.2	19,027	19,027
Federal Excise Duty payable on sales load	7.2	16,173	16,173
Auditors' remuneration payable		366	473
Brokerage payable		4,266	5,523
Sindh sales tax payable on allocated expenses		889	574
Advance against issuance of units		-	20,000
Withholding tax on capital gains		31	246
Others		203	1,029
		52,677	72,118

- 7.1** There is no change in the status of the SWWF as reported in the annual financial statements of the Fund for the year ended June 30, 2017. Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2018 would have been higher by Rs. 0.2891 per unit (June 30, 2017 Rs. 0.2138 per unit).
- 7.2** There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2017. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2018 would have been higher by Rs. 0.4692 per unit (June 30, 2017: Rs. 0.4483 per unit).

### 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2018 and June 30, 2017.

### 9 TOTAL EXPENSE RATIO

The total expense ratio of the Fund for the period ended March 31, 2018 is 2.85% (March 31, 2017, 2.68%) which includes 0.44% (March 31, 2017, 0.53%) representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc.

### 10 TAXATION

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 for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Further, the Fund has incurred losses during the period, and no provision for taxation has been made in this condensed interim financial information.



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

## 11 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.

## 12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include the Management Company, its parent and the related subsidiaries of the parent, associated companies / undertakings of the Management Company, its parents and the related subsidiaries, other funds managed by the Management Company, post employment benefit funds of the Management Company, employment funds of the parent, subsidiaries and its associated undertakings. It also includes the Central Depository Company of Pakistan Limited being the Trustee of the Fund, the directors and officers of the Management Company and any person or Company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

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

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

- 12.1 The details of transactions carried out by the Fund with connected persons / related parties and balances with them at the period end, other than those which have been disclosed elsewhere in this condensed interim financial information, are as follows:

### Unit Holders' Fund

Unit Holders' Fund				Nine Months ended March 31, 2018 (Un-audited)				
As at July 1, 2017	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer	As at March 31, 2018	As at July 1, 2017	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at March 31, 2018	
----- (Number of units) -----				----- (Rupees in '000) -----				
<b>Associated companies / undertakings</b>								
Adamjee Life Assurance Company Limited. Conventional Business	210,744	-	-	210,744	17,076	-	-	17,778
Adamjee Life Assurance Company Limited. Employees Gratuity Fund	28,189	-	-	28,189	2,284	-	-	2,378
Adamjee Life Assurance Company Limited.	352,830	-	352,830	-	28,589	-	-	-
Adamjee Life Assurance Company Limited (IMF)	-	594,106	-	594,106	-	-	-	50,118
Security General Insurance Company Ltd	3,745,546	-	-	3,745,546	303,488	-	-	315,970
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,028	-	-	35,028	2,838	-	-	2,955
<b>Mandate Under Discretionary Portfolio Services **</b>	69,466	1,687,716	1,661,564	95,618	5,629	135,366	134,080	8,066
<b>Directors and Key management personnel **</b>	44,589	659	45,176	72	3,613	50	3,711	6

----- Nine Months ended March 31, 2017 (Un-audited) -----							
As at July 1, 2016	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer	As at March 31, 2017	As at July 1, 2016	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at March 31, 2017
----- (Number of units) -----				----- (Rupees in '000) -----			
<b>Associated companies / undertakings</b>							
Mcb Arif Habib Savings And Investments Limited	974,696	-	974,696	-	77,055	-	85,501
Adamjee Life Assurance Company Limited. Employees Gratuity Fund Trust	-	26,806	-	26,806	-	2,360	-
Adamjee Life Assurance Company Limited.	335,529	-	-	335,529	26,526	-	-
Security General Insurance Company Limited.	3,561,881	-	-	3,561,881	281,587	-	-
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	32,775	-	-	32,775	2,591	-	-
							2,863
<b>Directors and Key management personnel</b>							
	117,909	67,439	169,970	15,378	9,321	5,822	5,716
							1,343

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	<b>Nine Months Ended</b>	
	<b>March 31, 2018</b>	<b>March 31, 2017</b>
	<b>(Un-audited)</b>	
	<b>(Rupees in '000)</b>	
<b>12.2 Other transactions</b>		
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration of the Management Company	48,600	35,000
Sindh sales tax on remuneration of the Management Company	6,318	4,550
Selling and marketing expenses	9,719	185
Allocated expenses (including indirect taxes)	2,746	1,977
Sales load	9,508	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the trustee	3,181	2,501
Sindh sales tax on remuneration of the Trustee	413	325
CDC settlement charges	413	497
<b>MCB Bank Limited - Parent of the Management Company</b>		
Dividend income	4,177	328
Profit on bank balances	137	346
Bank charges	36	25
Purchase of securities:		
Face Value 2018: Rs. Nil (2017: Rs. 500,000,000)	-	498,961
Sale of securities:		
Face Value 2018: 80,000,000 (2017: 450,000,000)	79	448,623
<b>D.G. Khan Cement Company Limited</b>		
Dividend income	3	-
<b>Mughal Iron &amp; Steel Industries Limited</b>		
Dividend income	157	1,790
<b>Nishat Mills Limited</b>		
Dividend income	1796	2,400
<b>Lalpir Power Limited</b>		
Dividend income	-	597
<b>Nishat Chunian Limited</b>		
Dividend income	-	520
<b>Pakgen Power Limited</b>		
Dividend income	-	1,326
<b>Arif Habib Limited</b>		
Dividend income	2,300	-
Brokerage expense *	917	581
<b>Silk Bank Limited</b>		
Profit on bank balances	3,203	-
Bank charges	10	-
Purchase of securities		
Face Value 2018: Rs. 1,485,865,000 (2017: Rs. Nil)	1,467,302	-
Sale of securities		
Face Value 2018: Rs. 2,333,000,000 (2017: Nil)	2,316,170	-
<b>Next Capital Limited</b>		
Brokerage expense *	778	402

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

	<b>March 31, 2018 (Un-audited)</b>	<b>June 30, 2017 (Audited)</b>
	<b>(Rupees in '000)</b>	
<b>12.3 Other Balances</b>		
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Management remuneration payable	5,673	5,141
Sindh sales tax payable on management remuneration	738	668
Payable against selling and marketing expenses	3,232	2,800
Payable against allocated expenses	284	257
Sales load payable	6,508	58
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable to the Trustee	369	339
Sales tax payable on remuneration of the Trustee	48	44
Security deposit	100	100
<b>MCB Bank Limited - Parent of the Management Company</b>		
Bank balances	5,964	10,007
Profit receivable	2	23
Sale load payable	-	35
<b>Arif Habib Limited</b>		
Brokerage Payable	314	8
<b>Next Capital Limited</b>		
Brokerage Payable	312	8
<b>Silk Bank Limited</b>		
Bank balances	519,134	-
Profit receivable	2,456	-

\* The amount disclosed represents the amount of brokerage paid / payable to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter-parties are not connected persons.

\*\* This reflects the position of related parties / connected persons status as at March 31, 2018

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

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**13 GENERAL**

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and disclosure. No significant rearrangement or reclassification has been made in this condensed interim financial information, except for the impacts of change in accounting policies as disclosed in note 3.1.

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

**14 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information has been authorised for issue by the Board of Directors of the Management Company in the meeting held on April 19, 2018.

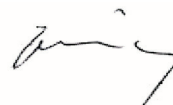
**For MCB-Arif Habib Savings and Investments Limited  
(Management Company)**



Chief Executive Officer



Chief Financial Officer



Director