



Bachat ka Doosra Naam

Quarterly Report
September 30, 2013
(Unaudited)



Funds Under Management
of
MCB-Arif Habib Savings and Investments Limited
(formerly: Arif Habib Investments Ltd.)

**MCB
ISLAMIC INCOME FUND**

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings and Investments Limited (Formerly: Arif Habib Investments Limited) 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Board of Directors of the Management Company	Mian Mohammad Mansha Mr. Nasim Beg Mr. Yasir Qadri Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Mahmood Ahmad	Chairman(subject to the approval of SECP) Executive Vice Chairman Chief Executive Officer (subject to the approval of SECP) Director (subject to the approval of SECP) Director (subject to the approval of SECP) Director (subject to the approval of SECP) Director Director (subject to the approval of SECP)
Audit Committee	Mr. Haroun Rashid Mr. Nasim Beg Mr. Samad A. Habib	Chairman Member Member
Human Resource Committee	Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jehangir Mr. Yasir Qadri	Chairman Member Member Member Member
Company Secretary & Chief Operating Officer	Mr. Muhammad Saqib Saleem	
Chief Financial Officer	Mr. Umair Ahmed	
Trustee	Central Depository Company of Pakistan Limited CDC House, 990B Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi-74400	
Bankers	MCB Bank Limited Bank Al Falah Limited Standard Chartered Bank Limited	
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants 1st Floor, Sheikh Sultan Trust Building No. 2 Beaumont Road, Karachi - 75530	
Legal Advisor	Bawaney & Partners 404, 4th Floor, Beaumont Plaza, Beaumont Road, Civil Lines, Karachi-75530	
Transfer Agent	MCB-Arif Habib Savings and Investments Limited (Formerly: Arif Habib Investments Limited) 8th Floor, Techno City, Corporate Tower, Hasrat Mohani Road, Karachi	
Rating	AM2 - Management Quality Rating assigned by PACRA	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2013

Dear Investor,

On behalf of the Board of Directors, I am pleased to present MCB Islamic Income Fund's accounts review for the first quarter ended September 30th 2013.

ECONOMY AND MONEY MARKET OVERVIEW

On the macroeconomic front, inflation has remained slightly higher during the period with CPI averaging around 8.06% amid implementation of tax reforms and higher food prices. The current account balance remained in pressure posting a deficit of \$632 million during 2MFY14 as opposed to surplus of \$582 million during the same period last fiscal year. During the last year, saving grace came in the form of proceeds under the account of Coalition support funds in August, 2012 amounting to \$1.18 bn. On the other hand, financial account registered a surplus of \$401 million in 2MFY14 as compared to deficit of \$271 million during the corresponding period last year.

Out of total \$3 billion repayments to IMF due in FY14, the government repaid around \$850 million to IMF in the 1QFY14. This along with delay in Coalition Support Funds and higher oil payments has reduced reserve balance to around \$ 9.9 billion as on 27-Sep-13, from \$11 billion at the start of the FY14. Consequently, the local currency fell by more than 6% against USD during 1QFY14.

During the quarter, the country successfully managed to enter into three-year \$6.6 billion loan program with IMF. Out of total financing of around \$2.2 billion scheduled for FY14 under IMF Extended Fund Facility (EFF), the country received first tranche of around \$543 million in 1QFY14.

Moreover, Fiscal side has remained a cause of concern for policy makers with FY13 deficit touching a level of around 8% of GDP (Rs 1.83 trillion deficit size in absolute terms) as opposed to the budgeted deficit of around 6.5%.

Keeping in view that inflation is likely to increase going forward and to arrest decline in foreign reserves balance, the government announced 50 bps hike in the discount rate in the last monetary policy, sending a strong signal that the discount rate will be used to keep inflation rate under check. A combination of higher power tariffs, rise in oil prices and rupee depreciation is likely to keep inflationary pressure on the higher side during the year.

In the money market, short term market rates remained on the higher side amid tight liquidity in the system. Despite Rs 94 billion net growth in Net Domestic Assets during the quarter (till 27th Sep), money supply (M2) has contracted due to reduction in Net Foreign Assets by around Rs 150 billion. Hence, M2 has contracted by 0.63% in the 1QFY14 (till 27th Sep) as opposed to expansion of 0.58% during the same period last year. While Borrowing from SBP increased by Rs444 billion as opposed to net decline in borrowing of around Rs 372 billion during the same period last year.

Given an upward trajectory in YoY CPI inflation coupled with monetary tightening scenario, the yield curve has adjusted significantly upwards during the period. Hence 1 year PKRV adjusted upwards by 77 bps to 9.71 %, while longer tenure year 10 year PKRV adjusted upwards by 203 bps to 12.96 % during the quarter under review.

FUND PERFORMANCE

During the quarter under review, the fund generated an annualized return of 7.56% as against its benchmark return of 5.74%, depicting an outperformance of 1.82%.

During the period, the fund has gradually been increasing its exposure towards GoP Ijarah Sukuk, which stood at around 72.2% at quarter-end, on the back of decent yield as well as capital gains potential. The fund has kept its remaining exposure in cash and bank deposits at decent rates.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2013

The Net Asset of the Fund as at September 30, 2013 stood at Rs. 2,543 million as compared to Rs 2,946 million as at June 30 2013 registering a decrease of 13.67%

The Net Asset Value (NAV) per unit as at September 30, 2013 was Rs. 100.08 as compared to opening NAV of Rs. 100 per unit as at June 30, 2013 registering an increase of Rs. 0.08 per unit

Income Distribution

During the Quarter The Management Company has announced the following interim distribution

Date of distribution	Per unit distribution
-----------------------------	------------------------------

27-Sept-2013	1.8266
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FUTURE OUTLOOK

We will continue to closely monitor foreign inflows in the presence of higher oil prices and debt repayment to international donors. We believe that the sustainability of external account, in the presence of higher inflationary pressures, would be a key factor shaping up interest rate direction. The foreign reserve balance will continue to remain in the limelight, with the country scheduled to repay more than \$2.3 billion to IMF during the next three quarters. As a result, the local currency is likely to remain under pressure.


The reserve position is likely to improve towards the later half of the ongoing fiscal year, with the government expecting significant improvement in foreign direct investments and materialization of pledges made by multilateral agencies. In addition to projected CSF inflow of around \$1.2 billion, the country is eyeing inflow of \$2.7 billion during the next three quarters under the umbrella of program financing.

While the economic environment is challenging, corporate earnings are by and large expected to continue to improve. Earnings growth is expected to continue in E&P, Textile, Power and cement sector. The rupee depreciation bodes well for textile, E&P and power sector, while higher allocation in PSDP will increase demand for cement.

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.

For and on behalf of the board



Yasir Qadri

Chief Executive


Karachi: October 23, 2013

FINANCIAL STATEMENTS

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2013**

	Note	Un-Audited September 30, 2013	Audited June 30, 2013
(Rupees in '000)			
ASSETS			
Balances with banks		678,040	831,571
Investment in government securities	4	1,846,635	2,092,681
Profit and income receivable		33,456	50,418
Prepayments		84	102
Preliminary expenses and floatation costs		542	592
Total assets		2,558,757	2,975,364
LIABILITIES			
Payable against redemption of units		-	13,253
Payable to Management Company		4,341	5,069
Payable to Central Depository Company of Pakistan Limited - Trustee		252	276
Payable to Securities and Exchange Commission of Pakistan		519	1,931
Accrued expenses and other liabilities		10,972	8,345
Total liabilities		16,084	28,874
NET ASSETS		2,542,673	2,946,490
Unit holders' fund		2,542,673	2,946,490
(Number of units)			
NUMBER OF UNITS IN ISSUE		25,406,978	28,916,996
(Rupees)			
NET ASSET VALUE PER UNIT		100.08	101.89

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



Chief Executive Officer

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




Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	Note	September 30, 2013	September 30, 2012
(Rupees in '000)			
INCOME			
Profit on bank deposits		16,657	12,732
Capital Gain on sale of investment- net		178	1,235
Income from government securities		44,864	33,692
		61,699	47,659
Net unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss		1,466	10,606
Total Income		63,165	58,265
EXPENSES			
Remuneration of Management Company		8,500	6,055
Remuneration of Central Depository Company of Pakistan Limited - Trustee		803	563
Annual fee - Securities and Exchange Commission of Pakistan		519	306
Auditors' remuneration		126	174
Amortisation of preliminary expenses and floatation costs		50	50
Brokerage and settlement charges		57	28
Other expenses		184	92
Total expenses		10,239	7,268
Net income from operating activities		52,926	50,997
Element of (loss)/ income and capital (losses)/gains included in prices of units issued less those in units redeemed		(4,404)	7,356
Provision for Workers' Welfare Fund	5	(970)	-
Net income for the period before taxation		47,552	58,353
Taxation	6	-	-
Net income for the period after taxation		47,552	58,353
Other comprehensive income for the period		-	-
Total comprehensive income for the period		47,552	58,353
Earnings per unit	7		

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Chief Executive Officer

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



Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	September 30, 2013	September 30, 2012
	(Rupees in '000)	
Net Income before taxation	54,792	1,491
Final Distribution for the year ended June 30, 2013 at Rs. 1.8948 per unit (Date of distribution : July 05, 2013)		
- Bonus distribution	(54,719)	-
- Cash distribution	(73)	-
Interim distribution for the quarter ended September 30, 2013 at Rs 1.8266 per unit (Date of distribution : September 27, 2013)		
- Bonus distribution	(45,506)	(57,022)
- Cash distribution	(71)	(125)
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - amount representing unrealised income	-	370
Total comprehensive income for the period	47,552	58,353
Undistributed income carried forward	1,975	3,067

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Chief Executive Officer

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



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	September 30, 2013	September 30, 2012
	(Rupees in '000)	
Net asset at the beginning of the period	2,946,490	1,506,772
Issue of 4,594,601 units (2012 : 7,420,440 units)	430,848	707,367
Issue of 1,002,248 bonus units (2012 : 569,652 bonus units)	100,225	57,022
Redemption of 9,106,867 units (2012 : 4,252,081 units)	(886,477)	(382,862)
	(355,404)	381,527
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		
amount representing loss/ (income) and capital losses / (gains) - transferred to income statement	4,404	(7,356)
amount representing (income) / loss that forms part of unit holders' fund - transferred to distribution statement	-	(370)
	4,404	(7,726)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing unrealised income	-	370
Net unrealised (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	1,466	10,606
Income from other operating activities	46,086	47,747
Net income for the period	47,552	58,353
Final Distribution at the rate of Rs. 1.8948 per unit declared on 04 July, 2013		
- Bonus distribution	(54,719)	(57,022)
- Cash distribution	(73)	
Interim distribution during the quarter ended September 30, 2013 at Rs. 1.8266		
Bonus distribution	(45,506)	(125)
Cash distribution	(71)	
Net assets	2,542,673	1,882,149

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



Chief Executive Officer

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



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**


	Note	September 30, 2013	September 30, 2012
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		47,552	58,353
Adjustments for non-cash charges and other items:			
Capital gain on sale of investments		(178)	(1,235)
Amortisation of preliminary expenses and floatation costs		50	50
Element of (income) / losses and capital (gains) / losses included			
Net unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss in prices of units issued less those in units redeemed		4,404	(10,606)
		<u>(1,466)</u>	<u>(7,356)</u>
		50,362	39,206
(Increase) / decrease in assets			
Investments - net		247,690	(338,980)
Other receivables		16,962	(39,084)
Pre- Payments		18	16
		264,670	(378,048)
Increase / (decrease) in liabilities			
Remuneration payable to the Management Company		(728)	6,626
Remuneration payable to the Trustee		(24)	24
Annual fee payable to the Securities and Exchange Commission		(1,412)	306
Payable against redemption of units		(13,253)	-
Accrued and other liabilities		2,627	173
		<u>(12,790)</u>	<u>7,129</u>
Net cashflow used in operating activities		302,242	(331,713)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issue of units		430,848	706,992
Cash Dividend		(144)	-
Net payments on redemption of units		(886,477)	(381,798)
Net cash generated from financing activities		(455,773)	325,194
Net increase in cash and cash equivalents during the period		(153,531)	(6,519)
Cash and cash equivalents at the beginning of the period		831,571	464,118
Cash and cash equivalents at the end of the period		678,040	457,599

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



Chief Executive Officer

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



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2013

1 LEGAL STATUS AND NATURE OF BUSINESS

MCB Isamic Income Fund ("The Fund") was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and was approved as a collective investment scheme by the Securities and Exchange Commission of Pakistan ("SECP") on 12 December 2006. It was constituted under a Trust Deed dated 10 November 2006 amended by a Supplemental Trust Deed dated 21 January 2007 between MCB Arif Habib Savings & Investments Limited [(formerly Arif Habib Investments Limited)] (Pursuant to merger of MCB Asset Management Company Limited with in to Arif Habib Investment Limited as the Management Company, a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited ("CDC") as the Trustee, also incorporated under the Companies Ordinance, 1984.

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

The Fund has been categorized as an Open-End Shariah Compliant (Islamic) Scheme and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The units are listed on the Lahore Stock Exchange.

The principal activity of the Fund is to seek to provide the investors with a rate of return consistent with a broadly diversified portfolio of long, medium and short term, high quality Shariah Compliant fixed income instruments.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned an Asset Manager rating of AM2 "positive outlook" to the Management Company and a short term star ranking rating of "4-Star-normal" and long term star ranking of "5-star normal" to the Fund.

The Fund primarily invests in money market and other short-term instruments which includes short-term corporate debt and government securities, repurchase agreements and spread transactions. The Fund may also invest a portion of the fund in medium term assets in order to provide higher return to the unit holders.

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

The Board of Directors have approved that the Fund approved that the Fund should be categorised as "Islamic Income Scheme" as per the categories defined by the Securities and Exchange Commission of Pakistan.

2 Statement of compliance

2.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP) have been followed.

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 2013.

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

information are unaudited. The Directors of the asset management company declare that this condensed interim financial information give a true and fair view of the Fund.

2.2 Basis of measurement

This condensed interim financial information have been prepared on the basis of historical cost convention except that investments have been included at fair value.

2.3 Functional and presentation currency

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.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended June 30, 2013.

4 INVESTMENTS

Financial assets at fair value through profit or loss - held for trading

- Investment in government securities

September 30,	June 30
2013	2013
(Un-audited)	(Audited)
(Rupees in '000)	
1,846,635	2,092,681

4.1 - Investment in government securities

Issue Date	Tenor	Face Value				Balance as at September 30, 2013		Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 1, 2013	Purchased during the period	Disposed / Matured during the period	As at Sept 30, 2013	Carrying Value	Appreciation / (diminution)		
Rupees in '000								%	
16-May-11	3 Years	358,200	120,000	-	478,200	479,388	390	18.87	25.98
28-Jun-12	3 Years	170,000	-	-	170,000	170,323	527	6.72	9.25
26-Dec-11	3 Years	135,000		135,000	-				
18-Sep-12	3 Years	1,399,000		332,800	1,066,200	1,065,774	426	41.93	57.74
30-Apr-12	3 Years	26,500	-	-	26,500	26,569	32	1.05	1.44
7-Mar-13	3 Years	3,000	100,000	-	103,000	103,115	91	4.06	5.59
Totals - September 30, 2013		2,091,700	220,000	467,800	1,843,900	1,845,168	1,466	72.63	100.00
Totals: June 30, 2013						2,100,244	(7,563)	71.02	100.00

5 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a Constitutional Petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending for adjudication.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

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

During the year ended 30 June 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 has declared the said amendments as unlawful and unconstitutional and struck them down. In March 2013 a larger bench of the Sindh High Court (SHC) in various constitutional petitions filed by companies other than mutual funds declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, do not suffer from any constitutional or legal infirmity.

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

In view of the afore mentioned developments and uncertainties created by the recent decision by Honourable Sindh High Court, the Management company, as a matter of abundant precaution, has decided to retain the entire provision for WWF. During the quarter the Fund charged Rs.0.970 million on account of WWF. The aggregate amount of WWF charged as on September 30, 2013 is Rs. 7.430 million. If the same were not made the NAV of the fund would have been higher by Rs. 0.29 per unit.

6 TAXATION

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

7 EARNINGS PER UNIT

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

8 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

- 8.1** Connected persons of the Fund include the Management Company, other collective investment, schemes being managed by the Management Company, MCB Bank Limited being the parent company of the Management Company, the Trustee, directors and key management personnel, other associated undertaking and investors holding 10% or more units of the Fund.
- 8.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 8.3** Remuneration payable to the Management Company and the fee payable to the Trustee are determined in accordance with the the provisions of the NBFC Rules 2003, the NBFC Regulations 2008 and Trust Deed respectively.
- 8.4** Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	September 30, 2013	September 30, 2012
	(Rupees in '000)	
8.5 Transactions with connected persons during the period		
MCB Bank Limited		
Profit on bank deposits	171	64
Management Company		
Remuneration of the Management Company	8,500	6,055
Redemption of units: Nil (2012: 1,105,733)	-	111,841
Central Depository Company of Pakistan Limited-Trustee		
Fee charged during the period	803	563
Adamjee Life Assurance Company Limited (Amaanat Fund)		
Issue of units: 171,151 (2012: NIL)	17,300	-
Issue of bonus units: 2,992 (2012: NIL)	299	-
Redemption of units: 38,095 (2012: NIL)	3,850	-
Adamjee Life Assurance Company Limited (ISF)		
Issue of units: 269,352 (2012: NIL)	27,000	-
Redemption of units: 269,179 (2012: NIL)	27,000	-
Adamjee Life Assurance Company Limited (ISF- II)		
Issue of units: 119,712 (2012: NIL)	12,000	-
Redemption of units: 119,635 (2012: NIL)	12,000	-
Key Management Personnel		
Issue of units: 33,956 (2012: 43,133)	3,436	4,486
Issue of bonus units: 1,481 (2012: 2,342)	148	234
Redemption of units: 16,686 (2012: 25,807)	1,685	2,596
8.6 Amount outstanding as at period end	September 30 2013	June 30 2013
	(Rupees in '000)	
Management Company		
Management fee payable	2,269	2,820
Front-end load payable	2,072	2,249
MCB Bank Limited		
Bank balance	10,336	12,561
Profit receivable on deposit accounts	89	74
Central Depository Company of Pakistan Limited-Trustee		
Fee payable	252	276
Adamjee Life Assurance Company Limited (Amaanat Fund)		
Units held 150,998 Units (June 30, 2013: 14,950 units)	15,111	1,523
Adamjee Life Assurance Company Limited (Investment Secure Fund)		
Units held 177 Units (June 30, 2013: Nil units)	18	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	September 30 2013	June 30 2013
	(Rupees in '000)	
Adamjee Life Assurance Company Limited (Investment Secure Fund - II)		
Units held 79 Units (June 30, 2013: Nil units)	8	-
Key Management Personnel		
Units held 49,781 Units (June 30, 2013: 31,031 units)	8	3,161

9 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **October 23, 2013** by the Board of Directors of the Management Company.



 Chief Executive Officer

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



 Director

Please find us on



by typing: **Bachat Ka Doosra Naam**

MCB-Arif Habib Savings and Investments Limited
(formerly: Arif Habib Investments Limited)

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