



**Bachat** ka Doosra Naam

**Annual Report  
2014**



**Sabar Ka Phal Meetha**

**PAKISTAN**

**PREMIER  
FUND**

**MCB-Arif Habib Savings and Investments Limited**

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## **Vision**

To become synonymous with Savings.

## **Mission**

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

## **Core Values**

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

## FUND'S INFORMATION

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

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

The board of Directors of MCB-Arif Habib Savings & Investments Limited, the Management Company of Pakistan Premier Fund (PPF), is pleased to present the Annual Report on the affairs of PPF for the period from 1 July 2013 to 2 May 2014.

## EQUITIES MARKET OVERVIEW

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

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

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

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

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

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

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

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

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

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

## FUND PERFORMANCE

During the period, PPF delivered a return of 30.74% while KSE100 index increased by 37.64% during ten months ended April 30, 2014. Overall equity exposure of the fund was increased to 83.9% at the end of the period from 74.3% at the beginning of the period. The fund changed its investment strategy several times during the period to cope with various sector and company level fundamental developments. During the quarter, the fund realigned its sector exposure by reducing allocation in Electricity, Chemical, Construction and materials and Oil

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

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& Gas while increasing its allocations in Commercial Banks.

The Net Assets of the Fund as at May 02, 2014 stood at Rs. 842.8 million as compared to Rs 551.7 million as at June 30, 2013 registering an increase of 53%.

The Net Asset Value (NAV) per unit as at May 02, 2014 was Rs. 13.77 as compared to opening NAV of Rs. 14.39 per unit as at June 30, 2013 registering a decrease of Rs. 0.62 per unit.

### **FUTURE OUTLOOK**

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

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

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

The Board of Directors of the Management Company, in their meeting held on 17 September 2013, decided to merge the Fund including MCB Dynamic Stock Fund into Pakistan Stock Market Fund. Securities and Exchange Commission of Pakistan vide its letter SCD/AMCW/MCB-AHSIL/967/2014 dated 24 April 2014 approved the merger with effect from 3 May 2014. The Management Company has fulfilled all the conditions as outlined by SECP in its letter effective from 3 May 2014. The whole of the undertakings of the Fund transferred to and vested in Pakistan Stock Market Fund from 3 May 2014 and outstanding units representing the Fund stood cancelled as at the effective date of merger and the existing unit holders provided with units of Pakistan Stock Market Fund at the swap ratio of 17.7861.

### **CORPORATE GOVERNANCE**

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

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

- a. Financial statements present fairly the statement of affairs, the results of operations, cash flows and Change in unit holders' fund.
- b. Proper books of accounts of the Fund have been maintained during the year.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable prudent judgment.
- d. Relevant International Accounting Standards, as applicable in Pakistan, provisions of the Non Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the Fund's ability to continue as going concern.
- g. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- h. Key financial data as required by the Code of Corporate Governance has been summarized in the financial statements.
- i. Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.

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

- j. The statement as to the value of investments of provident fund is not applicable on the Fund but applies to the Management Company; hence no disclosure has been made in the Directors' Report of the Management Company.
- k. The detailed pattern of unit holding, as required by NBFC Regulations and the Code of Corporate Governance are enclosed.
- l. The details of attendance of Board of Directors meeting is disclosed in note 19.3 to the attached financial statements. Below is the details of committee meetings held during the year ended June 30, 2014:

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

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

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

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

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

- m. During the year one of the Directors and in total Three Directors, have completed all parts of the program offered by the Pakistan Institute of Corporate Governance. Further Directors have been briefed regarding the changes in laws and regulations impacting the Management Company.
- n. The trades in Units of the Fund carried out by Directors, Chief Executive Officer, Chief Operating Officer and Company Secretary, Chief Financial Officer and Chief Internal Auditor of the Management Company and their spouses and minor children are as under:


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

S. No.	Name	Designation	Investment	Redemption	Bonus
			(Number of Units)		
1.	Mr. Nasim Beg	Executive Vice Chairman	-	6,168	1,405
2.	Yasir Qadri	Chief Executive Officer	-	-	-
3.	Mr. Saqib Saleem	Chief Operating Officer & Company Secretary	-	-	-
4.	Umair Ahmed	Chief Financial Officer	-	-	-
5.	Asif Mehdi Rizvi	Head of Internal Audit & Compliance	-	-	-

**ACKNOWLEDGMENT**

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

**For and on behalf of the board**



**Yasir Qadri**  
Chief Executive Officer  
Karachi: July 28, 2014



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



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

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## Independent Auditors' Report to the Unit Holders

### *Report on the Financial Statements*

We have audited the accompanying financial statements of **Pakistan Premier Fund** ("the Fund"), which comprise of the statement of assets and liabilities as at 2 May 2014, and the related income statement, distribution statement, statement of movement in Unit Holders' Fund, cash flow statement for the period from 1 July 2013 to 2 May 2014 and a summary of significant accounting policies and other explanatory notes.

### *Management Company's responsibility for the financial statements*

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

### *Auditors' responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 2 May 2014, and of its financial performance, its cash flows and transactions for the period from 1 July 2013 to 2 May 2014 in accordance with approved accounting standards as applicable in Pakistan.

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

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

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KPMG Taseer Hadi & Co.

*Emphasis of matter*

We draw attention to note 1 to the financial statements which states that the Fund and MCB Dynamic Stock Fund have merged with and into Pakistan Stock Market Fund pursuant to approval from Securities and Exchange Commission of Pakistan with effect from 3<sup>rd</sup> May 2014. All the units representing the Fund stood cancelled as at 3 May 2014 and all existing unit holders have been provided with units of Pakistan Stock Market Fund. Our opinion is not qualified in this respect.

*Report on Other Legal and Regulatory Requirements*

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

**Date: 28 July 2014**

**Karachi**

**KPMG Taseer Hadi & Co.  
Chartered Accountants  
Moneeza Usman Butt**

**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT 2 MAY 2014**

	Note	As at 2 May 2014	As at 30 June 2013
(Rupees in '000)			
<b>Assets</b>			
Balances with banks	4	58,545	68,721
Receivable against sale of investments		1,156	15,952
Investments	5	810,960	494,294
Dividend and profit receivable	6	7,389	551
Advances and deposits	7	5,386	5,355
<b>Total assets</b>		<b>883,436</b>	<b>584,873</b>
<b>Liabilities</b>			
Payable against purchase of investments		1,644	-
Payable to Management Company	8	4,494	5,040
Payable to Central Depository Company of Pakistan Limited - Trustee	9	144	93
Payable to Securities and Exchange Commission of Pakistan	10	517	483
Unclaimed dividend	11	9,960	9,978
Accrued expenses and other liabilities	12	23,898	17,566
<b>Total liabilities</b>		<b>40,657</b>	<b>33,160</b>
<b>Net assets</b>		<b>842,779</b>	<b>551,713</b>
<b>Unit holders' fund</b>		<b>842,779</b>	<b>551,713</b>
(Number of units)			
<b>Number of units in issue</b>		<b>61,194,299</b>	<b>38,349,502</b>
(Rupees)			
<b>Net assets value per unit</b>		<b>13.77</b>	<b>14.39</b>

The annexed notes from 1 to 20 form an integral part of these financial statements.

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



Chief Executive Officer



Director

**INCOME STATEMENT**  
**FOR THE PERIOD FROM 1 JULY 2013 TO 2 MAY 2014**

	For the period from 1 July 2013 to 2 May 2014	For the year ended 30 June 2013
	(Rupees in '000)	
<b>Income</b>		
Capital gain on sale of investments - net	72,703	153,781
Dividend income	30,339	35,701
Income from government securities	3,995	1,600
Profit on bank deposits	4,688	2,942
	<b>111,725</b>	<b>194,024</b>
Net unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	5.4 <b>89,576</b>	39,707
<b>Total income</b>	<b>201,301</b>	<b>233,731</b>
<b>Expenses</b>		
Remuneration of Management Company	8.1 <b>10,883</b>	10,168
Sales tax and Federal Excise Duty on remuneration of Management Company	<b>3,761</b>	1,730
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9 <b>1,088</b>	1,017
Annual fee - Securities and Exchange Commission of Pakistan	10 <b>517</b>	483
Provision for Workers' Welfare Fund	12.2 <b>4,207</b>	16,093
Securities transaction cost	<b>3,694</b>	6,224
Settlement and bank charges	<b>377</b>	547
Legal, professional and other charges	<b>198</b>	219
Auditors' remuneration	13 <b>522</b>	542
Printing and related expenses	<b>388</b>	68
<b>Total expenses</b>	<b>25,635</b>	<b>37,091</b>
	<b>175,666</b>	<b>196,640</b>
Net element of income / (loss) and capital gains / (losses) for the period / year included in prices of units issued less those in units redeemed	<b>30,482</b>	(18,696)
<b>Net income for the period / year before taxation</b>	<b>206,148</b>	<b>177,944</b>
Taxation	14 -	-
<b>Net income for the period / year after taxation</b>	<b>206,148</b>	<b>177,944</b>
<b>Earnings per unit</b>	15	

The annexed notes from 1 to 20 form an integral part of these financial statements.

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



Chief Executive Officer



Director

**DISTRIBUTION STATEMENT  
FOR THE PERIOD FROM 1 JULY 2013 TO 2 MAY 2014**

For the  
period from 1  
July 2013 to 2  
May 2014

For the year  
ended 30 June  
2013

(Rupees in '000)

Undistributed income / (loss) brought forward:			
- Realised gains / (losses)	126,597	(24,227)	
- Unrealised gains	41,622	12,088	
	168,219	(12,139)	
 Net element of income / (loss) and capital gains / (losses) for the period / year included in prices of units issued less those in units redeemed	 25,315	 2,414	
 Net income for the period / year	 206,148	 177,944	
<i>Final distribution:</i>			
Final distribution for the year ended 30 June 2013 at the rate of Rs. 3.2764 per unit			
- Issue of 11,309,479 bonus units	(125,648)	-	
<i>Interim distribution:</i>			
Interim distribution at the rate of Re. 0.7434 per unit for the period ended 2 May 2014 - [Date of distribution: 2 May 2014]			
- Issue of 3,137,795 bonus units	(43,239)	-	
	(168,887)	-	
 Undistributed income carried forward	230,795	168,219	
 Undistributed income carried forward:			
- Realised gains	189,173	126,597	
- Unrealised gains	41,622	41,622	
	230,795	168,219	

The annexed notes from 1 to 20 form an integral part of these financial statements.

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



Chief Executive Officer



Director

**STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	For the period from 1 July 2013 to 2 May 2014	For the year ended 30 June 2013
	(Rupees in '000)	
Net assets at beginning of the period / year	551,713	467,932
Issue of 17,895,842 units (2013: 2,118,244 units)	214,283	26,910
Issue of 14,447,274 bonus units (2013: Nil bonus units)	168,887	-
Redemption of 9,498,319 units (2013: 11,776,067 units)	(98,883)	(139,769)
	<b>284,287</b>	<b>(112,859)</b>
Net element of (income) / loss and capital (gains) / losses for the period / year included in prices of units issued less those in units redeemed		
- amount representing accrued (income) / loss and realised capital (gains) / losses - transferred to the Income Statement	(30,482)	18,696
- amount representing unrealised capital (gains) / losses - transferred to Distribution Statement	(25,315)	(2,414)
	<b>(55,797)</b>	<b>16,282</b>
Net income / (loss) for the period / year (excluding net unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss' and capital gain on sale of investments)	43,869	(15,544)
Capital gain on sale of investments - net	72,703	153,781
Net unrealised appreciation on re-measurement of investments classified as at fair value through profit or loss'	89,576	39,707
	<b>206,148</b>	<b>177,944</b>
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - transferred to Distribution Statement	25,315	2,414
Final distribution for the year ended 30 June 2013 at the rate of Rs. 3.2764 per unit		
- Issue of 11,309,479 bonus units	(125,648)	-
Interim distribution for the period ended 2 May 2014 at the rate of Re. 0.7434 per unit		
- Issue of 3,137,795 bonus units	(43,239)	-
	<b>(43,239)</b>	<b>-</b>
Net assets at end of the period / year	<b>842,779</b>	<b>551,713</b>
	(Rupees)	
Net assets value per unit as at beginning of the period / year	<b>14.39</b>	<b>9.75</b>
Net assets value per unit as at end of the period / year	<b>13.77</b>	<b>14.39</b>

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

  
Chief Executive Officer

  
Director

**CASH FLOW STATEMENT**  
**FOR THE PERIOD FROM 1 JULY 2013 TO 2 MAY 2014**

	For the period from 1 July 2013 to 2 May 2014	For the year ended 30 June 2013
<b>(Rupees in '000)</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period / year	206,148	177,944
<b>Adjustments for non-cash and other items:</b>		
Net unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	(89,576)	(39,707)
Provision for Workers' Welfare Fund	4,207	16,093
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(30,482)	18,696
	<u>(115,851)</u>	<u>(4,918)</u>
	90,297	173,026
<b>Decrease / (increase) in assets</b>		
Receivable against sale of investments	14,796	(15,952)
Investments - net	(227,090)	9,018
Dividend and profit receivable	(6,838)	427
Advances and deposits	(31)	-
	<u>(219,165)</u>	<u>(6,507)</u>
<b>Increase / (decrease) in liabilities</b>		
Payable against purchase of investments	1,644	(17,013)
Payable to Management Company	(546)	(841)
Payable to Central Depository Company of Pakistan Limited - Trustee	51	16
Payable to Securities and Exchange Commission of Pakistan	34	(35)
Accrued expenses and other liabilities	2,125	82
	<u>3,308</u>	<u>(17,791)</u>
<b>Net cash (used in) / generated from operating activities</b>	<u>(125,558)</u>	<u>148,728</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(18)	(288)
Receipts from issuance of units	214,283	27,125
Payments on redemption of units	(98,883)	(141,600)
<b>Net cash generated from / (used in) financing activities</b>	<u>115,382</u>	<u>(114,763)</u>
Net (decrease) / increase in cash and cash equivalents during the period / year	<u>(10,176)</u>	<u>33,965</u>
Cash and cash equivalents at beginning of the period / year	68,721	34,756
Cash and cash equivalents at end of the period / year	<u>58,545</u>	<u>68,721</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.

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

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

  
\_\_\_\_\_  
Director

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

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## 1. LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Premier Fund ("the Fund") was constituted by virtue of a Scheme of Arrangement for conversion of Pakistan Premier Fund Limited (PPFL) into an open end scheme under a Trust Deed executed between Arif Habib Investments Limited (AHIL), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on 12 November 2010 after being approved by the Securities and Exchange Commission of Pakistan (SECP) on 11 November 2010 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Pursuant to the merger of MCB-Asset Management Company 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 by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (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, Pakistan.

The Fund is listed on the Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund has been categorised as "Equity" scheme by the Board of Directors of the Asset Management Company in pursuant to Circular 7 of 2009 dated 6 March 2009 issued by the SECP.

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of "AM2" to the Management Company while the Fund has been assigned a stability short-term and long term rating of 3-star.

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

The Board of Directors of the Management Company, in their meeting held on 17 September 2013, decided to merge the Fund including MCB Dynamic Stock Fund into Pakistan Stock Market Fund. Securities and Exchange Commission of Pakistan vide its letter SCD/AMCW/MCB-AHSIL/967/2014 dated 24 April 2014 approved the merger with effect from 3 May 2014. The Management Company has fulfilled all the conditions as outlined by SECP in its letter effective from 3 May 2014. The whole of the undertakings of the Fund transferred to and vested in Pakistan Stock Market Fund from 3 May 2014 and outstanding units representing the Fund stood cancelled as at the effective date of merger and the existing unit holders provided with units of Pakistan Stock Market Fund at the swap ratio of 17.7861.

These financial statements present the position and results of the Fund for the period from 1 July 2013 to 2 May 2014.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations, 2008) and directives issued by the SECP. Wherever, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, 2008 and the said directives differ with the requirements of these standards, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations, 2008 and the said directives shall prevail.

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

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



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

<i>Standards / amendments / interpretations</i>	<i>Effective from accounting period beginning on or after</i>
Amendments to IAS 1 - Presentation of Financial Statements – Clarification of Requirements for Comparative information.	1 January 2013
Amendments to IAS 32 Financial Instruments: Presentation - Tax effects of distributions to holders of an equity instrument, and transaction costs of an equity transaction.	1 January 2013
Amendments to IAS 34 - Interim Financial Reporting - Interim reporting of segment information for total assets and total liabilities.	1 January 2013
Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting financial assets and financial liabilities.	1 January 2013

### 2.3 New accounting standards and IFRS interpretations that are not yet effective

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

<i>Standards / amendments / interpretations</i>	<i>Effective from accounting period beginning on or after</i>
Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	1 January 2014
IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IFRIC 21 - Levies	1 January 2014

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

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

### 2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention except that certain financial assets which are

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

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measured at fair value.

## 2.5 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Fund and rounded to the nearest thousand rupee.

## 2.6 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of its revision and future periods if the revision affects both current and future periods. In particular, information about assumption and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year as well as critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

### Investments stated at fair value and derivative financial instruments

The Management Company has determined fair value of listed equity securities and government securities by using quotations from The Karachi Stock Exchange Limited and Financial Markets Association of Pakistan (Reuters), respectively.

### Other assets

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

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. At present, the Fund has no item to be reported in other comprehensive income. Hence, no such statement is prepared and net income for the current period and comparative year is equal to total comprehensive income.

### 3.1 Financial instruments

The Fund classifies its financial instruments in the following categories:

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

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

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

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

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## **b) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Fund as 'at fair value through profit or loss' or 'available for sale'.

## **c) 'Available-for-sale'**

'Available for sale' financial assets are non-derivative that are either designated in this category or not.

## **d) Financial liabilities**

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

## **Recognition**

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

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell the financial assets.

Financial liabilities are not recognised unless one of the parties has performed its part of the contract or the contract is a derivative contract.

## **Measurement**

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

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

## **Fair value measurement principles**

The fair value of a security listed on a stock exchange, local or foreign as the case may be, and derivative is valued at its last sale price on such exchange on the date on which it is valued or if such exchange is not open on such date, then at its last sale price on the next preceding date on which such exchange was open and if no sale is reported for such date the security is valued at an amount neither higher than the closing ask price nor lower than the closing bid price.

## **Basis of valuation of Government Securities**

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

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

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## **Securities under repurchase/ resale agreements**

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

## **Impairment**

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

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

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

## **Derecognition**

The Fund derecognises a financial asset when the contractual right to the cash flows from the financial assets expires or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred on in which the Fund neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial assets.

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

## **Offsetting of financial instruments**

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

### **3.2 Unit holders' fund**

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

### **3.3 Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors and the Management Company.

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

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Units redeemed are recorded at the redemption price, applicable on units for which the distributors receive redemption applications during business hours on that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

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

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

The element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the year is recognised in income statement and the remaining portion of element of income / (loss) and capital gains / (losses) is held in separate reserve account and at the end of an accounting period (whether gain or loss) is included in amount available for distribution to the unit holders.

### 3.5 Provisions

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

### 3.6 Net assets value per unit

The net assets value per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the period / year.

### 3.7 Taxation

#### Current

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

#### Deferred

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

However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

### 3.8 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the
- Income on reverse repurchase transactions and debt securities is recognised on a time proportion basis using effective interest rate method.
- Unrealised gains / (losses) arising on valuation of investments classified as 'at fair which they value through profit or loss' and derivatives are included in the Income Statement in the period in which they arise.

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

- Dividend income is recognised when the right to receive the dividend is established.
- Profit on bank deposits is recognised on time proportion basis using effective interest rate method.

**3.9 Expenses**

All expenses including Management fee, Trustee fee and Securities Exchange Commission of Pakistan fee are recognised in the Income Statement on accrual basis.

**3.10 Cash and cash equivalents**

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

**3.11 Other assets**

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

**3.12 Dividend distributions and appropriations**

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

<b>4. BALANCES WITH BANKS</b>	<b>As at 2 May 2014</b>	<b>As at 30 June 2013</b>
	<b>(Rupees in '000)</b>	
In current accounts	9,957	9,976
In deposit accounts	4.1 <u>48,588</u>	<u>58,745</u>
	<u>58,545</u>	<u>68,721</u>

4.1 These carry profit at the rate ranging from 6.5% to 9% (2013: 6% to 11%) per annum.

**5. INVESTMENTS**

*'At fair value through profit or loss'*

- Government securities	5.1	48,906	59,645
- Equity securities			
Quoted	5.2	762,054	432,542
Unquoted		-	2,107
		<u>762,054</u>	<u>434,649</u>
		<u>810,960</u>	<u>494,294</u>

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

**5.1 Government Securities - 'at fair value through profit or loss' - held for trading**

**Treasury Bills**

Issue date	Face value		Balance as at 2 May 2014		Market value			
	As at 1 July 2013	Purchases during the period	Sales / Matures during the period	As at 2 May 2014	Carrying value	Market value	as a percentage of net assets	as a percentage of total investment
----- (Rupees in 000) -----								
<b>1 year (Tenor)</b>								
26 July 2012	50,000	-	50,000	-	-	-	-	-
04 October 2012	-	30,000	30,000	-	-	-	-	-
<b>3 months (Tenor)</b>								
02 May 2013	10,000	10,000	20,000	-	-	-	-	-
25 July 2013	-	25,000	25,000	-	-	-	-	-
22 August 2013	-	6,000	6,000	-	-	-	-	-
03 October 2013	-	50,000	50,000	-	-	-	-	-
21 October 2013	-	25,000	25,000	-	-	-	-	-
28 November 2013	-	50,000	50,000	-	-	-	-	-
20 February 2014	-	80,000	80,000	-	-	-	-	-
02 May 2014	-	50,000	-	50,000	48,908	48,906	0.06	0.06
<b>Total as at 2 May 2014</b>					48,908	48,906		
					<b>48,908</b>	<b>48,906</b>		<b>(2)</b>

Issue date	Face value		Balance as at 30 June 2013		Market value			
	As at 1 July 2012	Purchases during the year	Sales / Matures during the year	As at 30 June 2013	Carrying value	Market value	as a percentage of net assets	as a percentage of total investment
----- (Rupees in 000) -----								
<b>1 year (Tenor)</b>								
26 July 2012	-	50,000	-	50,000	49,692	49,704	0.09	0.10
09 February 2013	-	30,000	30,000	-	-	-	-	-
<b>3 months (Tenor)</b>								
03 May 2012	20,000	-	20,000	-	-	-	-	-
09 August 2012	-	15,000	15,000	-	-	-	-	-
26 July 2012	-	10,000	10,000	-	-	-	-	-
28 June 2012	10,000	-	10,000	-	-	-	-	-
07 February 2013	-	25,000	25,000	-	-	-	-	-
21 March 2013	-	50,000	50,000	-	-	-	-	-
02 May 2013	-	10,000	-	10,000	9,939	9,941	0.02	0.02
<b>Total as at 30 June 2013</b>					9,939	9,941		
					59,631	59,645		14

**5.1.1** These Treasury Bills having an amortised cost of Rs. 48.91 million (2013 : Rs. 59.22 million) carries effective yield ranging from 9.94% (2013: 9.41% to 9.49%) per annum.

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

5.2 Quoted equity securities - 'at fair value through profit or loss' - held for trading

Shares of listed companies - fully paid ordinary shares of Rs. 10 each unless stated otherwise

Name of the investee company	As at 1 July 2013	Purchases during the period	Bonus / right issue during the period	Sales during the period	As at 2 May 2014	Carrying value as at 2 May 2014	Market value as at 2 May 2014	Appreciation/ (diminution) as at 2 May 2014	Market value as a percentage of investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of total paid up capital of the investee company
----- Number of shares ----- (Rupees in 000) -----											
<b>Oil And Gas</b>											
Attock Petroleum Limited	25,071	34,600	9,694	29,950	39,415	18,903	21,284	2,381	2.62%	2.53%	0.05%
National Refinery Limited	2,000	132,000	-	54,000	80,000	19,563	16,523	(3,040)	2.04%	1.96%	0.10%
Oil & Gas Development Company	119,000	361,400	-	362,800	117,600	31,221	29,695	(1,526)	3.66%	3.52%	0.00%
Pakistan Oilfields Limited	61,980	71,200	-	117,850	15,330	7,320	8,138	818	1.00%	0.97%	0.01%
Pakistan Petroleum Limited	115,721	336,300	44,884	313,100	183,805	37,655	41,661	4,006	5.14%	4.94%	0.01%
Pakistan State Oil Company Limited	166,240	291,900	11,274	300,400	169,014	56,157	68,667	12,510	8.47%	8.15%	0.06%
						<u>170,819</u>	<u>185,968</u>	<u>15,149</u>			
<b>Chemicals</b>											
Engro Corporation Limited	16,200	556,000	-	367,700	204,500	36,394	41,546	5,152	5.12%	4.93%	0.04%
Fatima Fertilizer Company Limited	1,131,000	450,000	-	1,188,000	393,000	10,188	12,831	2,643	1.58%	1.52%	0.02%
Fauji Fertilizer Bin Qasim Limited	209,000	-	-	209,000	-	-	-	-	0.00%	0.00%	0.00%
Lotte Chemical Pakistan Limited	-	775,500	-	775,000	500	3	3	-	0.00%	0.00%	0.00%
ICI Pakistan Limited	-	109,400	-	109,400	-	-	-	-	0.00%	0.00%	0.00%
Dawood Hercules Corporation Limited	111,000	-	-	111,000	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Company Limited	-	45,000	-	45,000	-	-	-	-	0.00%	0.00%	0.00%
Engro Fertilizers Limited	-	13,710	-	-	13,710	793	917	124	0.00%	0.11%	0.00%
						<u>47,378</u>	<u>55,297</u>	<u>7,919</u>			
<b>Industrial Metals and Mining</b>											
Crescent Steel & Allied Products Limited	-	25,000	-	-	-	-	-	-	0.00%	0.00%	0.00%
International Industries Limited	-	295,500	-	25,000	295,500	15,171	15,721	550	1.94%	1.87%	0.25%
						<u>15,171</u>	<u>15,721</u>	<u>550</u>			
<b>General Industrials</b>											
Packages Limited	-	86,200	-	11,000	75,200	20,420	30,511	10,091	3.76%	3.62%	0.09%
Thal Limited	-	10,000	-	-	10,000	1,400	1,812	412	0.22%	0.22%	0.02%
Tri-Pak Films	-	17,000	-	-	17,000	3,913	3,349	(564)	0.41%	0.40%	0.06%
						<u>25,733</u>	<u>35,672</u>	<u>9,939</u>			



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

Name of the investee company	As at 1 July 2013	Purchases during the period	Bonus / right issue during the period	Sales during the period	As at 2 May 2014	Carrying value as at 2 May 2014	Market value as at 2 May 2014	Appreciation/ (diminution) as at 2 May 2014	Market value as a percentage of investments	Paid up value of shares held as a percentage of total paid up capital of the investee company
<b>Construction And Materials (Cement)</b>										
Attock Cement Pakistan Limited	-	3,000	-	-	3,000	482	481	(1)	0.06%	0.06%
Cherat Cement Company Limited	396,478	-	11,247	284,000	123,725	6,545	8,702	2,157	1.07%	1.03%
D.G. Khan Cement Company Limited	45,947	503,500	-	549,447	-	-	-	-	0.00%	0.00%
Kolrat Cement Company Limited	291,874	243,000	74,774	394,500	215,148	17,343	26,003	8,660	3.21%	3.09%
Lafarge Pakistan Cement Limited	-	303,000	-	303,000	-	-	-	-	0.00%	0.00%
Lucky Cement Limited	72,900	108,000	-	133,400	47,500	16,322	16,916	594	2.09%	2.01%
Fauji Cement Company Limited	-	637,500	-	150,000	487,500	6,730	8,546	1,816	1.05%	1.01%
Fecto Cement Limited	57,975	-	-	49,000	8,975	431	484	53	0.06%	0.06%
Maple Leaf Cement Factory Limited	230,000	1,312,000	-	432,000	1,110,000	28,981	34,110	5,129	4.21%	4.05%
Pioneer Cement Limited	120,000	225,000	-	120,000	225,000	10,640	10,802	162	1.33%	1.28%
<b>Engineering</b>										
Millat Tractors Limited	19	-	1	-	20	10	9	(1)	0.00%	0.00%
<b>Automobile And Parts</b>										
General Tyre and Rubber Company	-	30,000	-	-	30,000	1,862	2,076	214	0.26%	0.25%
Pak Suzuki Motor Company Limited	15,500	159,700	-	15,500	159,700	34,779	32,089	(2,690)	3.96%	3.81%
						36,641	34,165	(2,476)		
<b>Personal Goods (Textile)</b>										
Nishat Mills Limited	97,500	386,100	-	483,600	-	-	-	-	0.00%	0.00%
Nishat Chunian Limited	12,000	52,500	4,800	68,500	800	44	36	(8)	0.00%	0.00%
Gadon Textile Mills Limited	13,000	24,200	-	37,200	-	-	-	-	0.00%	0.00%
Kohnoor Textile Mills Limited	-	67,500	-	67,500	-	-	-	-	0.00%	0.00%
Blessed Textile Mills Limited	24,000	-	-	24,000	-	-	-	-	0.00%	0.00%
						44	36	(8)		
<b>Food Producers</b>										
Engro Foods Limited	-	277,000	-	247,000	30,000	3,542	3,330	(212)	0.41%	0.40%
						3,542	3,330	(212)		
<b>Pharma And Bio Tech</b>										
Abbot Laboratories Pakistan Limited	-	28,500	-	-	28,500	12,151	14,717	2,566	1.81%	1.75%
						12,151	14,717	2,566		
<b>Industrial Transportation</b>										
Pakistan International Bulk Terminal Limited	214,164	-	-	214,164	-	-	-	-	0.00%	0.00%

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

Technology Hardware and Equipment											
Name of the investee company	As at 1 July 2013	Purchases during the period	Bonus / right issue during the period	Sales during the period	As at 2 May 2014	Carrying value as at 2 May 2014	Market value as at 2 May 2014	Appreciation/ (diminution) as at 2 May 2014	Market value as a percentage of investments	Paid up value of shares held as a percentage of total paid up capital of the investee company	
Avanceon Limited	-	115,000	-	115,000	-	-	-	-	0.00%	0.00%	0.00%
<b>Media</b>											
Hum Network Limited	-	105,000	-	105,000	-	-	-	-	0.00%	0.00%	0.00%
----- Number of shares ----- (Rupees in 000) -----											
<b>Fixed Line Telecommunication</b>											
Pakistan Telecommunication Company Limited	130,000	757,000	-	887,000	-	-	-	-	0.00%	0.00%	0.00%
<b>Electricity</b>											
Hub Power Company Limited	779,665	510,500	-	1,072,000	218,165	13,428	12,462	(966)	1.54%	1.48%	0.02%
Kot Addu Power Company Limited	45,000	1,343,000	-	939,500	448,500	26,481	27,587	1,106	3.40%	3.27%	0.05%
Nishat Chumian Power Limited	-	50,000	-	50,000	-	-	-	-	0.00%	0.00%	0.00%
Nishat Power Limited	-	126,000	-	25,000	101,000	3,182	3,333	151	0.41%	0.40%	0.03%
Pakgen Power Limited	-	584,500	-	584,500	-	43,091	43,382	291	0.00%	0.00%	0.00%
<b>Commercial Banks</b>											
Allied Bank Limited	-	232,500	22,400	167,500	87,400	6,972	11,123	4,151	1.37%	1.32%	0.01%
Askari Bank Limited	117	-	-	117	-	-	-	-	0.00%	0.00%	0.00%
Bank Al-Falah Limited	1,130,500	1,862,500	-	877,000	2,116,000	50,266	58,148	7,882	7.17%	6.90%	0.16%
Bank Al-Habib Limited	703,130	188,000	72,913	462,000	502,043	13,890	21,090	7,200	2.60%	2.50%	0.05%
MCB Bank Limited	10,000	107,000	6,800	49,400	74,400	19,275	21,101	1,826	2.60%	2.50%	0.01%
Meezan Bank Limited	316,350	720,000	-	300,500	735,850	28,133	29,434	1,301	3.63%	3.49%	0.07%
National Bank of Pakistan	-	1,007,000	-	714,000	293,000	17,628	16,883	(745)	2.08%	2.00%	0.01%
United Bank Limited	166,029	456,200	-	495,500	126,729	21,018	23,285	2,267	2.87%	2.76%	0.01%
BankIslami Pakistan Limited	20,000	-	-	20,000	-	-	-	-	0.00%	0.00%	0.00%
Habib Metropolitan Bank	-	900,000	-	10,000	890,000	25,544	28,231	2,687	3.48%	3.35%	0.08%
Faysal Bank Ltd	-	1,529,000	-	755,000	774,000	9,829	12,647	2,818	1.56%	1.50%	0.07%
Habib Bank Limited	96,000	72,000	4,850	47,500	125,350	19,081	23,216	4,135	2.86%	2.75%	0.01%
<b>Non Life Insurance</b>											
IGI Insurance Limited	-	33,600	-	-	33,600	6,787	6,876	89	0.85%	0.82%	0.03%
Pakistan Reinsurance Company Limited	398,525	91,000	-	-	489,525	11,999	15,679	3,680	1.93%	1.86%	0.16%
<b>Share of Delisted Companies**</b>											
Sahad Ghee Mills Limited	113,000	-	-	-	113,000	-	-	-	0.00%	0.00%	0.00%
Sunflo Citrus Limited	315,000	-	-	-	315,000	-	-	-	0.00%	0.00%	0.00%
<b>Total as at 2 May 2014</b>											
					<b>672,476</b>		<b>762,054</b>	<b>89,578</b>			

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

Name of the investee company	As at 1 July 2012	Purchases during the year	Bonus / right issue during the year	Sales during the year	As at 30 June 2013	Carrying value as at 30 June 2013	Market value as at 30 June 2013	Appreciation/ (diminution) as at 30 June 2013	Market value as a percentage of investments	Market value as a percentage of net assets	Paid up value of shares held as a percentage of total paid up capital of the investee company
----- Number of shares ----- (Rupees in 000) -----											
<b>Oil And Gas</b>											
Attock Petroleum Limited	92,293	32,300	-	99,522	25,071	12,511	14,068	1,557	2.85%	2.55%	0.04%
National Refinery Limited	-	93,000	-	91,000	2,000	479	481	2	0.10%	0.09%	0.00%
Oil & Gas Development Company	109,600	579,500	-	570,100	119,000	23,820	27,221	3,401	5.51%	4.93%	0.00%
Pakistan Oilfields Limited	117,980	73,900	-	129,900	61,980	26,749	30,827	4,078	6.24%	5.59%	0.03%
Pakistan Petroleum Limited	242,217	179,400	44,304	350,200	115,721	20,477	24,484	4,007	4.95%	4.44%	0.01%
Pakistan State Oil Company Limited	14,710	511,800	14,740	375,010	166,240	49,529	53,260	3,731	10.77%	9.65%	0.07%
Shell Pakistan Limited	-	26,100	-	26,100	-	-	-	-	0.00%	0.00%	0.00%
Attock Refinery Limited	-	28,500	-	28,500	-	-	-	-	0.00%	0.00%	0.00%
						<u>133,565</u>	<u>150,341</u>	<u>16,776</u>			
<b>Chemicals</b>											
Engro Corporation Limited	92,000	1,014,800	-	1,090,600	16,200	2,080	1,975	(104)	0.40%	0.36%	0.00%
Fatima Fertilizer Company Limited	909,577	2,081,000	-	1,859,577	1,131,000	27,738	28,083	344	5.68%	5.09%	0.05%
Fauji Fertilizer Company Limited	252,067	888,000	-	1,140,067	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	-	619,000	-	410,000	209,000	8,769	7,846	(923)	1.59%	1.42%	0.02%
Lotte Chemical Pakistan Limited	-	775,000	-	775,000	-	-	-	-	0.00%	0.00%	0.00%
ICI Pakistan Limited	-	109,400	-	109,400	-	-	-	-	0.00%	0.00%	0.00%
Dawood Hercules Corporation Limited	-	430,000	-	319,000	111,000	6,024	5,118	(906)	1.04%	0.93%	0.02%
Clairant Pakistan Limited	-	23,500	-	23,500	-	-	-	-	0.00%	0.00%	0.00%
						<u>44,611</u>	<u>43,022</u>	<u>(1,589)</u>			
<b>General Industrials</b>											
Thal Limited	-	26,000	-	26,000	-	-	-	-	0.00%	0.00%	0.00%



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

Name of the investee company	As at 1 July 2012	Purchases during the year	Bonus / right issue during the year	Sales during the year	As at 30 June 2013	Carrying value as at 30 June 2013	Market value as at 30 June 2013	Appreciation/ (diminution) as at 30 June 2013	Market value as a percentage of		Paid up value of shares held as a percentage of total paid up capital of the investee company
									investments	net assets	
----- Number of shares ----- (Rupees in 000) -----											
<b>Fixed Line Telecommunication</b>											
Pakistan Telecommunication Company Limited	-	2,037,500	-	1,907,500	130,000	2,729	2,885	156	0.58%	0.52%	0.00%
Wateen telecom Limited	1,650,000	800,000	-	2,450,000	-	-	-	-	0.00%	0.00%	0.00%
Telecard Limited	-	125,000	-	125,000	-	-	-	-	0.00%	0.00%	0.00%
WorldCall Telecom Limited	-	620,000	-	620,000	-	-	-	-	0.00%	0.00%	0.00%
						<u>2,729</u>	<u>2,885</u>	<u>156</u>			
<b>Electricity</b>											
Hub Power Company Limited	876,165	824,500	-	921,000	779,665	38,278	48,066	9,788	9.72%	8.71%	0.07%
Kot Addu Power Company Limited	-	837,000	-	792,000	45,000	2,767	2,785	18	0.56%	0.50%	0.01%
Nishat Chumian Power Limited	822,051	840,000	-	1,662,051	-	-	-	-	0.00%	0.00%	0.00%
Nishat Power Limited	-	578,000	-	578,000	-	-	-	-	0.00%	0.00%	0.00%
Pakgen Power Limited	-	75,000	-	75,000	-	-	-	-	0.00%	0.00%	0.00%
						<u>41,045</u>	<u>50,851</u>	<u>9,806</u>			
<b>Commercial Banks</b>											
Allied Bank Limited	58,173	-	-	58,173	-	-	-	-	0.00%	0.00%	0.00%
Askari Bank Limited	363,750	1,334,478	-	1,698,111	117	2	2	(0)	0.00%	0.00%	0.00%
Bank Al-Falah Limited	2,469,155	2,461,000	-	3,799,655	1,130,500	20,000	20,598	598	4.17%	3.73%	0.08%
Bank Al-Habib Limited	761,130	1,270,000	-	1,328,000	703,130	21,088	19,118	(1,970)	3.87%	3.47%	0.07%
MCB Bank Limited	25,570	168,300	-	183,870	10,000	2,549	2,426	(123)	0.49%	0.44%	0.00%
Mezzan Bank Limited	-	285,000	31,350	-	316,350	8,328	9,174	846	1.86%	1.66%	0.03%
National Bank of Pakistan	89,000	900,500	43,500	1,033,000	-	-	-	-	0.00%	0.00%	0.00%
United Bank Limited	300,029	816,000	-	950,000	166,029	16,928	17,861	933	3.61%	3.24%	0.01%
JS Bank Limited	-	461,000	-	461,000	-	-	-	-	0.00%	0.00%	0.00%
BankIslami Pakistan Limited	-	20,000	-	-	20,000	180	130	(50)	0.03%	0.02%	0.00%
Soneri Bank Limited	-	350,000	-	350,000	-	-	-	-	0.00%	0.00%	0.00%
Habib Bank Limited	-	110,000	2,000	16,000	96,000	11,205	11,447	242	2.32%	2.07%	0.01%
						<u>80,280</u>	<u>80,756</u>	<u>476</u>			
<b>Non Life Insurance</b>											
Adamjee Insurance Company Limited	-	70,000	-	70,000	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Reinsurance Company Limited	-	736,525	-	338,000	398,525	8,120	9,417	1,297	1.91%	1.71%	0.13%
						<u>8,120</u>	<u>9,417</u>	<u>1,297</u>			
<b>Share of Delisted Companies**</b>											
Sarhad Ghee Mills Limited	113,000	-	-	-	113,000	-	-	-	0.00%	0.00%	-
Sunflo Citruss Limited	315,000	-	-	-	315,000	-	-	-	0.00%	0.00%	-
						<u>-</u>	<u>-</u>	<u>-</u>			
<b>Total as at 30 June 2013</b>						<u>392,814</u>	<u>432,542</u>	<u>39,728</u>			

\*\* These securities are delisted and are valued at nil in the books of accounts.

**5.2.1** Investments as at 2 May 2014 include shares with market value of Rs Nil (30 June 2013: Rs. 29,074 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated 23 October 2007 issued by the Securities & Exchange Commission of Pakistan.

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

5.2.2 The cost of the quoted equity securities as at 2 May 2014 amounted to Rs. 672.476 million (30 June 2013: Rs. 380.899 million).

5.4 Net unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	As at 2 May 2014	As at 30 June 2013
	(Rupees in '000)	
Market value of investments	810,960	494,294
Less: Carrying value of investments	<u>(721,384)</u>	<u>(454,587)</u>
	<u>89,576</u>	<u>39,707</u>

**6. DIVIDEND AND PROFIT RECEIVABLE**

Dividend receivable	6,860	430
Profit accrued on bank deposits	<u>529</u>	<u>121</u>
	<u>7,389</u>	<u>551</u>

**7. ADVANCES AND DEPOSITS**

Advance tax	7.1	2,655	2,655
Security deposits with:			
- Central Depository Company of Pakistan Limited	7.2	200	200
- National Clearing Company of Pakistan Limited	7.3	2,500	2,500
Prepayments		<u>31</u>	<u>-</u>
		<u>5,386</u>	<u>5,355</u>

7.1 Adjustment / refund of advance tax by Pakistan Premier Fund Limited as on 22 December 2010 from Federal Board of Revenue has been transferred in the books of accounts of Pakistan Premier Fund by virtue of conversion undertaken as per clause (l) of Article IV of the Scheme of Arrangement. As per the advice of the tax consultants, the Management believes the Pakistan Premier Fund holds a right to get adjustment / refund on behalf of Pakistan Premier Fund Limited from the concerned tax authorities.

7.2 This represents deposit with Central Depository Company of Pakistan Limited on account of initial deposit for opening of investor account for electronic transfer of book-entry securities.

7.3 This represents deposit with National Clearing Company of Pakistan Limited in respect of trading of listed securities.

**8. PAYABLE TO MANAGEMENT COMPANY**

Management fee payable	8.1	1,437	933
Sindh sales tax payable on management fee	8.1	230	150
Front-end load payable		10	4
Conversion cost payable	8.2	<u>2,817</u>	<u>3,953</u>
		<u>4,494</u>	<u>5,040</u>

8.1 Under the provisions of the NBFC Regulations, 2008, the Management Company of the Fund is entitled to a remuneration, during the first five years of the Fund of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter, of an amount equal to two percent of such assets of the Fund. The Management Company has charged fee at the rate of 2% per annum of the average net assets of the Fund. The remuneration is paid by the Fund to the Management Company on a monthly basis in arrears. During the year ended 30 June 2011, the Local Government (Sindh) levied General Sales Tax at the rate of 16% on the remuneration of the Management Company.

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

**8.2** Conversion costs include all costs of conversion of Pakistan Premier Fund Limited into an Open End Scheme, including preparation, execution and registration of Constitutive Document registration of the Open End Scheme as a Notified Entity, approval of the SECP for publication of the Offering Documents and other such ancillary matters. These have been charged to the Pakistan Premier Fund Limited in terms of conditions imposed by SECP while granting approval to the conversion undertaken. The conversion cost shall be reimbursed by the Fund to the Management Company over a period of five years as per Article XIV of the Scheme of Arrangement.

### **9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein based on the daily net assets of the Fund. The remuneration is paid to the trustee monthly in arrears.

Based on the Trust Deed, the tariff structure applicable to the Fund as at 30 June 2013 is as follows:

Amount of Funds Under Management (Average NAV)	Tariff per annum
Up to Rs. 1,000 million	Rs. 0.7 million or 0.20% p.a. of NAV, whichever is higher
On an amount exceeding Rs. 1,000 million	Rs. 2.0 million plus 0.10% p.a. of NAV exceeding Rs. 1,000 million

### **10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

As per Schedule II of the NBFC Regulations, 2008, an equity based scheme is required to pay an amount equal to 0.095% of the average annual net assets of the scheme as annual fee to the SECP.

### **11. UNCLAIMED DIVIDEND**

Unclaimed dividend amounting to Rs. 9.96 million stood outstanding in the books of account of Pakistan Premier Fund Limited as on the effective date of conversion (22 December 2010). This was transferred in the books of account of Pakistan Premier Fund by virtue of conversion undertaken as per clause (n) of Article IV of the Scheme of Arrangement.

### **12. ACCRUED EXPENSES AND OTHER LIABILITIES**

	As at 2 May 2014	As at 30 June 2013
	(Rupees in '000)	
Federal exercise duty payable	12.1	2,123
Provision for Workers' Welfare Fund	12.2	20,300
Auditors' remuneration		254
Legal and professional charges		159
Printing and related payables		319
Capital gain tax payable		5
Others		738
		<u>23,898</u>
		<u>17,566</u>

**12.1** The Finance Act, 2013 introduced an amendment to Federal Excise Act, 2005 where by Federal Excise Duty (FED) has been imposed at the rate of 16% on the services rendered by assets management companies. In this regard, a Constitutional Petition has been filed by certain Collective Investment Schemes (CISs) through their trustees in the Honourable Sindh High Court (SHC), challenging the levy of Federal Excise Duty on Asset Management Company services after the passage of eighteenth amendment. The SHC in its short order dated 4 September 2013 directed the Federal Board of Revenue (FBR) not to take any coercive action against the petitioners

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

pursuant to impugned notices till next date of hearing. In view of uncertainty regarding the applicability of FED on asset management services, the management, as a matter of abundant caution, has decided to retain and continue with the provision of FED and related taxes in these financial statements aggregating to Rs. 2.123 million as at 2 May 2014. In case, the suit is decided against the Fund it would be paid to management company, who will be responsible for submitting the same to taxation authorities. Had the said provision of FED and related taxed not been recorded in the books of account of the Fund, the Net Assets Value (NAV) of the Fund would have been higher by Re. 0.03 per unit as at 2 May 2014.

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

Subsequent to the year ended on 15 July 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on 8 July 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on 14 December 2010 the Ministry filed its response against the Constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

Subsequent to the year ended 30 June 2011, 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 declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, do not suffer from any constitutional or legal infirmity.

However, as per advice of legal counsel the stay granted to CIS remains intact and the constitution petitions filed by the CIS to challenge the WWF contribution have not been affected by the SHC judgment. The Management company, as a matter of abundant precaution, has decided to retain the entire provision for WWF in these financial statements.

### 13. AUDITORS' REMUNERATION

	<b>For the period from 1 July 2013 to 2 May 2014 (Rupees in '000)</b>	For the year ended 30 June 2013
Annual audit fee	204	275
Half yearly review fee	150	125
Other certifications	100	124
Out of pocket expenses	68	18
	<b>522</b>	542

### 14 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.



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

Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains to the unit holders. 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.

### 15. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average number of units for calculating EPU is not practicable.

### 16. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

The transactions with related parties / connected persons are in the normal course of business and are carried at contracted rates / agreed terms.

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

All other transactions with related parties /connected persons are in the normal course of business and are carried out on agreed terms / contracted rates.

Details of transactions with related parties / connected persons and balances with them at period / year end are as follows:

#### 16.1 Details of transactions with related parties / connected persons

	For the period from 1 July 2013 to 2 May 2014	For the year ended 30 June 2013
(Rupees in '000)		
<b>Management Company</b>		
Remuneration (including indirect taxes)	14,644	11,898
Sindh sales tax on management fee		
Federal excise duty on management fee		
Front-end load	-	15
<b>Arif Habib Limited</b>		
Brokerage *	227	485
<b>Central Depository Company of Pakistan Limited-Trustee</b>		
Remuneration of the Trustee	1,088	1,017
CDS charges	93	115
<b>MCB Bank Limited</b>		
Dividend income for the year	354	145
Profit on bank deposits	3,953	1,513
Bank charges	20	19
<b>Summit Bank Limited</b>		
Profit on bank deposits	-	28

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

	<b>For the period from 1 July 2013 to 2 May 2014</b>	<b>For the year ended 30 June 2013</b>
<b>(Rupees in '000)</b>		
<b>Adamjee Life Assurance Company Limited (IMF)</b>		
Issue of 6,588,783 units (30 June 2013: Nil units)	<b>90,000</b>	-
Conversion-in the Fund 7,546,003 units (2013: Nil units)	<b>100</b>	-
Issue of 762,540 bonus units (2013: Nil units)	<b>10,508</b>	-
<b>Directors and executives of the Management Company</b>		
Issue of 808 units (2013: 4,764 units)	<b>10</b>	56
Redemption of 2,385 units (2013: 11,504 units)	<b>27</b>	130
Conversion-out from the fund 6,168 units (2013: Nil)	<b>74</b>	-
<b>Muhammad Aslam Motiwala (more than 10% holding)</b>		
Bonus 1,909,923 units (2013: Nil units)	<b>22,196</b>	-
<b>Adamjee Insurance Company Limited.</b>		
Dividend income for the year	-	33
<b>D.G Khan Cement Company Limited</b>		
Dividend income for the year	<b>956</b>	435
<b>Nishat Chunian Power Limited</b>		
Dividend income for the year	<b>134</b>	660
<b>Fatima Fertilizer Company Limited</b>		
Dividend income	<b>2,110</b>	-
<b>Nishat Mills Limited</b>		
Dividend income for the year	-	1,470
<b>16.2 Amounts outstanding as at period / year end:</b>	<b>As at 2 May 2014</b>	<b>As at 30 June 2013</b>
<b>(Rupees in '000)</b>		
<b>Management Company</b>		
Management fee payable	<b>1,437</b>	933
Front-end load payable	<b>10</b>	4
Conversion cost payable	<b>2,817</b>	3,953
<b>Central Depository Company of Pakistan Limited-Trustee</b>		
Remuneration payable	<b>144</b>	93
Security deposit	<b>200</b>	200
<b>Summit Bank Limited</b>		
Balance with Bank	<b>3,513</b>	3,522
Profit on bank deposit	<b>-</b>	28
<b>MCB Bank Limited</b>		
Balance with Bank	<b>272</b>	58,444
Accrued profit on bank deposits	<b>342</b>	84
Shares held as at 2 May 2014: 74,400 shares (2013: 10,000 shares)	<b>21,101</b>	2,426

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

<b>Directors and executives of the Management Company</b>		
Units held: 4,357 units (2013: 7,332 units)	<b>60</b>	106
<b>Muhammad Aslam Motiwala (more than 10% holding)</b>		
Units held: 7,145,993 units (2013: 5,236,070 units)	<b>98,400</b>	75,347
<b>Fatima Fertilizer Company Limited</b>		
Shares held as at 2 May 2014: 393,000 shares (2013: 1,131,000 shares)	<b>12,831</b>	28,083
<b>Nishat Chunian Limited</b>		
Shares held as at 2 May 2014: 800 shares (2013: 12,000 shares)	<b>36</b>	717
<b>Nishat Mills Limited</b>		
Shares held as at 2 May 2014: Nil shares (2013: 97,500 shares)	-	9,185
<b>Nishat Power Limited</b>		
Shares held as at 2 May 2014: 101,000 shares (2013: Nil shares)	<b>3,333</b>	-
<b>D.G Khan Cement Company Limited</b>		
Shares held as at 2 May 2014: Nil shares (2013: 45,947 shares)	-	3,845

\* The amount disclosed represents the amount of brokerage paid 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.

## 17. FINANCIAL RISK MANAGEMENT

The Board of Directors of Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

The Fund primarily invests in shares of listed equity securities with an objective to provide investors long term capital appreciation.

The Fund activities exposes it to a variety of financial risks:

- Market risk
- Credit risk and
- Liquidity risk

### 17.1 Market risk

Market risk is the risk that the fair values or future cash flows of the financial instruments will fluctuate as a result of changes in market prices, such as interest rates, equity prices and foreign exchange rate. The objective of market risk management is to manage market risk exposure within acceptable parameters, while optimising the return.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines and regulations laid down by SECP.

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

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

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### **Currency risk**

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

### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund holds fixed rate instruments in the form of government securities that expose the Fund to fair value interest rate risk.

### **Sensitivity analysis for fixed rate instruments**

As at 2 May 2014, the Fund holds Treasury Bills which are classified as at fair value through profit or loss exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by Financial Markets Association of Pakistan on 2 May 2014 with all other variables held constant, the net income for the period / year and net assets of the Fund would be lower / higher by Rs. 0.1 million (30 June 2013: Rs. 0.69 million). The fluctuation in interest rate of 100 basis points is reasonably possible in current economic environment.

The composition of the Fund's investment portfolio and rates announced by Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of 2 May 2014 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

The Fund does not have position bearing floating rate of interest, hence not exposed to interest rate risk in this regard.

### **Other price risk**

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of change in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the parameters provided in its constitutive documents and circular issued by the SECP. The Fund's constitutive documents also limit individual equity securities to no more than 10% of net assets or issued capital of the investee company and sector exposure limit to 25% of net assets of the Fund.

In case of 5% increase / decrease in KSE 100 index on 2 May 2014, net income and net assets of the Fund would increase / decrease by Rs.39.112 million (30 June 2013: Rs. 21.995 million) as a result of gains/losses on equity securities at fair value through profit or loss.

The composition of the Fund's investment portfolio and the correlation thereof to the KSE index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 2 May 2014 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of KSE 100 index.

## **17.2 Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund.

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

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### **Credit risk management**

It is the Fund's policy to enter into financial contracts with reputable, diverse and creditworthy counterparties and wherever possible or deemed necessary obtain collaterals in accordance with internal risk management policies and investment guidelines designed for credit risk management. The Investment Committee closely monitors the creditworthiness of the Fund's counterparties by reviewing their credit ratings, financial statements and press releases on a regular basis.

### **Exposure to credit risk**

The Fund's maximum credit exposure (without taking into account collateral and other credit enhancement at the balance sheet date is represented by the respective carrying amount of relevant financial assets i.e. balances with banks, receivable against sale of investments, deposits clearing companies, investments in debt securities and other receivable in Statement of Assets and Liabilities.

### **Settlement risk**

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counter party to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery using central clearing system.

### **Balances with banks**

As at 2 May 2014, the Fund kept surplus liquidity with banks having credit rating ranging from AAA to A-. The rating to respective banks is assigned by reputable credit rating agencies. The rating of the banks is monitored by the Fund Manager and Investment Committee.

### **Investment in fixed income securities**

Investment in treasury bills do not expose the Fund to credit risk as the counter party to the investment is the Government of Pakistan and management does not expect to incur any credit loss on such investments.

### **Advances and deposits**

Deposits are placed with National Clearing Company of Pakistan Limited (NCCPL) and Central Depository Company of Pakistan Limited (CDC) for the purpose of effecting transaction and settlement of listed securities. It is expected that all securities deposited with NCCPL and CDC will be clearly identified as being assets of the Fund, hence management believes that the Fund is not materially exposed to a credit risk with respect to such parties.

### **Past due and impaired assets**

No financial assets carried at amortised cost or cost were past due or impaired either as at 2 May 2014 or 30 June 2013. The management has not quantified the value of collaterals held against debt securities as management does not incorporate collaterals or other credit enhancements into its credit risk management nor it considers the value of collateral while testing investments for impairment.

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

## Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

## 17.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations arising from its financial liabilities that are settled by delivering cash or other financial assets or that such obligations will have to be settled in a manner disadvantageous to the Fund. Liquidity risk also arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected.

The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's applicable redemption price calculated in accordance with the Fund's constitutive documents and guidelines laid down by the SECP. Hence, unit holders' fund appearing in Statement of Assets and Liabilities represent the continuous obligation of the Fund for redemption by its holders.

## Management of liquidity risk

The Fund's policy to managing liquidity is to have sufficient liquidity to meet its liabilities, including estimated redemptions of units as and when due, without incurring undue losses or risking damage to the Fund's reputation. The Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with a condition of repayment within 90 days of such borrowings. No such borrowings have arisen during the year.

The Board of Directors of the Management Company is empowered to impose a redemption gate should redemption level exceed 10% of the net assets value of the Fund in any redemption period.

The liquidity position of the Fund is monitored by the Fund Manager on daily basis and by the Investment Committee on quarterly basis. The aim of the review is to ascertain the amount available for investment and also ensure sufficient liquidity is maintained to meet redemption requests by analysing the historical redemption requests received by the Management Company. The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2 May 2014			Total
	Up to three months	More than three months and up to one year	More than one year	
----- (Rupees in '000) -----				
Payable to Management Company	4,494	-	-	4,494
Payable to Central Depository Company of Pakistan Limited - Trustee	144	-	-	144
Unclaimed dividend	9,960	-	-	9,960
Accrued expenses and other liabilities	1,475	-	-	1,475
	<b>16,073</b>	<b>-</b>	<b>-</b>	<b>16,073</b>

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

	30 June 2013			Total
	Up to three months	More than three months and up to one year	More than one year	
	----- (Rupees in '000) -----			
Payable to Management Company	5,040	-	-	5,040
Payable to Central Depository Company of Pakistan Limited - Trustee	93	-	-	93
Unclaimed dividend	9,978			9,978
Accrued expenses and other liabilities	1,369	-	-	1,369
	<u>16,480</u>	<u>-</u>	<u>-</u>	<u>16,480</u>

The table above shows the undiscounted cash flows of the Fund's financial liabilities on the basis of their earliest possible contract maturity or settlement.

**17.4 Financial instruments by category**

As at 30 June 2013, all the financial assets are carried on the Statement of Assets and Liabilities are categorised either as 'loans and receivables' or financial assets 'at fair value through profit or loss'. All the financial liabilities carried on the Statement of Assets and Liabilities are categorised as other financial liabilities i.e. liabilities other than 'at fair value through profit or loss'.

	2 May 2014		
	Loans and receivables	Assets at fair value through profit or loss	Total
	----- (Rupees in '000) -----		
<b>Assets</b>			
Balances with banks	58,545	-	58,545
Receivable against sale of investments	1,156	-	1,156
Investments		810,960	810,960
Dividend and profit receivable	7,389	-	7,389
Deposits	2,731	-	2,731
	<u>69,821</u>	<u>810,960</u>	<u>880,781</u>

	2 May 2014		
	Liabilities at fair value through profit or loss	Other financial liabilities	Total
	----- (Rupees in '000) -----		
<b>Liabilities</b>			
Payable against purchase of investments	-	1,644	1,644
Payable to Management Company	-	4,494	4,494
Payable to Central Depository Company of Pakistan Limited - Trustee	-	144	144
Unclaimed dividend		9,960	9,960
Accrued expenses and other liabilities	-	1,475	1,475
	<u>-</u>	<u>17,717</u>	<u>17,717</u>

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

	30 June 2013		
	Loans and receivables	Assets at fair value through profit or loss	Total
	------(Rupees in '000)-----		
<b>Assets</b>			
Balances with banks	68,721	-	68,721
Receivable against sale of investments	15,952	-	15,952
Investments	-	494,294	494,294
Dividend and profit receivable	551	-	551
Deposits	2,700	-	2,700
	<u>87,924</u>	<u>494,294</u>	<u>582,218</u>

	30 June 2013		
	Liabilities at fair value through profit or loss	Other financial liabilities	Total
	------(Rupees in '000)-----		
<b>Liabilities</b>			
Payable to Management Company	-	5,040	5,040
Payable to Central Depository Company of Pakistan Limited- Trustee	-	93	93
Unclaimed dividend	-	9,978	9,978
Accrued expenses and other liabilities	-	1,369	1,369
	<u>-</u>	<u>16,480</u>	<u>16,480</u>

**Unit holders' fund risk management**

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

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

**18. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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



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

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

**2 May 2014**

	Level 1	Level 2
	(Rupees in '000)	
<i>'At fair value through profit or loss' - held for trading</i>		
- Equity securities		
Quoted equity securities	762,054	-
Government securities	-	48,906
	762,054	48,906

**30 June 2013**

<i>'At fair value through profit or loss' - held for trading</i>		
- Equity securities		
Quoted equity securities	432,542	-
Government securities	-	59,645
	432,542	59,645

**19. SUPPLEMENTARY NON FINANCIAL INFORMATION**

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

**19.1 Pattern of unit holding:**

Details of pattern of unit holding as at 2 May 2014:

	As at 2 May 2014		
	Number of unit holders	Investment amount	Percentage investment
	(Rupees in '000)		
Individuals	2,961	593,042	70.37%
Associate Company	1	205,136	24.34%
Insurance companies	9	4,466	0.53%
NBFCs	11	2,679	0.32%
Retirement funds	10	9,338	1.11%
Others	73	28,118	3.34%
	3,065	842,779	100%

Details of pattern of unit holding as at 30 June 2013:

	As at 30 June 2013		
	Number of unit holders	Investment amount	Percentage investment
	(Rupees in '000)		
Individuals	3,209	500,827	90.78%
Directors	1	69	0.01%
Insurance companies	10	4,486	0.81%
Banks / DFIs	18	5,663	1.03%
Retirement funds	10	7,147	1.30%
Others	66	33,521	6.08%
	3,314	551,713	100%

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

**19.2 Top ten brokers / dealers by percentage of commission paid:**

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

	<b>For the period ended 2 May 2014 (Percentage)</b>
Invest & Finance Securities Limited	8.97
Foundation Securities (Pvt.) Limited	7.48
KASB Securities Limited	7.30
Optimus Capital Management (Pvt.) Limited	6.81
Arif Habib Limited.	6.25
JS Global Capital Limited	6.22
Taurus Securities Ltd	4.97
Habib Metro Financial Services Pvt Ltd	4.42
Topline Securities (Pvt.) Limited	4.39
Elixir Securities Pakistan (Pvt.) Limited	4.17
	<b>For the year ended 30 June 2013 (Percentage)</b>
Arif Habib Limited	9.23
Fortune Securities Limited	9.12
Foundation Securities (Private) Limited	8.19
Invest and Finance Securities Limited	7.16
Optimus Capital Management (Private) Limited	6.96
JS Global Capital Limited	6.70
KASB Securities Limited	6.59
Elixir Securities Pakistan (Private) Limited	5.65
Habib Metrol Financial Services (Private) Limited	5.09
Topline Securities (Private) Limited	4.75

**19.4 Particulars of Investment Committee and Fund Manager:**

Details of members of Investment Committee of the Fund are as follows:

Name	Designation	Qualification	Experience in years
Mr. Yasir Qadri	Chief Executive Officer	MBA	20 years
Mr. Kashif Rafi	SVP - Investments	MBA, CFA (Level I)	14 years
Mr. Muhammad Asim	Fund Manager and VP - Head of Equities	MBA & CFA	12 years
Mr. Mohsin Pervaiz	VP - Investment	MBA, CFA (Level I)	10 years
Ms. Uzma Khan	Senior Analyst	MBA, CFA, FRM	9 Years

**19.5 Other funds managed by the Fund Manager:**

Details of the other funds managed by Fund Manager are as follows:

- MCB Dynamic Allocation Fund
- MCB Dynamic Stock Fund
- Pakistan Pension Fund

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

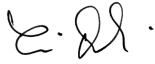
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**20. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue by the Board of Directors of the Management Company on July 28, 2014.

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



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



\_\_\_\_\_  
Director

Please find us on



by typing: **Bachat Ka Doosra Naam**

### **MCB-Arif Habib Savings and Investments Limited**

**Head Office:** 8th Floor, Techno City Corporate Tower, Hasrat Mohani Road, Karachi.

UAN: 11-11-622-24 (11-11-MCB-AH): Karachi, Lahore, Islamabad.

UAN: 111-468-378 (111-INVEST): Karachi, Lahore, Islamabad & Multan.

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