MCB PAKISTAN ASSET ALLOCATION FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021

	Note	June 30, 2021	June 30, 2020
		------ (Rupees in '000) ------	
ASSETS			
Bank balances	4	172,930	198,319
Investments	5	764,495	1,290,075
Dividend and profit receivable	6	1,544	10,374
Receivable against sale of investments		32,702	12,868
Receivable from National Clearing Company of Pakistan Limited		1,134	3,737
Advances, deposits, prepayments and other receivables	7	4,111	3,117
Total assets		976,916	1,518,490
LIABILITIES			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	8	2,263	6,738
Payable to Central Depository Company of Pakistan Limited - Trustee	9	184	212
Payable to the Securities and Exchange Commission of Pakistan	10	249	300
Payable against redemption of units		31	31
Payable against purchase of investments		9,425	165,692
Accrued expenses and other liabilities	11	52,701	46,037
Total liabilities		64,853	219,010
NET ASSETS		912,063	1,299,480
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		912,063	1,299,480
CONTINGENCIES AND COMMITMENTS	12		
		------ (Number of units) ------	
NUMBER OF UNITS IN ISSUE		10,525,869	18,920,867
		------ (Rupees) ------	
NET ASSET VALUE PER UNIT		86.6497	68.6797

The annexed notes 1 to 28 form an integral part of these financial statements.

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

Chief Executive Officer	Chief Financial Officer	Director

MCB PAKISTAN ASSET ALLOCATION FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	June 30, 2021	June 30, 2020
		------ (Rupees in '000) ------	
INCOME			
Markup / return on Investments	13	9,091	47,725
Income/(loss) on sale of investments - net		287,802	(27,265)
Markup on deposits with banks		5,152	21,451
Dividend income		48,001	52,203
Unrealised diminution on re-measurement of investments at fair value through profit or loss - net	5.2	40,635	(70,772)
Other income		856	316
Total income		391,537	23,658
EXPENSES			
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	8.1	29,231	29,978
Sindh Sales Tax on remuneration of Management Company	8.2	3,800	3,897
Allocated expenses	8.3	1,245	1,499
Selling and marketing expenses	8.4	11,085	15,730
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	2,240	2,501
Sindh Sales Tax on remuneration of Trustee	9.2	291	325
Annual fee to Securities and Exchange Commission of Pakistan	10	249	300
Brokerage and settlement charges		10,589	8,642
Auditors' remuneration	14.	719	830
Provision against Sindh Workers' Welfare Fund	11.1	6,627	-
Other expenses		761	717
Total operating expenses		66,837	64,419
Net income/(loss) for the period before taxation		324,700	(40,761)
Net income/(loss) for the year before taxation		324,700	(40,761)
Taxation	16	-	-
Net income/(loss) for the year after taxation		324,700	(40,761)
Allocation of net income for the year			
Net income for the year after taxation		324,700	-
Income already paid on units redeemed		(172,322)	-
		152,378	-
Accounting income available for distribution			
Relating to capital gains		148,481	-
Excluding capital gains		3,897	-
		152,378	-
Earnings per unit	3.10		

The annexed notes 1 to 28 form an integral part of these financial statements.

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

Chief Executive Officer **Chief Financial Officer** **Director**

MCB PAKISTAN ASSET ALLOCATION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020
	------- (Rupees in '000) -------	
Net income/(loss) for the year after taxation	**324,700**	(40,761)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	**324,700**	(40,761)

The annexed notes 1 to 28 form an integral part of these financial statements.

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

Chief Executive Officer	**Chief Financial Officer**	**Director**

MCB PAKISTAN ASSET ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	For year ended June 30,							
	2021				2020			
	(Rupees in '000)							
	Capital Value	Accumulated Losses	Unrealised appreciation on available-for-sale investments	Total	Capital Value	Accumulated Losses	Unrealised appreciation on available-for-sale investments	Total
Net assets at beginning of the year	2,506,806	(1,207,326)	-	1,299,480	3,214,410	(1,166,565)	-	2,047,845
Issue of 3,718,657 units (2020: 2,129,753 units)								
- Capital value (at net asset value per unit at the beginning of the year)	255,396	-	-	255,396	151,701	-	-	151,701
- Element of income / (loss)	43,153	-	-	43,153	(4,586)	-	-	(4,586)
	298,549	-	-	298,549	147,115	-	-	147,115
Redemption of 12,113,655 units (2020: 11,958,863 units)								
- Capital value (at net asset value per unit at the beginning of the year)	(831,963)	-	-	(831,963)	(851,823)	-	-	(851,823)
- Element of loss	(6,381)	(172,322)	-	(178,703)	(2,896)	-	-	(2,896)
	(838,344)	(172,322)	-	(1,010,666)	(854,719)	-	-	(854,719)
Total comprehensive income/(loss) for the year	-	324,700	-	324,700	-	(40,761)	-	(40,761)
Net assets at end of the year	1,967,011	(1,054,948)	-	912,063	2,506,806	(1,207,326)	-	1,299,480

	2021	2020
Undistributed loss brought forward		
- Realised	(1,136,554)	(853,369)
- Unrealised	(70,772)	(313,196)
	(1,207,326)	(1,166,565)
Accounting income available for distribution		
- Relating to capital gains	148,481	-
- Excluding capital gains	3,897	-
	152,378	-
Net loss for the year after taxation	-	(40,761)
Undistributed loss carried forward	(1,054,948)	(1,207,326)
Undistributed loss carried forward		
- Realised	(1,095,583)	(1,136,554)
- Unrealised	40,635	(70,772)
	(1,054,948)	(1,207,326)
	(Rupees)	(Rupees)
Net assets value per unit at beginning of the year	68.6797	71.2294
Net assets value per unit at end of the year	86.6497	68.6797

The annexed notes 1 to 28 form an integral part of these financial statements.

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

Chief Executive Officer **Chief Financial Officer** **Director**

MCB PAKISTAN ASSET ALLOCATION FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020
	------- (Rupees in '000) -------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(loss) for the year before taxation	324,700	(40,761)
Adjustments for:		
Unrealised diminution on re-measurement of investments at fair value through profit or loss - net	(40,635)	70,772
Provision against Sindh Workers' Welfare Fund	6,627	-
	290,692	30,011
Decrease / (increase) in assets		
Investments - net	566,215	208,958
Dividend and profit receivable	8,830	3,028
Receivable against sale of investments	(19,834)	117,901
Receivable from National Clearing Company of Pakistan Limited	2,603	-
Advances, deposits, prepayments and other receivable	(994)	16
	556,820	329,903
(Decrease) / increase in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(4,475)	(519)
Payable to Central Depository Company of Pakistan Limited - Trustee	(28)	(100)
Payable to the Securities and Exchange Commission of Pakistan	(51)	(2,465)
Payable against redemption of units	-	(32,339)
Payable against purchase of investments	(156,267)	165,692
Accrued expenses and other liabilities	37	(1,029)
	(160,784)	129,240
Net cash generated from operating activities	686,728	489,154
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received against issuance of units	298,549	147,115
Amount paid against redemption of units	(1,010,666)	(854,719)
Net cash used in financing activities	(712,117)	(707,604)
Net decrease in cash and cash equivalents during the year	(25,389)	(218,450)
Cash and cash equivalents at beginning of the year	198,319	416,769
Cash and cash equivalents at end of the year	172,930	198,319

The annexed notes 1 to 28 form an integral part of these financial statements.

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

Chief Executive Officer | **Chief Financial Officer** | **Director**

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 MCB Pakistan Asset Allocation Fund (the Fund) was established under a Trust Deed dated November 22, 2007 executed between MCB Asset Management Company Limited as the Management Company and the Central Depository Company of Pakistan Limited as the Trustee. Pursuant to the merger of MCB Asset Management Limited and Arif Habib Investments Limited, the name of the Management has been changed from MCB Asset Management Company Limited to MCB-Arif Habib Savings and Investments Limited with effect from June 27, 2011. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 17, 2007 in accordance with the Asset Management Companies Rules, 1995 repealed by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.

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

1.4 The Pakistan Credit Rating Agency Limited (PACRA) has maintained the asset manager a rating of "AM1" (2020: AM2++) on October 06, 2020.

1.5 The 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.

1.6 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company after fulfilling the requirement for registration of Trust Deed under Sindh Act 2020, has submitted Collective Investment Scheme Trust Deed to Registrar acting under Sindh Act 2020 for registration.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

2.2 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2021

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

		Effective from accounting period beginning on or after:
-	Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
-	Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	January 01, 2020
-	Amendments to IFRS 3 'Business Combinations' - Definition of a business	January 01, 2020
-	Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020
-	Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

2.3 New accounting standards, amendments 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.

		Effective from accounting period beginning on or after:
-	Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
-	Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021
-	Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
-	Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
-	Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
-	Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
-	Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
-	Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
-	Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

Certain annual improvements have also been made to a number of IFRSs.

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 17 – Insurance Contracts

2.4 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgements and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are documented in the following accounting policies, notes and relate primarily to:

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of financial assets (notes 3.1.1 and 5)
- Impairment of financial assets (note 3.1.1.3)
- Taxation (notes 3.4 and 16)
- Classification and valuation of financial liabilities (notes 3.1.2)

The revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

2.5 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain investments which are stated at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency. Amounts presented in the financial statements have been round off to the nearest thousand rupees, unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

3.1.1 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3.1.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income (OCI), interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to the income statement.

Financial assets at fair value through profit or loss (debt instruments)

Debt instruments that do not meet the amortised cost criteria or the fair value through other comprehensive income criteria are classified as at fair value through profit or loss. In addition, debt instruments that meet either the amortised cost criteria or the fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses from changes in fair value are recognised in other comprehensive income and are accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to income statement on disposal of the equity investments, instead, it is transferred to undistributed income. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Dividends are recognised as income in the income statement when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

Financial assets designated at fair value through profit or loss (equity instruments)

Equity investments which the Fund had not irrevocably elected to classify at fair value through OCI are classified as at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of assets and liabilities at fair value with net changes in fair value recognised in the the income statement.

Dividends on equity investments are recognised as income in the income statement when the right of payment has been established.

3.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of government securities:

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKFRV / PKISRV rates) which are based on the remaining tenor of the securities.

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of equity instruments:

The fair value of equity instruments is determined by using closing rate of securities at day end available on the Pakistan Stock Exchange's website.

3.1.1.3 Impairment of financial assets

The Fund assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

The SECP/Commission has through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

3.1.1.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of assets and liabilities) when:

- the rights to receive cash flows from the asset have expired; or
- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset;

3.1.2 Financial liabilities

3.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or the Fund has opted to measure them at fair value through profit or loss.

3.1.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

3.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, whish are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

3.3 Provisions

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

3.4 Taxation

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

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

3.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

Distributions declared subsequent to the year end / reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.6 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 date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of 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, and charges on redemption, if applicable.

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.7 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

3.8 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised appreciation / diminution arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Income / profit from investments in term finance certificates / sukuks, MTS transactions and government securities is recognised on a time proportionate basis using effective interest rate method.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

3.9 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

3.10 Earnings per unit

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

	Note	June 30, 2021	June 30, 2020
		(Rupees in '000)	
4. BANK BALANCES			
In saving accounts	4.1	164,510	191,479
In current accounts	4.2	8,420	6,840
		172,930	198,319

4.1 These carry profit at the rates ranging between 5.50% to 9.75% (2020: 5.50% to 7.83%) per annum. It includes bank balance of Rs. 0.012 million (2020: Rs. 0.226 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 5.50% (2020: 5.50%) per annum.

4.2 This represents bank balance maintained with MCB Bank Limited, (a related party).

	Note	June 30, 2021	June 30, 2020
		(Rupees in '000)	
5. INVESTMENTS			
Financial assets 'at fair value through profit or loss'			
Ordinary shares - Listed	5.1.1	742,095	897,535
Preference Shares - Listed	5.1.2	22,400	-
Sukuk Certificates - Listed	5.1.2	-	36,819
Market Treasury Bills	5.1.3	-	149,592
Pakistan Investment Bonds	5.1.4	-	105,229
Pakistan Investment Bonds - Floating Rate Bond	5.1.5	-	100,900
		764,495	1,290,075

5.1 **Financial assets 'at fair value through profit or loss'**

5.1.1 **Ordinary shares - Listed**

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of investee company	As at July 1, 2020	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2021	As at June 30, 2021			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
	(Number of shares)					(Rupees in '000)			(%)		
Automobile Assembler											
Millat Tractors Limited	-	1,160	-	1,160	-	-	-	-	-	-	-
Pak Suzuki Motors Company Limited	-	18,000	-	18,000	-	-	-	-	-	-	-
Indus Motor Company Limited	-	51,000	-	6,860	44,140	52,834	55,358	2,524	0.06	7.24	0.06
Sazgar Engineering Works Limited	-	38,500	-	38,500	-	-	-	-	-	-	-
						52,834	55,358	2,524			
Automobile Parts and Accessories											
Thal Limited	98,900	-	-	38,500	60,400	19,627	25,536	5,909	0.03	3.34	0.40
Agriautos Industries Limited***	-	150,000	-	80,000	70,000	16,618	19,207	2,589	0.02	2.51	0.24
Panther Tyres Limited	-	213,630	-	-	213,630	14,057	14,768	711	0.02	1.93	0.15
						50,302	59,511	9,209			
Cable and Electrical Goods											
Pak Elektron Limited	-	970,000	-	970,000	-	-	-	-	-		-
						-	-	-			
Cement											
Cherat Cement Company Limited	-	280,000	-	280,000	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited*	-	800,170	-	724,500	75,670	8,927	8,923	(4)	0.98	1.17	0.02
Fauji Cement Company Limited	1,500,000	1,825,000	-	3,325,000	-	-	-	-	-	-	-
Pioneer Cement Limited	-	686,500	-	686,500	-	-	-	-	-	-	-
Power Cement	-	1,375,000	-	1,189,000	186,000	2,067	1,787	(280)	0.20	0.23	0.02
Lucky Cement Limited	172,409	213,189	-	316,092	69,506	44,076	60,014	15,938	6.58	7.85	0.02
Maple Leaf Cement Factory Limited	500,000	2,631,000	-	2,433,500	697,500	30,983	32,769	1,786	3.59	4.29	0.06
						86,053	103,493	17,440			
Commercial Banks											
Bank Of Punjab Limited	-	3,113,500	-	3,113,500	-	-	-	-	-	-	-
MCB Bank Limited*	264,205	365,000	-	629,205	-	-	-	-	-	-	-
Meezan Bank Limited	-	200,000	-	14,000	186,000	21,334	21,466	132	2.35	2.81	0.01
Allied Bank Limited	467,800	-	-	467,800	-	-	-	-	-	-	-
Bank AlFalah Limited	-	3,250,000	-	2,350,000	900,000	33,118	28,962	(4,156)	3.18	3.79	0.05
Bank Al Habib Limited	854,409	791,300	-	1,102,000	543,709	35,446	38,125	2,679	4.18	4.99	0.05
Faysal Bank Limited	34,100	350,000	-	384,100	-	-	-	-	-	-	-
Habib Bank Limited	414,900	840,000	-	978,169	276,731	33,972	33,864	(108)	3.71	4.43	0.02
Habib Metropolitan Bank Limited	827,000	-	-	827,000	-	-	-	-	-	-	-
Samba Bank	-	1,000,000	-	1,000,000	-	-	-	-	-	-	-
United Bank Limited	652,640	868,250	-	1,193,200	327,690	39,903	40,044	141	4.39	5.24	0.03
						163,773	162,461	(1,312)			

Name of investee company	As at July 1, 2020	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2021	As at June 30, 2021			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
	(Number of shares)					(Rupees in '000)			(%)		
Engineering											
Mughal Iron and Steel Industries Limited	-	300,000	-	300,000	-	-	-	-	-	-	-
International Industries Limited	120	-	-	120	-	-	-	-	-	-	-
Aisha Steel Mill Limited*	-	2,446,500	-	2,446,500	-	-	-	-	-	-	-
Amreli Steels Limited	-	349,500	-	349,500	-	-	-	-	-	-	-
Agha steel Industries Limited	-	400,000	-	400,000	-	-	-	-	-	-	-
						-	-	-		-	
Fertilizer											
Engro Corporation Limited	45,000	94,500	-	139,500	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	920,000	-	920,000	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	591,000	362,054	-	953,054	-	-	-	-	-	-	-
						-	-	-		-	
Food & Personal Care Products											
At-Tahur Limited	668,500	-	66,850	735,350	-	-	-	-	-	-	-
Murree Brewery Company Limited	-	25,000	-	3,550	21,450	12,548	12,480	(68)	1.37	1.63	0.08
National Foods Limited ***	87,580	-	-	87,580	-	-	-	-	-	-	-
Unity Foods Limited	-	900,000	-	900,000	-	-	-	-	-	-	-
Shezan International Limited	5,115	-	-	-	5,115	1,145	1,696	550	0.19	0.22	0.06
						13,693	14,176	482			
Glass & Ceramics											
Tariq Glass Industries Limited	220,350	-	-	220,350	-	-	-	-	-	-	-
						-	-	-		-	
Insurance											
Adamjee Insurance Company Limited*	760,000	-	-	746,000	14,000	464	581	117	0.06	0.08	0.00
Pakistan Reinsurance Company Limited	289,500	-	-	289,500	-	-	-	-	-	-	-
						464	581	117			
Oil and Gas Exploration Companies											
Oil and Gas Development Company Limited	779,600	478,500	-	1,158,100	100,000	9,426	9,503	77	1.04	1.24	0.00
Pakistan Oilfields Limited	90,930	100,000	-	190,930	-	-	-	-	-	-	-
Pakistan Petroleum Limited	294,306	570,000	-	864,306	-	-	-	-	-	-	-
Mari Petroleum Company Limited	12,000	26,520	-	8,000	30,520	42,921	46,524	3,603	5.10	6.09	0.03
						52,347	56,027	3,680			
Oil and Gas Marketing Companies											
Attock Petroleum Limited	-	111,700	-	21,700	90,000	30,439	28,893	(1,546)	3.17	3.78	0.09
Pakistan State Oil Company Limited	-	375,511	-	375,511	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	628,300	-	-	628,300	-	-	-	-	-	-	-
						30,439	28,893	(1,546)			

Name of investee company	As at July 1, 2020	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2021	As at June 30, 2021 Carrying value	As at June 30, 2021 Market value	As at June 30, 2021 Unrealised appreciation / (diminution)	Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
	(Number of shares)					(Rupees in '000)			(%)		
Pharmaceuticals											
Abbot Laboatories (Pakistan) Limited	63,100	15,000		36,500	41,600	27,384	32,962	5,578	3.61	4.31	0.04
GlaxoSmithKline Limited	-	70,000	-	70,000	-	-	-	-	-	-	-
Highnoon Laboratories Limited	8,850	63,400	2,500	8,850	65,900	39,194	39,540	346	4.34	5.17	0.21
AGP Limited	-	80,000	-	80,000	-	-	-	-	-	-	-
The Searle Company Limited	2,058	163,200	7,150	172,058	350	92	85	(7)	0.01	0.01	0.00
						66,670	72,587	5,917			
Power Generation and Distribution											
Hub Power Company Limited	499,289	1,501,532	-	1,998,565	2,256	176	180	4	0.02	0.02	0.00
Kot Addu Power Company Limited	270,000	700,000	-	970,000	-	-	-	-	-	-	-
Pakgen Power Limited	-	292,500	-	292,500	-	-	-	-	-	-	-
Lalpir Power Limited	-	1,800,000	-	1,095,000	705,000	9,165	12,591	3,426	1.38	1.65	0.19
K-Electric Limited **	3,200,000	-	-	3,200,000	-	-	-	-	-	-	-
						9,341	12,771	3,430			
Real Estate Investment Trust											
Dolmen City REIT	1,092,500	-	-	-	1,092,500	11,897	12,039	142	1.32	1.57	0.05
						11,897	12,039	142			
Textile Composite											
Nishat Mills Limited*	-	265,000	-	265,000	-	-	-	-	-	-	-
Interloop Limited	-	1,204,500		874,500	330,000	23,768	23,110	(658)	2.53	3.02	0.04
						23,768	23,110	(658)			
Leather & Tanneries											
Service Global Footwear Limited	-	37,334	-	37,334	-	-	-	-	-	-	-
Bata Pakistan Limited	-	11,200	-	-	11,200	21,324	19,201	(2,123)	2.11	2.51	0.15
Service Industries Limited	9,893	-	2,474	12,366	1	-	1	1	-	-	0.00
						21,324	19,202	(2,122)			
Chemicals											
Archroma Pak	-	49,050	-	-	49,050	28,796	28,081	(715)	3.08	3.67	0.14
ICI Pakistan	-	18,000	-	18,000	-	-	-	-	-	-	-
Engro Polymer and Chemicals Limited	994,036	674,000	-	1,668,036	-	-	-	-	-	-	-
						28,796	28,081	(715)			
Refinery											
National Refinery Limited	-	40,000	-	40,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	735,000	-	377,000	358,000	9,648	8,810	(838)	0.97	1.15	0.06
Byco Petroleum Limited	-	1,750,000	-	1,750,000	-	-	-	-	-	-	-
						9,648	8,810	(838)			
Technology & Communications											
Avanceon Limited	-	660,000	-	660,000	-	-	-	-	-	-	-
TRG Pakistan Limited	-	715,000	-	715,000	-	-	-	-	-	-	-
						-	-	-			
Paper And Board											
Packages Limited	-	119,700	-	4,400	115,300	60,450	62,862	2,412	6.89	8.22	0.13
Century Paper and Board Mills Limited	-	125,000	-	125,000	-	-	-	-	-	-	-
						60,450	62,862	2,412			

Name of investee company	As at July 1, 2020	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2021	As at June 30, 2021 Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
	(Number of shares)					(Rupees in '000)			(%)		
Miscellaneous											
Shifa International Hospital	-	101,000	-	-	101,000	22,061	22,134	73	2.43	2.90	0.16
Tri-Pack Films Limited	-	45,000	-	45,000	-	-	-	-	-	-	-
Siddiqsons Tin Plate Limited	-	1,200,000	-	1,200,000	-	-	-	-	-	-	-
						22,061	22,134	73			
Total as at June 30, 2021						703,860	742,095	38,235			
Total as at June 30, 2020						968,070	897,535	(70,535)			

* These denote related parties / connected persons.

** This have a face value of Rs 3.5 per share.

*** This have a face value of Rs 5 per share.

5.1.1.1 Investments include shares with market value aggregating to Rs 58.8 million (2020: Rs 34.5 million) which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

5.1.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

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

The Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during that year. On July 11, 2019, the CISs have filed a fresh constitutional petition . In this regard, on July 15, 2019, the High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

As at June 30, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.7038 million (2020: 0.08814 million).

5.1.2 **Listed equity securities - Preference Shares**

Name of investee company	As at July 1, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at June 30, 2021	As at June 30, 2021 Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as percentage of net assets	Market value as percentage of total investments
						(Rupees in '000)				
Engro Polymer and Chemicals Limited	-	2,000,000	-	-	2,000,000	20,000	22,400	2,400	2.46	2.93

5.1.2.1 These shares carry dividend at the rate of 6 months KIBOR + 3.5% per annum on cummulative basis. The rate prevailing on June 30 and December 31 will be considered.

5.1.2 **Sukuk Certificates - Listed debt securities**

Certificates having a face value of Rs. 100,000 each unless stated otherwise

Tenor	Face value				As at June 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of total issue size
	As at July 1, 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)			
	(Rupees in 000)							(%)		
Dawood Hercules Corporation Limited	452	-	452	-	-	-	-	-	-	-
Total as at June 30, 2021					-	-	-			
Total as at June 30, 2020					36,088	36,819	731			

5.1.2.1 Significant terms and conditions of term finance certificates outstanding as at June 30, 2021 are as follows:

Name of the issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
Dawood Hercules Corporation Limited	3 months KIBOR + 1%	1-Mar-18	1-Mar-23	AA

5.1.3 **Market Treasury Bills - Government Securities**

Tenor	Issue date	Face value				As at June 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)		
		(Rupees in 000)							(%)	
Market Treasury bills - 3 months	31-Dec-20	150,000	50,000	200,000	-	-	-	-	-	-
Market Treasury bills - 3 months	25-Mar-21	-	250,000	250,000	-	-	-	-	-	-
Market Treasury bills - 3 months	14-Jan-21		110,000	110,000	-	-	-	-	-	-
Market Treasury bills - 3 months	11-Feb-21		3,000,000	3,000,000	-	-	-	-	-	-
Market Treasury bills - 3 months	8-Apr-21		50,000	50,000	-	-	-	-	-	-
Market Treasury bills - 3 months	28-Jan-21		500,000	500,000	-	-	-	-	-	-
Market Treasury bills - 3 months	10-Sep-20		1,400,000	1,400,000	-	-	-	-	-	-
Market Treasury bills - 3 months	20-May-21		1,200,000	1,200,000	-	-	-	-	-	-

Tenor	Issue date	Face value				As at June 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)		
		(Rupees in 000)							(%)	
Market Treasury bills - 3 months	27-Aug-20		500,000	500,000	-	-	-	-	-	-
Market Treasury bills - 3 months	6-May-21		50,000	50,000	-	-	-	-	-	-
Market Treasury bills - 3 months	2-Jul-20		500,000	500,000	-	-	-	-	-	-
Market Treasury bills - 3 months	17-Dec-20		75,000	75,000	-	-	-	-	-	-
Market Treasury bills - 3 months	19-Nov-20		500,000	500,000	-	-	-	-	-	-
Market Treasury bills - 3 months	23-Apr-20		1,875,000	1,875,000	-	-	-	-	-	-
Market Treasury bills - 3 months	5-Nov-20		550,000	550,000	-	-	-	-	-	-
Market Treasury bills - 3 months	22-Apr-21		550,000	550,000	-	-	-	-	-	-
Market Treasury bills - 3 months	17-Jun-21		500,000	500,000	-	-	-	-	-	-
Market Treasury bills - 3 months	8-Oct-20		3,650,000	3,650,000	-	-	-	-	-	-
Market Treasury bills - 3 months	24-Sep-20		50,000	50,000	-	-	-	-	-	-
Market Treasury bills - 3 months	16-Jul-20		10,650,000	10,650,000	-	-	-	-	-	-
Market Treasury bills - 3 months	3-Dec-20		175,000	175,000	-	-	-	-	-	-
Market Treasury bills - 3 months	25-Feb-21		1,600,000	1,600,000	-	-	-	-	-	-
Market Treasury bills - 3 months	3-Jun-21		500,000	500,000	-	-	-	-	-	-
Market Treasury bills - 6 months	17-Jun-21		500,000	500,000	-	-	-	-	-	-
Market Treasury bills - 6 months	7-May-20		50,000	50,000	-	-	-	-	-	-
Market Treasury bills - 6 months	13-Feb-20		125,000	125,000	-	-	-	-	-	-
Market Treasury bills - 6 months	20-May-21		500,000	500,000	-	-	-	-	-	-
Market Treasury bills - 6 months	24-Sep-20		100,000	100,000	-	-	-	-	-	-
Market Treasury bills - 6 months	23-Apr-20		2,950,000	2,950,000	-	-	-	-	-	-
Market Treasury bills - 6 months	26-Mar-20		300,000	300,000	-	-	-	-	-	-
Market Treasury bills - 6 months	2-Jul-20		480,000	480,000	-	-	-	-	-	-
Market Treasury bills - 6 months	16-Jul-20		6,100,000	6,100,000	-	-	-	-	-	-
Market Treasury bills - 6 months	18-Jun-20		6,030,000	6,030,000	-	-	-	-	-	-
Market Treasury bills - 12 months	12-Sep-19		100,000	100,000	-	-	-	-	-	-
Market Treasury bills - 12 months	26-Sep-19		1,825,000	1,825,000	-	-	-	-	-	-
Market Treasury bills - 12 months	10-Oct-19		2,150,000	2,150,000	-	-	-	-	-	-
Market Treasury bills - 12 months	21-Nov-19		150,000	150,000	-	-	-	-	-	-
Market Treasury bills - 12 months	16-Aug-19		200,000	200,000	-	-	-	-	-	-
Market Treasury bills - 12 months	19-Dec-19		7,250,000	7,250,000	-	-	-	-	-	-
Market Treasury bills - 12 months	4-Jun-20		110,000	110,000	-	-	-	-	-	-
Market Treasury bills - 12 months	5-Dec-19		1,500,000	1,500,000	-	-	-	-	-	-
Market Treasury bills - 12 months	7-Nov-19		50,000	50,000	-	-	-	-	-	-
Market Treasury bills - 12 months	24-Oct-19		688,915	688,915	-	-	-	-	-	-
Total as at June 30, 2021						-	-	-		
Total as at June 30, 2020						149,547	149,592	45		

5.1.4 **Pakistan investment bonds - Government Securities**

Particulars	Issue date	Face value				As at June 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)		
		(Rupees in 000)							(%)	
Pakistan Investment Bond - 3 years	19-Sep-19		150,000	150,000	-	-	-	-	-	-
Pakistan Investment Bond - 3 years	20-Aug-20		200,000	200,000	-	-	-	-	-	-
Pakistan Investment Bond - 3 years	12-Jul-18		5,250,000	5,250,000	-	-	-	-	-	-
Pakistan Investment Bond - 5 years	12-Jul-18		200,000	200,000	-	-	-	-	-	-
Pakistan Investment Bond - 5 years	19-Sep-19	100,000	1,000,000	1,100,000	-	-	-	-	-	-
Pakistan Investment Bond - 5 years	15-Oct-20		975,000	975,000	-	-	-	-	-	-
Total as at June 30, 2021						-	-	-		
Total as at June 30, 2020						105,146	105,229	83		

5.1.5 **Pakistan Investment Bonds - Floating Rate Bond (FRB) - Government Securities**

Particulars	Issue date	Face value				As at June 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)		
		(Rupees in 000)							(%)	
Pakistan Investment Bond - 3 years	18-Jun-20	-	375,000	375,000	-	-	-	-	-	-
Pakistan Investment Bond - 10 years	25-Jul-19	100,000	100,000	200,000	-	-	-	-	-	-
Total as at June 30, 2021						-	-	-		
Total as at June 30, 2020						101,996	100,900	(1,096)		

5.1.6 Government of Pakistan (GoP) Ijara sukuks - Government securities

Name of investee company	Face Value				As at June 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of total issue size
	As at July 1, 2020	Purchased during the year	Sold / matured during the year	As at June 30, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)			
	(Rupees in 000)							(%)		
GoP Ijarah Sukuks	-	62,500	62,500	-	-	-	-	-	-	-
Total as at June 30, 2021					-	-	-			
Total as at June 30, 2020					-	-	-			

5.2 Unrealised diminution on re-measurement of investments at fair value through profit or loss - net

	Note	June 30, 2021	June 30, 2020
		(Rupees in '000)	
Market value as at June 30	5.1.1, 5.1.2, 5.1.3, 5.1.4, & 5.1.5	744,495	1,290,075
Carrying value as at June 30	5.1.1, 5.1.2, 5.1.3, 5.1.4, & 5.1.5	(703,860)	(1,360,847)
		40,635	(70,772)

	June 30, 2021	June 30, 2020
	------- (Rupees in '000) -------	

6. DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable	1,076	405
Profit receivable on:		
Sukuk certificates / term finance certificates	-	271
Government securities	-	8,742
Deposits with banks	468	956
	1,544	10,374

7. ADVANCES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

Security deposit with National Clearing Company of Pakistan Limited	2,500	2,500
Security deposit with Central Depository Company of Pakistan Limited	100	100
Advance tax	415	395
Other receivables	40	34
Receivable against bonus shares withheld	1,056	-
Prepayments	-	88
	4,111	3,117

8. PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY

Management remuneration payable	1,916	2,084
Sindh sales tax payable on management remuneration	249	271
Sales load payable	17	246
Payable against allocated expenses	81	104
Payable against selling and marketing expenses	-	4,033
	2,263	6,738

8.1 The Management Company has charged remuneration at a rate of 2% per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

8.2 During the year, Sindh Sales Tax on management fee has been charged at 13% (2020: 13%).

8.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company has allocated expenses to the Fund based on its discretion subject to not being higher than actual expense which has also been approved by the Board of Directors of the Management Company.

8.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

The SECP through its circular 11 dated July 5, 2019 revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Asset Management Company (BOD) as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense, which has also been approved by the BOD of the Management Company.

		Note	June 30, 2021	June 30, 2020
			(Rupees in '000)	
9.	**PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN**			
	Trustee remuneration payable	9.1	163	188
	Sindh Sales Tax payable on trustee remuneration	9.2	21	24
			184	212

9.1 Under the provisions of the Trust Deed, the Trustee is entitled to a remuneration, to be paid monthly in arrears as per the following tariff structure. There has been no change in the tarriff structure during the year

Net Assets Value (NAV)	Tariff per annum
Up to Rs 1,000 million	0.20% per annum of Net Assets
On an amount exceeding Rs. 1,000 million	Rs 2 million plus 0.10% per annum of Net Assets exceeding Rs 1,000 million, whichever is higher

9.2 Sales tax on remuneration of the Trustee has been charged at the rate of 13% (2020: 13%).

		Note	June 30, 2021	June 30, 2020
			(Rupees in '000)	
10.	**PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**			
	Annual fee payable to the SECP	10.1	249	300

10.1 Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs, Accordingly, the Fund has charged SECP Fee at the rate of 0.02% of net assets during the current period. Previously, the rate of annual fee applicable to asset allocation scheme was 0.095% of the daily average annual net assets of the Fund.

		Note	June 30, 2021	June 30, 2020
			(Rupees in '000)	
11.	**ACCRUED EXPENSES AND OTHER LIABILITIES**			
	Provision against Sindh Workers' Welfare Fund	11.1	15,700	9,073
	Provision for Federal Excise Duty and related tax on			
	- Management fee	11.2	19,027	19,027
	- Sales load		16,173	16,173
	Withholding tax payable (deducted on capital gains)		378	2
	Auditors' remuneration payable		497	558
	Brokerage payable		662	946
	Others		264	258
			52,701	46,037

11.1 Provision for Sindh Workers' Welfare Fund (SWWF)

The Supreme Court of Pakistan passed a judgment on November 10, 2016, which upheld the view of Lahore High Court, declaring the insertion of amendments through Finance Acts 2006 and 2008 pertaining to Workers' Welfare Fund (WWF) as unlawful and thereby striking down the amendments introduced through these Finance Acts. The Federal Board of Revenue has filed a petition in the Supreme Court against the said judgment, which is pending hearing.

Mutual Fund Association of Pakistan (MUFAP), on behalf of all Asset Management Companies (AMCs), obtained a legal opinion dated December 5, 2016 on the matter, according to which there is no longer any basis in law to claim WWF payments from the mutual funds under the WWF Ordinance. After deliberating the position, MUFAP decided that the provision for WWF held for the period from January 1, 2013 to June 30, 2015 be reversed effective January 12, 2017.

Furthermore, the Sindh Revenue Board (SRB) had written to mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. MUFAP reviewed the issue and based on an opinion dated August 2016 decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB on November 11, 2016 responded back that as mutual funds are included in definition of financial institutions in The Financial Institutions (Recovery of Finance) Ordinance, 2001, SWWF is payable by them. MUFAP has taken up the matter with the Sindh Finance Ministry to have mutual funds excluded from SWWF.

MUFAP has also obtained a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP instructed to provide for SWWF with effect from May 21, 2015, while the efforts to exclude mutual funds for SWWF continue. The aggregate balance of SWWF provision in the book of accounts of the Fund as on June 30, 2021 is Rs.15.7 million (June 30, 2020: Rs. 9,073 million). Had this provision not been made, the NAV of the Fund would have been higher by Re. 1.4916 per unit (June 30, 2020: Re. 0.4796 per unit).

The SECP has also concurred with the directions issued by MUFAP through its letter no. SCD/AMCW/MUFAP/2017 - 405 dated February 01, 2017.

11.2 Federal Excise Duty and related tax payable

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 2013, a Constitutional Petition was filed in the Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

On July 16, 2016, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and Sales Load with effect from July 1, 2016. However, the provision for FED made prior to this period has been maintained by the Fund which at June 30, 2021 aggregates to Rs. 19.027 million (June 30, 2020: Rs. 19.027 million). Had the provision for FED not been recorded in the financial statements of the Fund, the net assets value of the Fund as at June 30, 2021 would have been higher by Rs. 1.8076 per unit (June 30, 2020: Re.1.0056 per unit).

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2021 and June 30, 2020.

	June 30, 2021	June 30, 2020
	------ (Rupees in '000) ------	
13. MARKUP / RETURN ON INVESTMENTS		
Government securities	**8,518**	23,273
Term finance certificates / sukuk certificates	**573**	22,863
Commercial paper	**-**	1,589
	9,091	47,725
14. AUDITORS' REMUNERATION		
Annual audit fee	**420**	420
Half yearly review fee	**236**	236
Other certifications	**50**	50
Out of pocket expenses	**13**	124
	719	830

15. TOTAL EXPENSE RATIO

SECP, vide SRO no. 639(I)/2019 dated June 20, 2019 enhanced the Total Expense Ratio from 4% to 4.5%. The total expense ratio of the fund from July 01, 2020 to June 30, 2021 is 5.37% and this includes 0.88% representing government levy, Sindh Worker's Welfare Fund, SECP fee etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a Collective Investment Scheme categorized as Asset Allocation Scheme.

16. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Fund has incurred net loss during the year ended June 30, 2020, no provision for taxation has been made in these financial statements.

17. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons of the Fund include MCB-Arif Habib Savings and Investments Limited (being the Management Company) and its related entities, Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes and pension schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members, key management personnel and officers of the Management Company.

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

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

The details of transactions carried out by the Fund with related parties / connected persons and balances with them at the year end are as follows:

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

	For the year ended June 30, 2021							
	As at July 01, 2020	Issued for cash	Redeemed	As at June 30, 2021	As at July 01, 2020	Issued for cash	Redeemed	As at June 30, 2021
	(Units)				(Rupees in '000)			
D.G Khan Cement Company Limited - Employees' Provident Fund Trust	35,028	-	-	35,028	2,406	-	-	3,035
Adamjee Life Assurance Company Limited - NUIL Fund	551,649	-	499,763	51,887	37,887	-	43,000	4,496
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	5,453,035	959,381	5,375,669	1,036,747	374,513	79,000	460,000	89,834
Adamjee Life Assurance Company Limited - DGF		14,358	14,358	-		1,200	1,178	-
Adamjee Life Assurance Company Limited - Employees Gratuity Fund	28,189	-	-	28,189	1,936	-	2,475	2,443
Key management personnel	-	29,022	6,449	22,573	-	2,500	507	1,956
Mandate under Discretionary Portfolio Services	430,757	416,493	347,426	499,824	29,584	32,555	26,827	43,310

	For the year ended June 30, 2020							
	As at July 01, 2019	Issued for cash	Redeemed	As at June 30, 2020	As at July 01, 2019	Issued for cash	Redeemed	As at June 30, 2020
	Units				(Rupees in '000)			
MCB Arif Habib Savings and Investments Limited	-	-	-	-	-	-	-	-
D.G Khan Cement Company Limited - Employees' Provident Fund Trust	35,028	-	-	35,028	2,495	-	-	2,406
Adamjee Life Assurance Company Limited - NUIL Fund	386,879	164,770	-	551,649	27,557	10,000	-	37,887
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	5,453,035	-	-	5,453,035	388,416	-	-	374,513
Adamjee Life Assurance Company Limited - Investment Secure Fund	-	-	-	-	-	-	-	-
Security General Insurance Company	-	-	-	-	-	-	-	-
Adamjee Life Assurance Company Limited - Employees Gratuity Fund	28,189	-	-	28,189	2,008	-	-	1,936
Key management personnel	7	-	7	-	1	-	1	-
Mandate under Discretionary Portfolio Services	74,401	586,944	230,588	430,757	5,300	40,350	15,660	29,584

17.2 **Details of transactions other than units of the Fund with related parties / connected persons during the year**

	June 30, 2021	June 30, 2020
	(Rupees in '000)	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration of the Management Company including indirect taxes	33,031	33,875
Allocated expenses	1,245	1,499
Selling and marketing expenses	11,085	15,730
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	2,531	2,826
CDC settlement charges	180	243
MCB Bank Limited - Holding Company of the Management Company		
Purchase of shares 2021: 365,000 (2020: 414,205)	62,870	63,646
Sale of shares 2021: 610,205 (2020: 629,300)	115,290	107,807
Dividend income	10	839
Profit on bank balances	5	47
Bank charges	8	14
Sale of securities face value 2021: 50 million (2020: Nil)	106,348	-
D. G. Khan Cement Company Limited - Group Company of Parent Company		
Purchase of Shares 2021: 800,170 (2020: 685,000)	87,419	51,780
Sale of Shares 2021: 724,500 (2020: 685,000)	78,003	51,577
Adamjee Insurance Company Limited - Group Company of Parent Company		
Purchase of Shares 2021: NIL (2020: 760,000)	-	29,012
Sale of Shares 2021: 746,000 (2020: 295,000)	32,876	12,046
Dividend income	896	865
Arif Habib Limited - Subsidiary of Associated Company		
Purchase of Shares 2021: 1,374,300 (2020: NIL)	129,338	-
Sale of Shares 2021: 3,140,244 (2020: 312,000)	294,896	10,949
Brokerage expense *	642	464
Next Capital Limited - Joint Venture of MCB Bank Limited & Arif Habib Corporation Limited		
Purchase of Shares 2021: 41,500 (2020: NIL)	22,000	-
Sale of Shares 2021: 286,595 (2020: NIL)	18,221	-
Brokerage expense *	60	129
Nishat Mills Limited - Group Company of Parent Company		
Purchase of Shares 2021: 200,000 (2020: NIL)	21,378	-
Sale of Shares 2021: 250,000 (2020: 1,100)	28,879	71
Nishat (Chunian) Limited - Group Company of Parent Company		
Sale of Shares 2021: NIL (2020: 250,000)	-	9,403
Lalpir Power Limited		
Purchase of Shares 2021: 1,800,000 (2020: NIL)	23,400	-
Sale of Shares 2021: 1,095,000 (2020: NIL)	18,152	-
Dividend income	2,245	-

	June 30, 2021	June 30, 2020
	(Rupees in '000)	
Power Cement Limited		
Purchase of Shares 2021: 1,375,000 (2020: NIL)	15,283	-
Sale of Shares 2021: 1,189,000 (2020: NIL)	12,015	-
Pakgen Power Limited		
Purchase of Shares 2021: 292,500 (2020: NIL)	4,751	-
Sale of Shares 2021: 292,500 (2020: NIL)	6,081	-
Dividend income	229	-

17.3 Details of balances with related parties / connected persons as at year end

	June 30, 2021	June 30, 2020
	(Rupees in '000)	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Management remuneration payable	1,916	2,084
Sindh sales tax payable on management remuneration	249	271
Sales load payable	17	246
Payable against allocated expenses	81	104
Payable against selling and marketing expenses	-	4,033
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	163	188
Sindh Sales Tax payable on trustee remuneration	21	24
Security deposits	100	100
MCB Bank Limited - Parent of the Management Company		
Bank balances	8,432	7,066
Shares held by the Fund 2021: NIL (2020: 264,205)	-	42,820
Arif Habib Limited - Subsidiary of Associated Company		
Brokerage expense *	173	43
Lalpir Power Limited		
Shares held by the Fund 2021: 705,000 (2020: NIL)	12,591	-
Power Cement Limited		
Shares held by the Fund 2021: 186,000 (2020: NIL)	1,787	-

* The amount disclosed represents the amount of brokerage expense or brokerage payable to related parties / 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 related parties / connected persons.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e., period end. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value based on:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table show the carrying amount and fair values of financial assets and financial liabilities including the levels in the fair value hirearchy.

	June 30, 2021							
	Carrying amount				Fair Value			
	Amortised Cost	Fair value through profit or loss	Fair value through other comprehensive income'	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)							
Financial assets measured at fair value								
Ordinary shares - Listed	-	742,095	-	742,095	742,095	-	-	742,095
	-	742,095	-	742,095	742,095	-	-	742,095
Financial assets not measured at fair value								
Bank balances	172,930	-	-	172,930				
Dividend and profit receivable	1,544	-	-	1,544				
Receivable against sale of investments	32,702	-	-	32,702				
Receivable from National Clearing Company of Pakistan Limited	1,134	-	-	1,134				
Deposits and other receivables	2,640	-	-	2,640				
	210,950	-	-	210,950				
Financial liabilities not measured at fair value								
Payable against purchase of investments	9,425	-	-	9,425				
Payable to the Management Company	2,014	-	-	2,014				
Payable to the Trustee	163	-	-	163				
Payable against redemption of units	31	-	-	31				
Accrued expenses and other liabilities	1,423	-	-	1,423				
	13,056	-	-	13,056				

	June 30, 2020							
	Carrying amount				Fair Value			
	Amortised Cost	Fair value through profit or loss	Fair value through other comprehensive income'	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)							
Financial assets measured at fair value								
Ordinary shares - Listed	-	897,535	-	897,535	897,535	-	-	897,535
Sukuk certificates - Listed	-	36,819	-	36,819	-	36,819	-	36,819
Market treasury bills	-	149,592	-	149,592	-	149,592	-	149,592
Pakistan investment bonds	-	105,229	-	105,229	-	105,229	-	105,229
Pakistan investment bonds - FRB	-	100,900	-	100,900	-	100,900	-	100,900
	-	1,290,075	-	1,290,075	897,535	392,540	-	1,290,075
Financial assets not measured at fair value								
Bank balances	198,319	-	-	198,319				
Dividend and profit receivable	10,374	-	-	10,374				
Receivable against sale of investments	12,868	-	-	12,868				
Receivable from National Clearing Company of Pakistan Limited	3,737	-	-	3,737				
Deposits and other receivables	2,634	-	-	2,634				
	227,932	-	-	227,932				
Financial liabilities not measured at fair value								
Payable against purchase of investments	165,692	-	-	165,692				
Payable to the Management Company	6,467	-	-	6,467				
Payable to the Trustee	188	-	-	188				
Payable against redemption of units	31	-	-	31				
Accrued expenses and other liabilities	1,762	-	-	1,762				
	174,140	-	-	174,140				

During the year ended June 30, 2021, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

19. FINANCIAL RISK MANAGEMENT

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

19.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

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

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

19.1.1 Currency risk

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

19.1.2 Yield / Interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2021, the Fund is exposed to such risk on balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

As of June 30, 2021 details of Fund's interest bearing financial instruments were as follows:

	Note	June 30, 2021	June 30, 2020
		(Rupees)	
Variable rate instrument (financial asset)			
Bank balance	4.	**164,510**	191,479
Sukuk certificates - Listed	5.1.4	-	36,819
Pakistan Investment Bonds - FRB	5.1.5	-	100,900
		164,510	329,198
Fixed rate instruments (financial assets)			
Market Treasury Bills	5.1.3	-	149,592
Pakistan Investment Bonds	5.1.4	-	105,229
		-	254,821

a) Sensitivity analysis for variable rate instrument

Presently, the Fund holds balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase/decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher/lower by Rs 1.65 million (2020: Rs 3.29 million).

b) Fair value sensitivity analysis for fixed rate instruments

As at June 30, 2021, the Fund holds government securities which are fixed rate instruments exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Market Association of Pakistan (FMAP) on June 30, 2021, the net income for the year and net assets would be lower / higher by Rs. NIL (2020: Rs.2.55 million).

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:

Particulars	As at June 30, 2021					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%	--------------------	--------------------	(Rupees in '000)	--------------------	--------------------
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.50 to 9.75	164,510	-	-	8,420	172,930
Investments	7.90 to 13.96	-	-	-	742,095	742,095
Dividend and profit receivable		-	-	-	1,544	1,544
Receivable against sale of investments		-	-	-	32,702	32,702
Receivable from National Clearing Company of Pakistan Limited		-	-	-	1,134	1,134
Deposits and other receivables		-	-	-	2,640	2,640
Sub total		164,510	-	-	788,535	953,045
Financial liabilities						
Payable against purchase of investments		-	-	-	9,425	9,425
Payable to the Management Company		-	-	-	2,014	2,014
Payable to the Trustee		-	-	-	163	163
Payable against redemption of units		-	-	-	31	31
Accrued expenses and other liabilities		-	-	-	1,423	1,423
Sub total		-	-	-	13,056	13,056
On-balance sheet gap		164,510	-	-	775,479	939,989
Total interest rate sensitivity gap		164,510	-	-	775,479	939,989
Cumulative interest rate sensitivity gap		164,510	164,510	164,510		

Particulars	As at June 30, 2020					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	--------------------	--------------------	(Rupees in '000)	--------------------	--------------------
On-balance sheet financial instruments						
Financial assets						
Bank balances	5.50 to 7.83	191,479	-	-	6,840	198,319
Investments	7.90 to 13.96	149,592	-	242,948	897,535	1,290,075
Dividend and profit receivable		-	-	-	10,374	10,374
Receivable against sale of investments		-	-	-	12,868	12,868
Receivable from National Clearing Company of Pakistan Limited		-	-	-	3,737	3,737
Deposits and other receivables		-	-	-	2,634	2,634
Sub total		341,071	-	242,948	933,988	1,518,007
Financial liabilities						
Payable against purchase of investments		-	-	-	165,692	165,692
Payable to the Management Company		-	-	-	6,467	6,467
Payable to the Trustee		-	-	-	188	188
Payable against redemption of units		-	-	-	31	31
Accrued expenses and other liabilities		-	-	-	1,762	1,762
Sub Total		-	-	-	174,140	174,140
On-balance sheet gap		341,071	-	242,948	759,848	1,343,867
Total interest rate sensitivity gap		341,071	-	242,948	759,848	1,343,867
Cumulative interest rate sensitivity gap		341,071	341,071	584,019		

19.1.3 Price risk

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

A reasonably possible change of 5% increase or decrease in fair values at the reporting date would have increased / decreased the income statement by Rs 38.22 million (2020: Rs 44.88 million) and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

19.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The credit risk on the fund is limited because the counterparties are financial institutions with reasonably high credit ratings.

The Fund has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major customers. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk from balances with banks and financial institutions is managed in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board of Directors. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

	2021		2020	
	Balance as per statement of assets and	Maximum exposure	Balance as per statement of assets and	Maximum exposure
	(Rupees in '000)			
Bank balances	172,930	172,930	198,319	198,319
Investments	742,095	-	1,290,075	392,540
Dividend and profit receivable	1,544	1,544	10,374	10,374
Receivable against sale of investments	32,702	32,702	12,868	12,868
Receivable from National Clearing Company of Pakistan Limited	1,134	1,134	3,737	3,737
Deposits and other receivables	2,640	2,640	2,634	2,634
	953,045	210,950	1,518,007	620,472

The analysis below summaries the credit rating quality of the Fund's financial assets as at June 30, 2021.

Bank Balances by rating category

	2021		2020	
Rating	Rupees in '000	%	Rupees in '000	%
AAA	145,872	84.35%	133,049	67.09%
AA+	25,211	14.58%	65,127	32.84%
AA-	21	0.01%	14	0.01%
AA	1,773	1.03%	28	0.01%
A+	30	0.02%	23	0.01%
A-	3	0.00%	52	0.03%
A	21	0.01%	26	0.01%
	172,930	100%	198,319	100%

Above ratings are on the basis of available ratings assigned by PACRA and VIS Credit Rating Company Limited (Formally JCR-VIS Credit Rating Company Limited) as of June 30, 2021.

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.

Concentration of credit risk

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

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.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting it's obligations arising from it's 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 Funds. 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.

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

The table below analyses the Fund's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual

June 30, 2021	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	(Rupees in "000)					
Financial assets						
Bank balances	172,930	-	-	-	-	172,930
Investments	742,095	-	-	-	-	742,095
Dividend and profit receivable	1,544	-	-	-	-	1,544
Receivable against sale of investments	32,702	-	-	-	-	32,702
Receivable from National Clearing Company of Pakistan Limited	1,134	-	-	-	-	1,134
Deposits and other receivables	2,640	-	-	-	-	2,640
	953,045	-	-	-	-	953,045

June 30, 2021	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	(Rupees in '000)					
Financial liabilities						
Payable to the Management Company	2,014	-	-	-	-	2,014
Payable against purchase of investment	9,425	-	-	-	-	9,425
Payable to the Trustee	163	-	-	-	-	163
Payable against redemption of units	31	-	-	-	-	31
Accrued expenses and other liabilities	1,423	-	-	-	-	1,423
	13,056	-	-	-	-	13,056
	939,989	-	-	-	-	939,989

June 30, 2020	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	Rupees in '000					
Financial assets						
Bank balances	198,319	-	-	-	-	198,319
Investments	897,535	149,592	-	142,048	100,900	1,290,075
Dividend and profit receivable	10,374	-	-	-	-	10,374
Receivable against sale of investments	12,868	-	-	-	-	12,868
Receivable from National Clearing Company of Pakistan Limited	3,737	-	-	-	-	3,737
Deposits and other receivables	2,634	-	-	-	-	2,634
	1,125,467	149,592	-	142,048	100,900	1,518,007
Financial liabilities						
Payable to the Management Company	6,467	-	-	-	-	6,467
Payable against purchase of investment	165,692	-	-	-	-	165,692
Payable to the Trustee	188	-	-	-	-	188
Payable against redemption of units	31	-	-	-	-	31
Accrued expenses and other liabilities	1,762	-	-	-	-	1,762
	174,140	-	-	-	-	174,140
	951,327	149,592	-	142,048	100,900	1,343,867

20. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

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

Name	Designation	Experience in years	Qualification
Muhammad Saqib Saleem	Chief Executive Officer	22.5	FCA & FCCA
Muhammad Asim	Chief Investment Officer	17	MBA & CFA
Awais Abdul Sattar	Head of Research	11	MBA & CFA
Saad Ahmed	Head of Fixed Income	16	MBA
Muhammad Aitazaz Farooqui	Senior Analyst	13	MBA & CFA
Syed Abid Ali	Head of Equities and	13	MBA
Usama Iqbal	Fund Manager	17	B.Com

20.1 Mr. Syed Abid Ali is the fund manager. Details of the other funds being managed by him are as follows:

- Pakistan Capital Market Fund;
- MCB Pakistan Stock Market Fund; and
- Pakistan Pension Fund;
- Alhamra Islamic Active Allocation Plan I & II;
- Alhamra Smart Portfolio.

21. TOP BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

		June 30, 2021 (Percentage)
1	DJM Securities Private Limited	7.93
2	Arif Habib Limited	7.71
3	EFG Hermes Pakistan Limited	7.43
4	Top Line Securities (Private) Limited	7.41
5	Alfalah Clsa Securities (Private) Limited	6.11
6	Habib Metro Financial Services	4.68
7	JS Global Capital Limited	4.55
8	Foundation Securities Limited	4.35
9	Khadim Ali Shah Bukhari Securities	4.31
10	BMA Capital Management Limited	4.25

		June 30, 2020 (Percentage)
1	EFG Hermes Pakistan Limited	7.31
2	JS Global Capital Limited	7.81
3	Arif Habib Limited	6.79
4	Foundation Securities Limited	6.53
5	Khadim Ali Shah Bukhari Securities	5.95
6	Top Line Securities (Private) Limited	5.59
7	Alfalah Clsa Securities (Private) Limited	4.87
8	BMA Capital Management Limited	4.81
9	Ismail Iqbal Securities (Private) Limited	4.44
10	Taurus Securities Limited	4.21

22. PATTERN OF UNIT HOLDING

Following is the holding patterns of the Fund as at June 30, 2021 and June 30, 2020.

	As at June 30, 2021			
	Number of unit holders	Number of units	Investment amount	Percentage investment
			(Rupees in '000)	%
Individuals	1,061	5,528,409	479,035	52.52
Associated companies	4	1,151,850	99,807	10.94
Retirement funds	20	3,783,692	327,856	35.95
Others	84	61,918	5,364	0.59
	1,169	10,525,869	912,062	100

	As at June 30, 2020			
	Number of unit holders	Number of units	Investment amount	Percentage investment
			(Rupees in '000)	%
Individuals	1,193	8,887,362	610,382	46.97
Associated companies	4	6,067,900	416,742	32.07
Retirement funds	24	3,695,234	253,788	19.53
Others	25	270,371	18,568	1.43
	1,246	18,920,867	1,299,480	100

23. ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 157th, 158th, 159th, 160th, 161st, 162nd, 163rd, 164th, 165th 166th and 167th meeting of the Board of Directors were held on July 27, 2020, August 10, 2020, August 18, 2020, October 23, 2020, November 17, 2020, December 14, 2020, February 08, 2021, April 16, 2021, May 04, 2021, June 02, 2021 and June 28, 2021 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

Name of persons attending the meetings	Designation	Number of Meetings Held	Number of meetings			Meetings Not Attended
			Attendance required	Attended	Leave Granted	
Mr. Haroun Rashid	Chairman	11	11	11	-	-
Mr. Nasim Beg	Director	11	11	11	-	-
Mr. Ahmed Jahangir	Director	11	11	11	-	-
Mr. Mirza Qamar Beg	Director	11	11	11	-	-
Syed Savail Meekal Hussain	Director	11	11	11	-	-
Mr. Kashif A. Habib	Director	11	11	10	1	165
Ms. Mavra Adil Khan	Director	11	11	8	3	159,163 & 167
Mr. Muhammad Saqib Saleem	Chief Executive Officer	11	11	11	-	-

24. UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

25. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangments or reclassifications were made in these financial statements.

26 Impact of COVID-19

A novel strain of coronavirus (COVID-19) was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including lock-downs, travel bans, quarantines, social distancing, and closures of non-essential services and factories triggered significant disruptions to businesses worldwide and in Pakistan, resulting in an economic slowdown. During the lockdown that lasted from March to May 2020, the funds continued their activity, as the Pakistan Stock Exchange and the money markets continued trading. Management Company is of the view that while COVID-19 and its resulting containment measures have affected the economy, investors' confidence and adequate steps from the government and regulators have spearheaded recovery and subsequent events reflect that in due course, things would be normalised.

27 NON-ADJUSTING EVENTS AFTER REPORTING PERIOD

The Board of the Directors of the Management Company declared distribution on July 01, 2021 Re. 0.6 per unit. The Financial Statements of the Fund for the year ended June 30, 2021 do not include the effect of these distributions which will be accounted for in the Financial Statements of the Fund for the year ending June 30, 2022.

28. DATE OF AUTHORISATION FOR ISSUE

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

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

Chief Executive Officer	Chief Financial Officer	Director