



**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

MARCH  
**2020**  
(UNAUDITED)

Funds Under Management of  
MCB-Arif Habib Savings and Investments Limited



# **MCB CASH MANAGEMENT OPTIMIZER**

## TABLE OF CONTENTS

---

---

1	Fund's Information	105
2	Report of the Directors of the Management Company	106
3	Condensed Interim Statement of Assets And Liabilities	112
4	Condensed Interim Income Statement (Un-audited)	113
5	Condensed Interim Statement of Comprehensive Income (Un-audited)	114
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	115
7	Condensed Interim Cash Flow Statement ( Un-audited)	116
8	Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)	117

## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
<b>Bankers</b>	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited Habib Bank Limited National Bank of Pakistan Zarai Taraqiat Bank Limited Bank Al Falah Limited Meezan Bank Limited Dubai Islamic Bank Pakistan Limited Bank of Punjab Limited Faysal Bank Limited	
<b>Auditors</b>	<b>A. F. Ferguson &amp; Co.</b> Chartered Accountants (A Member Firm of PWC Network) Sate Life Building 1-C I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
<b>Rating</b>	<b>AM2++</b> Asset Manager Rating assigned by PACRA	

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

---

---

Dear Investor,

On behalf of the Board of Directors, We are pleased to present **MCB Cash Management Optimizer** accounts review for the quarter ended March 31, 2020.

## **ECONOMY AND MONEY MARKET OVERVIEW**

The third quarter of FY20 was full of gloom and doom, after the Coronavirus (Covid-19) outbreak wreaked havoc on the global economy. Global cases topped 1.5 million, while more than 80,000 people became the morsel of death as the fatal outbreak continued to spread throughout the world. While China took stringent measures to rein in the coronavirus, the other part of the globe especially EU and US was hit hard by the pandemic. On the flip side, the number of cases on the domestic side still dwarfed the developed world (~4,500 cases as of now), however, the situation was still uncertain as of now. The country has also been forced into a semi lockdown, which has affected the domestic businesses.

The outlook on GDP growth ranged from 2.4%-3.0% according to various institutions, prior to Covid-19 outbreak. However, as of late, the outbreak of COVID-19 has created uncertainty relative to trajectory of the GDP growth going forward. The weak production outlook of major crops (Cotton, Wheat and Sugar) along with a lower industrial growth arising out of weaker than expected LSM growth is expected to take a dent on the overall growth. Large Scale Manufacturing as anticipated continued on a downward trajectory as the import based consumption demand evaporated. LSM posted a decline of ~3.4% in the first seven months of FY20, with most of the decline emanating from petroleum production and cyclical sectors.

Lagged impacts of policy action in terms of monetary tightening and exchange rate adjustments continued to bear fruits as reflected in improvement in Balance of Payments position. The current account deficit in the first eight months of this year contracted by ~70% on Year on Year basis to USD 2.8 billion. Imports of goods and services continued to decline as it compressed by ~15% while exports have started to inch up registering increase of ~3.2% in first eight months of FY20. Remittances provided some cushion to BoP position increasing by ~5% over the period. The country received net foreign investment in debt securities worth ~USD 3.1 billion during Jul-Feb period. However, USD 1.8 billion worth of sovereign debt was divested in the month of March. The foreign exchange reserves increased by USD 2.9 billion from Jul-Mar FY20 supported by flows from IMF, multilateral institutions and foreign portfolio investors along with a curtailed current account deficit.

FBR has collected provisional taxes of PKR 3,050 billion during the first nine months of this fiscal year. Provisional tax collection prior to month of March was very encouraging, growing at a rate of 17% YoY. However, lockdown enforced during the month of March led to a shortfall of nearly PKR 100-150 billion, which weakened the overall growth to 13% in the first nine months of FY20.

Average CPI for clocked in CPI in at 11.5% YoY for the first nine months of FY20. Major hit on food inflation surfaced from a hike in the prices of perishable food items after imports from India was banned. However, the inflationary pressures have started trending downwards with inflation for March clocking in at 10.2% as lower petroleum prices along with easing food inflation put breaks on overall inflation. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged 8.1% for the period.

The MPC committee in its first meeting of the month reduced the interest rate by 75 bps citing the easing outlook on inflation. During the month, another emergent meeting was called whereby the MPC decided to reduce the interest rates by a further of 150 bps following a global trend of easing by the central banks as a response to coronavirus outbreak.

During the period under review, yield curve shifted downwards owing to massive demand for longer tenor bonds as market participants drew comfort from stabilization measures and anticipated outlook of lower inflation. Alongside, participation from foreign investors at such an unprecedented scale for the first time in the local bond market brought in extra pool of liquidity pushing the yields down. The cumulative decline of 225 bps in interest rates further yields downwards in third quarter of this fiscal year. 3 Year bonds eased off by ~500 bps while the longer tenor (10Y) bonds also eased off by nearly ~450 bps during the first nine months of FY20.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

---

---

### FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 13.31% as against its benchmark return of 12.62%, an out performance of 0.69%. WAM of the fund was 1 day at March end.

The fund was 99.4% in cash as of March end. High cash exposure was due to the fact that banks were offering lucrative rates on bank deposits.

The Net Assets of the Fund as at March 31, 2020 increased by 94.3% to Rs. 27,012 million as compared to Rs. 13,903 million as at June 30, 2019.

The Net Asset Value (NAV) per unit as at March 31, 2020 was Rs. 100.9264 as compared to opening NAV of Rs. 100.6423 per unit as at June 30, 2019 registering an increase of Rs. 0.2841 per unit.

### FUTURE OUTLOOK

The COVID-19 outbreak has created uncertainty related to economic numbers. Independent reports point out that Pakistan can lose up to 4.0% of GDP, if the lockdown is enforced for at least one more month. While Pakistan currently lags behind developed countries in terms of number of cases, we still await more data to have a clearer picture. Global picture also points out that with social distancing in place, things will get in control over the course of next two months. If the trend continues, we expect global growth to show sign of recoveries by the third quarter. Albeit, if a second wave erupts, our optimism will not hold true. On the local side, the current data shows some light at the end of the tunnel. However, if things get out of control, Pakistan will have a more severe impact as it lacks health infrastructure along with fiscal muscles to combat the pandemic in the short run.

Government has announced fiscal stimulus worth PKR 700-800 billion to protect the vulnerable industries and segments of the society which are worst hit from the pandemic. With lower tax collection (PKR 500 billion shortfall expected from our expectation) and higher expenditures we expect fiscal deficit to fall north of 9% of GDP. We believe the government will get a waiver from IMF to meet the primary balance target this year.

Balance of Payment worries are over for now as current account deficit has adjusted to reasonable level since the policy actions taken by the central government. The plunge of international oil prices to USD 34/BBL has come as a blessing in disguise. Global slowdown would be detrimental for exports and remittances from oil producing nations would be affected due to lower oil prices. Our forecast is that CAD will settle at 2.3% of GDP for FY20 and 1.3% of GDP for FY21, assuming the global economy starts picking up from third quarter of the calendar year. Given the rise in bond yields of emerging market countries, we expect the idea of raising funds from Eurobond to be shelved. Alongside privatization flows are also expected to be deferred for next year. Furthermore, we expect portfolio flows to revert back to zero this year. To meet the shortfall in external financing, a lot would depend on whether multilateral and bilateral institutions will facilitate deferred debt payments along with extension of additional credit. We expect additional financing of USD 2 billion from IMF and multilateral institutions, while we also expect Pakistan will be able to restructure debt of USD 2.5 billion. Assuming if the scenario plays out as we are expecting, the currency should stabilize at current levels as the REER as per our estimates is undervalued by 10% at current level (PKR 167 vs USD).

CPI is expected to average ~11.1% in the current fiscal year owing to lagged impact of currency depreciation along with a rise in food inflation. The plunge in oil prices has provided much needed respite to inflationary outlook. With subdued oil prices and high base effect, we expect headline inflation to ease off in the next year and decline to an average of ~7.4%. Risk to our expectations are significant increase in international commodity prices along with more than expected adjustment in utility tariffs. Based on our outlook of inflation, we expect interest rates to ease off by 100-150 bps in the next 12 months. However, if recessionary pressures build over the course of time, we do not rule out further cuts in interest rate from our base case.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds have priced in most of the expected monetary easing expected going forward. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

---

---

### ACKNOWLEDGMENT

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

On behalf of Directors,



---

Muhammad Saqib Saleem  
Chief Executive Officer  
April 20, 2020



---

Nasim Beg  
Director/Vice Chairman

## ڈائریکٹرز رپورٹ

ادائیگی کے توازن کی پریشانیوں فی الوقت ختم ہو گئی ہیں کیونکہ کرنٹ اکاؤنٹ خسارہ مرکزی حکومت کے پالیسی اقدامات کے بعد معقول سطح تک آ گیا ہے۔ تیل کی بین الاقوامی قیمتوں کا 34 ڈالر فی بیرل تک کم ہو جانا زحمت کے بھیس میں رحمت ثابت ہوا ہے۔ عالمی سطح پر سنسٹ روی کے برآمدات پر منفی اثرات مرتب ہوں گے اور تیل کی پست قیمتوں کے باعث تیل کی پیداوار کرنے والے ممالک سے ترسیلات زر بھی متاثر ہوں گی۔ ہماری پیشین گوئی ہے کہ کرنٹ اکاؤنٹ کا خسارہ مالی سال 2019-20ء کے لیے مجموعی ملکی پیداوار کے 2.3 فیصد پر، اور مالی سال 2020-21ء کے لیے مجموعی ملکی پیداوار کے 1.3 فیصد پر آ کر رہے گا، اس مفروضے کی بنیاد پر کہ عالمی معیشت میں جولائی سے بحالی کا سلسلہ شروع ہو جائے گا۔ اُبھرتی ہوئی مارکیٹوں کے ممالک میں بانڈ کے منافع جات میں اضافے کے پیش نظر ہمیں توقع ہے کہ ایورو بانڈ کے ذریعے فنڈ میں اضافے کی حکمت عملی کو فی الوقت اختیار نہیں کیا جائے گا۔ ساتھ ساتھ نجکاری سے ہونے والی آمدات متوقع طور پر اگلے سال کے لیے ملتی کر دی جائیں گی۔ مزید برآں ہمیں توقع ہے کہ پورٹ فولیو آمدات سال رواں واپس صفر تک چلی جائیں گی۔ خارجی فنانسنگ میں کمی کو پورا کرنے کے لیے بہت کچھ اس بات پر منحصر ہوگا کہ کثیر الجہتی اور دو جہتی ادارے قرضہ جات کی ملتی شدہ ادائیگیوں کی سہولت کے علاوہ اضافی قرضوں کی توسیع فراہم کر رہے ہیں یا نہیں۔ ہمیں آئی ایم ایف اور کثیر الجہتی اداروں سے 2 بلین ڈالر کی اضافی رقم کی فراہمی کی توقع ہے، جبکہ ہمیں یہ بھی اُمید ہے کہ پاکستان 2.5 بلین ڈالر قرض کی تشکیل نو کر سکے گا۔ اگر صورتحال ہماری توقعات کے مطابق رہی تو ہمارا تخمینہ ہے کہ روپیہ موجودہ سطحوں پر مستحکم ہو جائے گا کیونکہ REER کی قدر موجودہ سطح پر ہمارے تخمینوں کے مطابق 10 فیصد کم مقرر ہوئی ہے (167 روپے بمقابلہ امریکی ڈالر)۔

موجودہ مالی سال میں صارفی قیمت کے انڈیکس (سی پی آئی) کا متوقع اوسط 11.1 فیصد ہوگا جس کا سبب روپے کی قدر کی سُست رفتار اثر پذیری اور ایشیائے خورد و نوش کی افراط زر میں اضافہ ہے۔ تیل کی قیمتوں میں چھلانگ سے افراط زر کے رجحان کو مطلوبہ مہلت حاصل ہوئی۔ تیل کی گھٹی ہوئی قیمتوں اور بلند base effect کی بنیاد پر ہمیں اُمید ہے کہ مجموعی افراط زر کا اوسط اگلے سال کم ہو کر 7.4 فیصد ہو جائے گا۔ بین الاقوامی اشیاء کی قیمتوں میں کسی منفی اضافے کے ساتھ ساتھ یوٹیلٹی کی محصولات وغیرہ میں متوقع سے زیادہ ترمیمات کے باعث ہماری توقعات غلط ثابت ہو سکتی ہیں۔ افراط زر سے متعلق ہماری پیش بینی کی بنیاد پر انٹریسٹ کی شرحوں میں اگلے بارہ ماہ میں 100 سے 150 بی پی ایس تک کمی کی اُمید ہے۔ تاہم اگر وقت گزرنے کے ساتھ کساد بازاری کے دباؤ میں اضافہ ہو تو انٹریسٹ کی شرحوں میں مزید کمی بعید از قیاس نہیں ہے۔

Debt حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ پالیسی شرحوں کی عکاسی بلا رکاوٹ سال بھر جاری رکھیں گے۔ دوسری جانب حکومتی بانڈ دوران سال پہلے ہی کچھ حد تک متوقع مالیاتی تسہیل میں کردار ادا کر چکے ہیں۔ ہم بانڈز کے منافعوں کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا کے نکات کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اُٹھایا جاسکے۔

اظہار تشکر

بورڈ فنڈ کے گراں قدر سرمایہ کاروں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کی مسلسل معاونت اور پشت پناہی کے لئے شکر گزار ہے۔ مزید برآں، مینجمنٹ ٹیم کی کاوشوں کو بھی ڈائریکٹرز کی طرف سے خراج تحسین پیش کیا جاتا ہے۔

برائے اور من جانب بورڈ



نسیم بیگ  
ڈائریکٹر اوٹس چیئر مین



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
12 اپریل 2020ء

## ڈائریکٹرز رپورٹ

مانیٹری پالیسی کمیٹی (ایم پی سی) نے اپنے پہلے ماہانہ اجلاس میں افراط زر کی صورتحال میں بہتری کا حوالہ دیتے ہوئے انٹریسٹ کی شرح میں 75 بیسیس پوائنٹس (بی پی ایس) کمی کی۔ دوران ماہ ایک اور اجلاس منظر عام پر آیا جس میں ایم پی سی نے کورونا وائرس کی وبا کے ردعمل کے طور پر عالمی سطح پر مرکزی بینکوں کے رجحان کی پیروی کرتے ہوئے انٹریسٹ کی شرحوں میں مزید 150 بی پی ایس کمی کا فیصلہ کیا۔

زیر جائزہ مدت کے دوران طویل تر میعاد کے بانڈز کی خطیر طلب کے باعث پیداواری خم میں جھکاؤ آیا کیونکہ مارکیٹ کے فریق استحکام کے اقدامات سے مطمئن ہوئے اور افراط زر میں کمی کا امکان پیدا ہوا۔ ساتھ ساتھ مقامی بانڈ مارکیٹ میں پہلی مرتبہ غیر ملکی سرمایہ کاروں کی اتنی بڑے پیمانے پر شرکت کی بدولت اضافی نقد آیا جس کے باعث منافعوں میں کمی ہوئی۔ موجودہ مالی سال کی تیسری سہ ماہی میں انٹریسٹ کی شرحوں میں 225 بی پی ایس کی مجموعی کمی منافعوں میں بھی مزید کمی کا باعث بنی۔ مالی سال 2019-20ء کے ابتدائی نو ماہ کے دوران تین سالہ بانڈز میں تقریباً 500 بی پی ایس جبکہ طویل تر میعاد کے (دس سالہ) بانڈز میں تقریباً 450 بی پی ایس کمی ہوئی۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 13.31 فیصد ایک سال پر محیط منافع حاصل کیا جو اس کے بیچ مارک منافع 12.62 فیصد کے مقابلے میں 0.69 فیصد بہتر کارکردگی ہے۔ فنڈ کی پالوزن اوسط میچورٹی (WAM) اختتام مارچ پر 1 دن تھی۔

اختتام مدت پر فنڈ کی سرمایہ کاری 99.4 فیصد نقد میں تھی۔ نقد میں زیادہ شمولیت اس وجہ سے تھی کہ بینکوں نے بینک ڈپازٹس پر منافع بخش شرحیں پیش کی ہوئی تھیں۔

31 مارچ 2020ء کو فنڈ کے net اثاثہ جات 94.3 فیصد بڑھ کر 27,012 ملین روپے ہو گئے تھے جبکہ 30 جون 2019ء کو 13,903 ملین روپے تھے۔

31 مارچ 2020ء کو net اثاثہ جاتی قدر (این اے وی) 100.9264 روپے فی یونٹ تھی جو 30 جون 2019ء کو ابتدائی این اے وی 100.6423 روپے فی یونٹ کے مقابلے میں 0.2841 روپے فی یونٹ اضافہ ہے۔

### مستقبل کے امکانات

کووڈ-19 وبا کے باعث معاشی اعداد میں عدم یقینی پیدا ہو گئی ہے۔ آزاد ذرائع کی رپورٹس اشارہ کر رہی ہیں کہ اگر لاک ڈاؤن کم سے کم بھی ایک اور مہینہ نافذ رہتا ہے تو پاکستان کو جی ڈی پی کے 4 فیصد تک کا نقصان ہو سکتا ہے۔ اگرچہ پاکستان میں کورونا وائرس سے متاثرہ افراد کی تعداد تاحال ترقی یافتہ ممالک کے مقابلے میں کم ہے لیکن واضح صورتحال جاننے کے لیے مزید معلومات اور اعداد و شمار درکار ہیں۔ عالمی منظر نامے سے ظاہر ہوتا ہے کہ سماجی فاصلہ اختیار کرنے سے اگلے دو ماہ کے دوران حالات قابو میں آسکتے ہیں۔ اگر یہ رجحان برقرار رہا تو تیسری سہ ماہی تک عالمی ترقی میں بحالی کی علامات ظاہر ہونے کے امکانات موجود ہیں۔ تاہم اگر وبا کی دوسری لہر ابھر آئی تو ہماری رجاعیت پسندی درست ثابت نہیں ہوگی۔ مقامی سطح پر موجودہ اعداد و شمار کچھ حد تک اُمید کی کرن ثابت ہو سکتے ہیں۔ لیکن اگر حالات قابو سے باہر ہو گئے تو پاکستان شدید متاثر ہوگا کیونکہ یہاں صحت عامہ کے شعبے کا ڈھانچہ اور مالیاتی چٹھے کمزور ہونے کے باعث مختصر میعاد میں اس وبا کا مقابلہ کرنے کی صلاحیت کا فقدان ہے۔

حکومت نے وبا سے سب سے زیادہ متاثرہ صنعتوں اور سماجی طبقات کے تحفظ کے لیے 700 سے 800 ملین روپے مالیت کی مالی امداد کا اعلان کیا ہے۔ ٹیکس کے وصولی میں (متوقع طور پر 500 ملین روپے کی) کمی اور خرچوں میں اضافے کی بدولت اُمید کی جاسکتی ہے کہ مالیاتی خسارے میں جی ڈی پی کے 9 فیصد سے زائد کمی ہوگی۔ ہمارے اندازے کے مطابق حکومت کو آئی ایم ایف کی طرف سے سال رواں بقایا جات کا بنیادی ہدف پورا کرنے کی چھوٹ مل جائے گی۔

بورڈ آف ڈائریکٹرز کی طرف سے ایم سی بی کیش مینجمنٹ آپٹیمائزر کے اکاؤنٹس کا جائزہ برائے سہ ماہی مختتمہ 31 مارچ 2020ء پیش خدمت ہے۔

### معیشت اور بازار زر کا جائزہ

مالی سال 2019-20ء کی تیسری سہ ماہی تاریکی و تباہی سے بھرپور تھی کیونکہ کورونا وائرس (کووڈ-19) کی وبا نے عالمی معیشت میں آفت مچا دی۔ دیکھتے ہی دیکھتے یہ قاتل وبا دنیا بھر میں پھیل گئی جس سے پندرہ لاکھ سے زائد افراد متاثر ہوئے جبکہ ۸۰ ہزار سے زائد لقمہء اجل بن گئے۔ چین نے سخت اقدامات اٹھا کر کورونا وائرس کو ٹنکست دی جبکہ دنیا کے دوسرے حصے خصوصاً یورپی یونین اور امریکا بڑی طرح متاثر ہوئے۔ دوسری جانب اگرچہ ہمارے ملک میں متاثرہ افراد کی تعداد اب تک ترقی یافتہ دنیا کے مقابلے میں کم ہے (تقریباً 4,500 تا حال) لیکن صورت حال فی الوقت غیر یقینی ہے۔ ملک بھر میں نیم لاک ڈاؤن نافذ ہے جس سے مقامی کاروبار متاثر ہوئے ہیں۔

کووڈ-19 کی وبا پھیلنے سے قبل مجموعی ملکی پیداوار (جی ڈی پی) میں متوقع ترقی مختلف اداروں کے مطابق 2.4 فیصد سے -3.0 فیصد تک تھی۔ تاہم وبا کے باعث جی ڈی پی کی ترقی غیر یقینی صورتحال کا شکار ہو گئی ہے۔ اہم فصلوں (کپاس، گندم اور چینی) کی پیداوار میں متوقع کمی کے ساتھ ساتھ بڑے پیمانے کی مینوفیکچرنگ (ایل ایس ایم) کی متوقع سے کم ترقی کے نتیجے میں سست صنعتی پیش رفت کے باعث مجموعی ترقی متاثر ہونے کا امکان ہے۔ ایل ایس ایم کی توقع کے مطابق کمی کا شکار رہی کیونکہ درآمدی کھپت کی مانگ ہوا میں تحلیل ہو گئی۔ مالی سال 2019-20ء کے ابتدائی سات ماہ میں ایل ایس ایم میں تقریباً 3.4 فیصد کمی ہوئی جس کا بڑا تناسب پٹرولیم کی پیداوار اور گردش شعبوں سے متعلق ہے۔

مالیاتی سختی اور زرمبادلہ کی شرحوں میں ترمیمات کے لحاظ سے پالیسی اقدام کے تاخیر شدہ اثرات کے ثمرات حاصل ہونے کا سلسلہ جاری رہا جس کی عکاسی ادائیگیوں کے توازن (بی او پی) کی صورتحال میں بہتری سے ہوتی ہے۔ سال رواں کے ابتدائی آٹھ ماہ میں کرنٹ اکاؤنٹ کا خسارہ سال در سال (YoY) بنیاد پر تقریباً 70 فیصد کم ہو کر 2.8 بلین ڈالر ہو گیا۔ مالی سال 2019-20ء کے ابتدائی آٹھ ماہ میں اشیاء اور خدمات کی درآمدات میں کمی کا سلسلہ جاری رہا اور یہ تقریباً 15 فیصد کم ہوئیں جبکہ برآمدات میں اضافے کا سلسلہ شروع ہو گیا ہے اور ان میں تقریباً 3.2 فیصد اضافہ ہوا۔ ترسیلات زر سے بی او پی کی حالت کو کچھ سہارا ملا کیونکہ دوران مدت ان میں تقریباً 5 فیصد اضافہ ہوا۔ جولائی تا فروری کی مدت کے دوران ملک میں قرضہ جاتی سکیورٹیز میں تقریباً 3.1 بلین ڈالر مالیت کی حتمی غیر ملکی سرمایہ کاری ہوئی۔ تاہم مارچ کے مہینے میں 1.8 بلین مالیت کے خود مختار قرضوں کی سرمایہ کاری واپس لے لی گئی۔ زرمبادلہ کے ذخائر میں جولائی تا مارچ کے دوران 2.9 بلین ڈالر اضافہ ہوا جس کی معاونت انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف)، کثیرالجہتی اداروں اور غیر ملکی دائرہ کار کے سرمایہ کاروں سے آمدات کے ساتھ ساتھ کرنٹ اکاؤنٹ کے خسارے میں کمی سے ہوئی۔

مالی سال کے ابتدائی نو ماہ کے دوران فیڈرل بورڈ آف ریونیو (ایف بی آر) نے 3,050 بلین روپے کے عارضی ٹیکس جمع کیے۔ مارچ کے مہینے سے پہلے عارضی ٹیکس کی وصولی بہت حوصلہ افزا تھی اور اس میں 17 فیصد سال در سال ترقی ہو رہی تھی۔ تاہم مارچ کے مہینے میں لاک ڈاؤن کے نفاذ کے نتیجے میں تقریباً 100 سے 150 بلین روپے کی کمی ہوئی جس سے مالی سال 2019-20ء کے ابتدائی نو ماہ میں مجموعی ترقی 13 فیصد کم ہو گئی۔

مالی سال 2019-20ء کے ابتدائی نو ماہ کے لیے صارفی قیمت کے انڈیکس (سی پی آئی) کا اوسط 11.5 فیصد تھا۔ بھارت سے درآمدات پر پابندی عائد ہونے کے بعد جلد خراب ہونے والی اشیاء خورد و نوش کی قیمتوں میں اضافے کے باعث اشیاء خورد و نوش کی افراط زر پر بڑی ضرب پڑی۔ تاہم افراط زر کے دباؤ میں کمی کا رجحان شروع ہو گیا ہے جو مارچ میں 10.2 فیصد تھی کیونکہ پٹرولیم کی قیمتوں اور اشیاء خورد و نوش کی افراط زر میں کمی سے مجموعی افراط زر میں بھی کمی ہوئی ہے۔ بہر حال اشیاء خورد و نوش اور توانائی کے علاوہ دیگر شعبوں میں پیمائش کردہ بنیادی افراط زر قابو میں رہی اور مذکورہ مدت کے لیے اس کا اوسط 8.1 فیصد تھا۔

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT MARCH 31, 2020**

		March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Balances with banks	4	26,998,733	10,112,614
Investments	5	-	3,780,860
Advances, deposits, prepayments and other receivable		175,993	134,646
<b>Total assets</b>		<u>27,174,726</u>	<u>14,028,120</u>
<b>LIABILITIES</b>			
Payable to the Management Company		23,119	13,672
Payable to Central Depository Company of Pakistan Limited - Trustee		1,452	1,018
Payable to Securities and Exchange Commission of Pakistan		2,635	10,489
Accrued expenses and other liabilities	9	135,250	100,325
<b>Total liabilities</b>		<u>162,456</u>	<u>125,504</u>
<b>NET ASSETS</b>		<u>27,012,270</u>	<u>13,902,616</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>27,012,270</u>	<u>13,902,616</u>
<b>Contingencies and Commitments</b>	10		
		<b>(Number of units)</b>	
<b>NUMBER OF UNITS IN ISSUE</b>		<u>267,643,133</u>	<u>138,138,833</u>
		<b>(Rupees)</b>	
<b>NET ASSETS VALUE PER UNIT</b>		<u>100.9264</u>	<u>100.6423</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements .

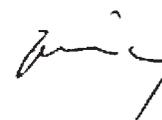
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

	Note	Nine months period ended		Quarter ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		(Rupees in '000)		(Rupees in '000)	
<b>INCOME</b>					
Capital (loss) / gain on sale of investments - net		78,580	(7,268)	36,956	6,103
Profit on term deposit and letter of placements		132,836	81,718	23,715	47,929
Profit on bank deposits		1,010,880	491,561	383,434	156,539
Income from government securities		612,379	343,065	322,157	88,485
Income from commercial papers		19,142	38,774	1	18,832
		1,853,816	947,850	766,262	317,887
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		-	-	-	-
<b>Total income</b>		1,853,816	947,850	766,262	317,887
<b>EXPENSES</b>					
Remuneration of Management Company		68,967	73,415	29,396	23,537
Sindh Sales tax and Federal Excise Duty on Management fee		8,965	9,544	3,821	3,060
Remuneration of Central Depository Company of Pakistan Limited - Trustee		8,572	7,890	3,495	2,314
Sindh Sales tax on remuneration of Central Depository Company of Pakistan Limited- Trustee		1,115	1,026	454	301
Annual fee of Securities and Exchange Commission of Pakistan		2,635	7,750	1,072	2,198
Allocated expenses and related taxes		13,177	9,018	5,368	1,858
Marketing and Selling Expense		30,334	-	6,173	-
Legal and professional		34	135	(58)	45
Brokerage expenses		604	296	148	60
Auditor's remuneration		920	792	230	340
Other expenses		841	740	225	309
<b>Total operating expenses</b>		136,163	110,606	50,323	34,022
<b>Net income from operating activities</b>		1,717,653	837,244	715,939	283,865
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	34,353	16,745	14,319	5,678
<b>Net income for the period before taxation</b>		1,683,300	820,500	701,620	278,187
Taxation	11	-	-	-	-
<b>Net income for the period after taxation</b>		1,683,300	820,500	701,620	278,187
<b>Allocation of net income for the period:</b>					
Net income for the period		1,683,300	820,500	701,620	278,187
Income already paid on units redeemed		(93,722)	(57,481)	(43,179)	(27,680)
		1,589,578	763,019	658,441	250,507
<b>Accounting income available for distribution</b>					
- Relating to capital gains		73,024	-	36,956	5,701
- Excluding capital gains		1,516,554	763,019	621,485	244,806
		1,589,578	763,019	658,441	250,507
<b>Earnings per unit</b>	12				

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements .

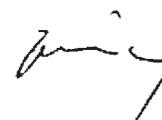
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020**

---



---

	<u>Nine Months period ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u> <u>2020</u> <u>(Rupees in '000)</u>	<u>March 31,</u> <u>2019</u> <u>(Rupees in '000)</u>	<u>March 31,</u> <u>2020</u> <u>(Rupees in '000)</u>	<u>March 31,</u> <u>2019</u> <u>(Rupees in '000)</u>
<b>Net income for the period after taxation</b>	1,683,300	820,500	701,620	278,187
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>1,683,300</u>	<u>820,500</u>	<u>701,620</u>	<u>278,187</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements

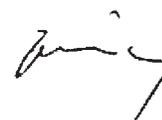
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

Note	Nine months period ended March 31, 2020			Nine months period ended March 31, 2019		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	13,846,005	56,611	13,902,616	11,617,232	375,424	11,992,656
Issue of 452,716,813 units - including additional units (2019: 310,184,920 units)						
- Capital value (at net asset value per unit at the beginning of the period)	45,562,461	-	45,562,461	29,872,047	-	29,872,047
- Element of income	88,156	-	88,156	45,353	-	45,353
	45,650,617	-	45,650,617	29,917,401	-	29,917,401
Redemption of 323,212,515 units (2019: 304,661,980 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(32,528,851)	-	(32,528,851)	(29,316,742)	-	(29,316,742)
- Element of income	(7,564)	(93,722)	(101,286)	(1,633)	(57,481)	(59,114)
	(32,536,415)	(93,722)	(32,630,137)	(29,318,375)	(57,481)	(29,375,856)
Total comprehensive income for the period	-	1,683,300	1,683,300	-	820,500	820,500
Final Distribution for the year ended June 30, 2018 (including additional units) at the rate of Rs. 5.4255 per unit (Declared on July 04, 2018)						
Interim distribution during the period (including additional units)	(76,102)	(1,518,023)	(1,594,126)	(43,464)	(718,100)	(761,564)
	(76,102)	165,277	89,175	(326,659)	(228,407)	(555,066)
<b>Net assets at end of the period</b>	<b>26,884,105</b>	<b>128,166</b>	<b>27,012,270</b>	<b>11,889,599</b>	<b>89,536</b>	<b>11,979,134</b>
Undistributed income brought forward comprising of:						
- Realised		56,611			375,424	
- Unrealised (loss) / gain		-			-	
		56,611			375,424	
Accounting income available for distribution						
- Relating to capital gains		73,024			-	
- Excluding capital gains		1,516,554			763,019	
		1,589,578			763,019	
Cash distribution during the period		1,518,023			1,048,907	
Undistributed income carried forward		128,166			89,536	
Undistributed income carried forward						
- Realised		128,166			89,536	
- Unrealised		-			-	
		128,166			89,536	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		100.6423			105.9707	
Net assets value per unit at end of the period		100.9264			100.9258	

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements

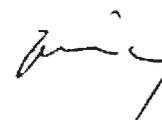
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

	<b>Nine months period ended</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	1,683,300	820,500
<b>Adjustments for non cash and other items:</b>		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'at fair value through profit or loss'	-	-
Capital (loss) / gain on sale on investments - net	(78,580)	7,268
	<u>(78,580)</u>	<u>7,268</u>
	1,604,720	827,767
<b>Decrease in assets</b>		
Investments	3,859,440	(2,560,479)
Prepayments and profit receivable	(41,347)	(41,641)
	3,818,093	(2,602,120)
<b>(Decrease) / Increase in liabilities</b>		
Payable to Management Company	9,447	(198)
Payable to Central Depository Company of Pakistan Limited - Trustee	434	(94)
Payable to Securities and Exchange Commission of Pakistan	(7,854)	(1,826)
Payable Against Purchase Of Investment - money market	-	-
Accrued expenses and other liabilities	34,925	(8,246)
	36,952	(10,364)
<b>Net cash (used in) / generated operating activities</b>	<u>5,459,765</u>	<u>(1,784,717)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt from issuance and conversion of units (excluding additional units)	45,574,515	29,590,742
Payment against redemption and conversion of units	(32,630,137)	(29,375,856)
Distributions made during the period	(1,518,023)	(1,048,907)
<b>Net cash (used in) / generated from financing activities</b>	11,426,355	(834,021)
<b>Net (decrease) / increase in cash and cash equivalents</b>	16,886,119	(2,618,738)
Cash and cash equivalents at beginning of the period	10,112,614	12,057,809
<b>Cash and cash equivalents at end of the period</b>	<u>26,998,733</u>	<u>9,439,071</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements .

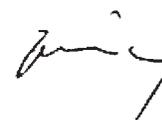
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2020

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Cash Management Optimizer (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited), as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated July 09, 2009 consequent to which the trust deed was executed on July 10, 2009, in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by 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 Non Banking Finance Companies (Establishment and Regulations) Rules 2003 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 mutual fund and has been categorised as 'Money Market Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by the SECP, and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. Unit holders are divided into plan 'A' and plan 'B'. The unit holders under plan "A" are entitled for bonus units as well as cash dividend, whereas unit holders under plan "B" are entitled for cash dividend only. The units are listed on Pakistan Stock Exchange Limited (PSX)..
- 1.4 The Fund primarily invests in a mix of short term corporate debt and government securities, repurchase agreements, term deposit and money market placements with scheduled banks.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2++' dated October 08, 2019 to the Management Company and a stability rating of 'AA-(f)' dated December 24, 2019 to the Fund.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

## 2. BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (The NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) and requirement 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 International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2020

- 2.1.2** This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2019. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2020 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2019, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2019.
- 2.1.3** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.1.4** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.
- 2.1.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2019. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2019.

		March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
------(Rupees in '000)-----			
<b>4 BALANCES WITH BANKS</b>			
In current accounts	4.1	71,407	972
In saving accounts	4.2	<u>26,927,325</u>	<u>10,111,642</u>
		<u>26,998,733</u>	<u>10,112,614</u>

- 4.1** This represents balance maintained with MCB Bank Limited.
- 4.2** These carry profit at the rates ranging between 9.5% to 14.5 % (2019: 3.75% and 13.7%) per annum and include Rs.75.794 million maintained with MCB Bank Limited, (a related party) which carries profit at the rate of 9.5% per annum.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

<b>5 INVESTMENTS</b>								<b>March 31, 2020</b>	<b>June 30, 2019</b>
								<b>(Un-audited)</b>	<b>(Audited)</b>
								----- <b>(Rupees in '000)</b> -----	
<b>5.1 Investments at fair value through profit or loss'</b>									
Term deposit receipts								-	2,800,000
Commercial papers								-	980,860
Market Treasury Bills								-	-
								-----	-----
								-	<b>3,780,860</b>

**5.1.1 Market treasury bills**

Name of Security	Issue Date	Face value			As at 31 March 2020			Market value	
		As at July 01, 2019	Purchased during the period	Sold / matured during the period	As at March 31, 2020	Carrying value	Market value	Unrealized gain / (loss)	As a percentage of net assets

----- (Rupees in '000) -----

**Market treasury**

**bills - 3 months**

Market treasury bills	October 10, 2019	-	2,790,000	2,790,000	-	-	-	-	-	-
Market treasury bills	September 12, 2019	-	1,500,000	1,500,000	-	-	-	-	-	-
Market treasury bills	January 16, 2020	-	6,525,000	6,525,000	-	-	-	-	-	-
<b>Market treasury bills</b>	<b>August 29, 2019</b>	-	<b>9,500,000</b>	<b>9,500,000</b>	-	-	-	-	-	-
Market treasury bills	August 16, 2019	-	18,320,000	18,320,000	-	-	-	-	-	-
Market treasury bills	January 2, 2020	-	3,250,000	3,250,000	-	-	-	-	-	-
Market treasury bills	February 27, 2020	-	2,000,000	2,000,000	-	-	-	-	-	-
Market treasury bills	March 12, 2020	-	4,750,000	4,750,000	-	-	-	-	-	-
Market treasury bills	August 1, 2019		3,260,000	3,260,000	-	-	-	-	-	-
Market treasury bills	December 19, 2019		9,910,000	9,910,000	-	-	-	-	-	-
Market treasury bills	November 7, 2019		9,200,000	9,200,000	-	-	-	-	-	-
Market treasury bills	November 21, 2019		3,250,000	3,250,000	-	-	-	-	-	-
Market treasury bills	July 18, 2019		20,525,000	20,525,000	-	-	-	-	-	-
Market treasury bills	October 24, 2019		10,700,000	10,700,000	-	-	-	-	-	-
Market treasury bills	January 30, 2020		11,000,000	11,000,000	-	-	-	-	-	-

**Market treasury**

**bills -6 months**

Market treasury bills	October 24, 2019		7,000,000	7,000,000	-	-	-	-	-	-
Market treasury bills	September 26, 2019		2,000,000	2,000,000	-	-	-	-	-	-
Market treasury bills	September 12, 2019		3,000,000	3,000,000	-	-	-	-	-	-
Market treasury bills	July 18, 2019		2,000,000	2,000,000	-	-	-	-	-	-
Market treasury bills	October 10, 2019		3,400,000	3,400,000	-	-	-	-	-	-
<b>Market treasury bills</b>	<b>December 19, 2019</b>		<b>2,200,000</b>	<b>2,200,000</b>	-	-	-	-	-	-
Market treasury bills	March 12, 2020		3,500,000	3,500,000	-	-	-	-	-	-
Market treasury bills	November 7, 2019		9,900,000	9,900,000	-	-	-	-	-	-
Market treasury bills	November 21, 2019		9,000,000	9,000,000	-	-	-	-	-	-
Market treasury bills	January 30, 2020		1,600,000	1,600,000	-	-	-	-	-	-

**Total as at March 31, 2020**

-----

**Total as at June 30, 2019**

-----

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

6	PAYABLE TO MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY	Note	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
			---(Rupees in '000)---	
	Remuneration payable	6.1	11,764	11,432
	Sindh sales tax on management fee		1,529	1,486
	Allocated expenses payable	6.2	3,654	754
	Selling and marketing expenses payable	6.3	6,172	-
			<u>23,119</u>	<u>13,672</u>

**6.1** As per the amendment in the offering document, the management company with effect from August 8, 2019 has charged management fee at the rate up to 7.5% of the gross earnings of the scheme, calculated on a daily basis. Provided that the Fund is subject to a minimum fee of 0.25% of the average daily net assets of the scheme. Previously, the Fund has charged management fee at the rate of 7.5% of daily gross income subject to minimum of 0.25% of average annual net assets and maximum of 1% of average annual net assets of the Fund.

Sindh sales tax on management remuneration has been charged at the rate of 13% (June 30, 2019: 13%).

**6.2** 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).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

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.

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.

**6.3** During the current period, the SECP through its circular 11 dated July 5, 2019 has 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 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 Board.

**7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the period, Trustee has revised its tariff as follows:

Net Assets (Rs.)	Existing Tariff		Revised Tariff (Flat Rate)
	Fee		
-Upto Rs. 1 billion	0.15% per annum of Net Assets		0.065% p.a. of Net Assets
- Rs. 1 billion to Rs. 10 billion	0.15% per annum of Net Assets		
- Over Rs. 10 billion	Rs. 8.25 million plus 0.06% per annum of Net Assets exceeding Rs. 10 billion		

Accordingly the Fund has charged Trustee Fee at the rate 0.065% per annum of Net Assets during the period.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2020

### 8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

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 money market scheme was 0.075%.

	Note	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
(Rupees in '000)			
<b>9 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Sindh Workers' Welfare Fund	9.1	77,366	43,013
Provision for Federal Excise Duty and related taxes on:	9.2		
-Management fee		54,267	54,267
-Sales load		19	19
Brokerage payable		153	82
Withholding Tax Payable		2,469	1,741
Auditor's remuneration		408	594
Printing and related expenditure		55	40
Others		514	569
		135,250	100,325

#### 9.1 Provision for Sindh Workers' Welfare Fund

There is no change in the status of the SWWF as reported in the annual financial statements of the Fund for the year ended June 30, 2019. Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2020 would have been higher by Re.0.2891 per unit (June 30, 2019 Re.0.1653 per unit).

#### 9.2 Federal Excise Duty and related tax payable

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2019. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2020 would have been higher by Re. 0.2028 per unit (June 30, 2019: Re. 0.3930 per unit).

### 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2020 and June 30, 2019.

### 11 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 realized or unrealized 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. The management intends to distribute the income to be earned by the Fund during the year ending June 30, 2019 to the unit holders in cash in the manner as explained above. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

**12 EARNINGS PER UNIT**

Earnings per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company, the determination of the same is not practicable.

**13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Constitutive documents of the Fund.

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

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	<b>Nine months period ended</b>	
	<b>March 31,</b>	
	<b>2020</b>	<b>2019</b>
	<b>(Unaudited)</b>	
	<b>----- (Rupees in '000) -----</b>	
<b>MCB-Arif Habib Savings and Investments Limited</b>		
Remuneration of the Management Company (including indirect taxes)	77,932	82,959
Allocated expenses	13,177	9,018
Marketing and Selling Expense	30,334	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee (including indirect taxes)	9,687	8,916
<b>MCB Bank Limited</b>		
Profit on bank deposits	4,055	753
Bank Charges	95	72
Purchase of securities - Face Value Rs. 1,000,000,000(2019: Rs.Nil)	997,827	-
Sale of securities - Face Value Rs. Nil(2019: Rs.8,250,000,000)	-	8,193,772
<b>Arif Habib Limited - Brokerage House</b>		
Brokerage expense*	7	-

**13.1 Balance outstanding as at the period / year end are as follows:**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>March 31,</b>	<b>June 30,</b>
	<b>2020</b>	<b>2019</b>
	<b>----- (Rupees in '000) -----</b>	
<b>MCB-Arif Habib Savings and Investments Limited</b>		
Management fee payable	11,764	11,432
Sindh sales tax payable on management fee	1,529	1,486
Allocated expenses payable	3,654	754
Selling and Marketing expenses payable	6,172	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

**Central Depository Company of Pakistan Limited - Trustee**

Remuneration payable	1,285	901
Sindh sales tax payable on trustee fee	167	117

**MCB Bank Limited**

Bank deposits	147,002	836,414
Profit receivable on bank deposits	622	1,385

**Arif Habib Limited - Brokerage House**

Brokerage payable*	1	4
--------------------	---	---

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

**13.2 Transactions during the period with connected persons / related parties in units of the Fund:**

For nine months ended March 31, 2020 (Unaudited)								
As at July 01, 2019	Issued for cash	Redeemed	As at March 31, 2020	As at July 01, 2019	Issued for cash	Redeemed	As at March 31, 2020	
Units				(Rupees in '000)				
<b>Associated Companies</b>								
MCB - Arif Habib Savings and Investments								
Limited - Management Company	2,108,505	58,589,072	56,377,850	4,319,727	212,205	5,899,717	5,695,405	435,975
Sayyed Engineers Limited	5,116	420	-	5,536	515	43	-	559
Adamjee Insurance Company Limited	25,705	2,023,332	2,049,037	-	2,587	203,633	206,846	-
Nishat Mills Limited Employees								
Provident Fund Trust	141,826	3,201,150	3,072,069	270,907	14,274	297,098	310,000	27,342
Nishat Power Limited Employees								
Provident Fund Trust	110,634	10,628	19,823	101,439	11,134	1,069	2,000	10,238
MCB Financial Services Limited	730,103	111,529	-	841,632	73,479	11,225	-	84,943
Adamjee Life Assurance Co Ltd ISF II	-	1,784,686	495,577	1,289,108	-	180,000	50,000	130,105
D.G. Khan Cement Company Limited	2	-	-	2	0	-	-	0
<b>Security General Insurance Company Limited</b>	-	1,001,021	1,001,021	-	-	100,745	100,999	-
Adamjee Insurance Company Limited.								
Employees Gratuity Fund	244,831	23,487	7,572	260,746	24,640	2,363	765	26,316
Adamjee Insurance Company Limited								
Employees Provident Fund	489,204	46,947	14,740	521,411	49,235	4,724	1,489	52,624
Security General Insurance Company Limited								
Employees Provident Fund Trust	46,297	2,286	48,583	-	4,659	230	4,895	-
Hyundai Nishat Motor (Private) Limited								
Employees Provident Fund	-	21,644	-	21,644	-	2,178	-	2,184
<b>Directors and executives of the management company *</b>								
	124,067	16,858,221	1,106,631	15,875,657	12,486	1,696,744	111,688	1,602,274
<b>Mandate Under Discretionary Portfolio Services*</b>								
	11,860,008	100,600,520	90,259,127	22,201,401	1,193,619	10,126,282	9,118,827	2,240,708
<b>Unit holders holding 10% or more units</b>	28,579,957	28,420,234	4,893,563	52,106,629	3,083,230	2,860,277	492,846	5,258,937

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

For nine months ended March 31, 2019 (Unaudited)							
As at July 01, 2018	Issued for cash	Redeemed	As at March 31, 2019	As at July 01, 2018	Issued for cash	Redeemed	As at March 31, 2019
Units				(Rupees in '000)			
<b>Associated Companies</b>							
MCB - Arif Habib Savings and Investments Limited - Management Company							
4,005,352	25,168,452	27,036,331	2,137,473	424,450	2,517,595	2,725,402	215,726
Adamjee Insurance Company Limited							
2,550,579	268,484	-	2,819,063	270,287	13,250	-	284,516
<b>Nishat Mills Limited Employees</b>							
Provident Fund Trust							
133,739	6,673,284	6,573,489	233,534	14,172	670,433	661,764	23,570
Adamjee Insurance Co Limited							
Employees Provident Fund							
432,553	1,023,745	1,018,478	437,820	45,838	100,969	102,522	44,187
MCB Financial Services Limited							
574,808	138,029	-	712,836	60,913	13,680	-	71,944
D.G. Khan Cement Company Ltd							
2	0	-	2	-	-	-	-
Security General Insurance Company Ltd							
-	999,135	999,135	-	-	100,458	100,638	-
Adamjee Insurance Co.Ltd.							
Employees Gratuity Fund							
-	500,624	281,498	219,126	-	50,337	28,341	22,115
Security General Insurance Co. Ltd.							
Employees Provident Fund Trust							
40,384	4,629	-	45,013	4,280	453	-	4,543
<b>Key management personnel</b>							
8,771	217,465	158,949	67,287	929	21,832	15,999	6,791
<b>Mandate Under Discretionary Portfolio Services</b>							
6,398,863	27,943,828	20,699,563	13,643,127	678,092	2,792,186	2,085,639	1,376,943

**14 TOTAL EXPENSE RATIO**

The Annualized total expense ratio of the Fund is 1.29% as on March 31, 2020 (March 31, 2019: 1.20%) and this includes 0.36% (March 31, 2019: 0.32%) representing Government Levy, Sindh Workers' Welfare Fund (SWWF) and SECP fee. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme for a collective investment scheme categorized as Money Market Scheme.

**15. INTERIM DISTRIBUTION DURING THE PERIOD**

-----March 31, 2020-----					
(Unaudited)					
Rate per unit	Declaration date	Bonus Distribution		Total Distribution	---
		Units	Amount		
--- (Rupees in '000) ----					
For the period ended July 19, 2019	0.6999	July 22, 2019	-	-	95,656
For the period ended August 2, 2019	0.4732	August 5, 2019	-	-	59,326
For the period ended August 16, 2019	0.4808	August 19, 2019	-	-	61,919
For the period ended September 6, 2019	0.8042	September 11, 2019	-	-	108,576
For the period ended September 20, 2019	0.4381	September 23, 2019	-	-	56,172
For the period ended October 4, 2019	0.51	October 7, 2019	-	-	66,650
For the period ended October 18, 2019	0.5122	October 21, 2019	-	-	70,091
For the period ended November 1, 2019	0.495	November 4, 2019	-	-	71,330
For the period ended November 15, 2019	0.4501	November 18, 2019	-	-	82,495
For the period ended December 6, 2019	0.6885	December 9, 2019	-	-	138,467
For the period ended December 20, 2019	0.4998	December 23, 2019	-	-	103,295
For the period ended January 03, 2020	0.5102	January 6, 2020	-	-	98,974
For the period ended January 17, 2020	0.5019	January 20, 2020	-	-	99,936
For the period ended February 7, 2020	0.7188	February 10, 2020	-	-	143,261
For the period ended February 21, 2020	0.4842	February 24, 2020	-	-	98,137
For the period ended March 07, 2020	0.4939	March 9, 2020	-	-	102,980
For the period ended March 20, 2020	0.5943	March 24, 2020	-	-	136,861
			-----	-----	-----
			-	-	1,594,126

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

---

---

**16. GENERAL**

**16.1** Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

**16.2** Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. However, no significant rearrangements or reclassifications were made in these condensed interim financial statements to report.

**17. DATE OF AUTHORISATION**

These condensed interim financial statements were authorized for issue on 20 April, 2020 by the Board of Directors of the Management Company.

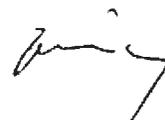
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

**Head Office:** 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi

**UAN:** (+92-21) 11-11-622-24 (11-11-MCB-AH)

**URL:** [www.mcbah.com](http://www.mcbah.com), **Email:** [info@mcbah.com](mailto:info@mcbah.com)

---