



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2020
(UNAUDITED)

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



Vision

To become synonymous with Savings

Mission

To become a preferred Saving and Investment Manager in the domestic and regional markets while maximizing stakeholders' value

Core Values

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

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MCB DCF INCOME FUND

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	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
Audit Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member
Human Resource & Remuneration Committee	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
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shakra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcPakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited United Bank Limited Allied Bank Limited Silk Bank Limited Bank Al-Habib Limited NRSP Micro Finance Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited Khushali Micro Finance Bank Limited Telenor Micro Finance Bank Limited Finca Micro Finance Bank Limited JS Bank Limited Zarai Traqiati Bank Limited Habib Bank Limited First Mirco Finance Bank Limited National Bank of Pakistan	
Auditors	A.F. Ferguson & Co. Chartered Accountants (A Members Firm of PWC Network) Sate Life Building 1-C, I.I Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
Rating	AM2++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 DCF Income Fund** 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 12.48% as against its benchmark return of 14.21%. The WAM of the fund was increased to 1.4 years because of interest rate outlook which was on a declining trend. The fund allocation remained notably in cash and TFCs at the end of the period under review. At period-end, the fund was 46.8% invested in Cash, 25.0% in TFCs and 11.5% in

T-Bills. 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 stood at Rs. 4,226 million as compared to Rs. 3,933 million as at June 30, 2019 registering an increase of 7.45%.

The Net Asset Value (NAV) per unit as at March 31, 2020 was Rs. 116.5714 as compared to opening NAV of Rs. 106.5542 per unit as at June 30, 2019 registering an increase of Rs. 10.0172 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.

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

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.

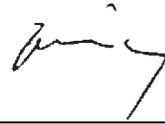
ACKNOWLEDGMENT

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

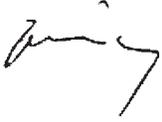
ڈائریکٹرز رپورٹ

Debt حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ پالیسی شرحوں کی عکاسی بلا کاوٹ 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 اٹھایا جاسکے۔

اظہارِ 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 خراجِ تحسین پیش کیا جاتا ہے۔

برائے اور من جانب بورڈ



نسیم بیگ
ڈائریکٹر ادانس چیئرمین



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
120 اپریل 2020ء

ڈائریکٹرز رپورٹ

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 رجاعت 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 پٹھے کمزور ہونے کے باعث مختصر ميعاد 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 بلین روپے مالیت کی مالی امداد کا اعلان کیا ہے۔ ٹیکس کے وصولی میں (متوقع طور پر 500 بلین 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۔

ادائیگی کے توازن کی پریشانیوں نے ابھی 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 سنست روی کے برآمدات پر منفی اثرات مرتب ہوں گے اور تیل کی پست قیمتوں کے باعث تیل کی پیداوار کرنے والے ممالک سے ترسیلات زربھی متاثر ہوں گی۔ ہماری پیشن 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 صرف 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 سست رفتار اثر پذیر 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 کی 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۔

ڈائریکٹرز رپورٹ

زر کے دباؤ میں کمی کا رجحان شروع ہو گیا ہے جو مارچ میں 10.2 فیصد تھی کیونکہ پٹرولیم کی قیمتوں اور ایشیائے خورد و نوش کی افراط زر میں کمی سے مجموعی افراط زر میں بھی کمی ہوئی ہے۔ بہر حال ایشیائے 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۔

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 رد عمل 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 آجاس 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 12.48 فیصد ایک سال پر محیط منافع حاصل کیا جبکہ اس کا بیخ مارک منافع 14.21 فیصد تھا۔ فنڈ کی بالوزن اوسط میچورٹی (WAM) کو انٹریسٹ کی شرح میں کمی کے رجحان کے باعث بڑھا کر 1.4 سال کر دیا گیا۔ زیر جائزہ مدت کے اختتام پر فنڈ کا زیادہ تر اختصاص نقد اور ٹرم فنانانس سٹریٹجی (ٹی ایف سی) میں رہا۔ اختتام مدت پر فنڈ سرمایہ کاری نقد میں 46.8 فیصد، ٹی ایف سی میں 25.0 فیصد اور ٹریڈری بلنز (ٹی بلنز) میں 11.5 فیصد تھی۔ نقد میں زیادہ شمولیت کی وجہ یہ تھی کہ بینکوں نے بینک ڈپازٹس پر منافع بخش شرحیں پیش کی ہوئی تھیں۔

11.5 فیصد

31 مارچ 2020ء کو فنڈ کے net اثاثہ جات 4,226 ملین روپے تھے جو 30 جون 2019ء کو 3,933 ملین روپے کے مقابلے میں 7.45 فیصد اضافہ ہے۔

31 مارچ 2020ء کو net اثاثہ جاتی قدر (این اے وی) 116.5714 روپے فی یونٹ تھی جو 30 جون 2019ء کو ابتدائی این اے وی 106.5542 روپے فی یونٹ کے مقابلے میں 10.0172 روپے فی یونٹ اضافہ ہے۔

مستقبل کے امکانات

کووڈ-۱۹ 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

بورڈ آف ڈائریکٹرز کی طرف سے ایم سی بی ڈی سی ایف انکم فنڈ کے اکاؤنٹس کا جائزہ برائے سہ ماہی، مختتمہ 31 مارچ 2020ء پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

مالی سال 2019-20ء کی تیسری سہ ماہی تاریکی و تباہی سے بھرپور تھی کیونکہ کورونا وائرس (کوویڈ-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 شکست 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۔

کوویڈ-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 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 اشیائے خورد و نوش کی قیمتوں میں اضافے کے باعث اشیائے خورد و نوش کی افراط زر پر بڑی ضرب پڑی۔ تاہم افراط

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

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
ASSETS			
Balances with banks	4	2,314,616	2,779,853
Investments	5	2,398,809	1,244,532
Mark-up, dividend and other receivables		47,319	48,566
Receivable against sale of investments		-	22,840
Advances, deposits and prepayments		193,292	43,925
Total assets		4,954,036	4,139,716
LIABILITIES			
Payable to MCB Arif Habib Savings and Investments Limited - Management Company	6	11,171	6,118
Payable to Central Depository Company of Pakistan Limited - Trustee	7	318	385
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	8	645	2,939
Payable against redemption of units		-	-
Payable against purchase of investments		548,813	4,443
Accrued and other liabilities	9	166,694	192,386
Total liabilities		727,642	206,271
NET ASSETS		4,226,394	3,933,445
Unit holders' fund (as per statement attached)		4,226,394	3,933,445
Contingencies and commitments	10		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		36,255,828	36,914,955
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		116.5714	106.5542

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements .

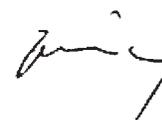
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



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 March 31,		Quarter ended March 31,	
		2020	2019	2020	2019
(Rupees in '000)					
INCOME					
Income from Government securities		197,443	26,209	77,478	10,045
Income from term finance certificates		131,228	102,338	45,160	36,835
Net Gain / (loss) on sale of investments		8,552	(55,551)	15,250	(4,367)
Mark-up on bank deposits and term deposit receipt		97,649	135,263	16,990	53,074
Income from Margin Trading System (MTS) - net		-	9,309	-	3,216
Dividend income		26,795	15,154	9,085	3,196
Income / (loss) from spread transactions		2,361	65,072	7,475	12,550
Net unrealised gain / (loss) on derivatives		(431)	726	229	726
Unrealised (diminution) / appreciation on re-measurement of investments classified 'at fair value through profit or loss' - net	5.5	7,785	(10,966)	9,529	(5,080)
Other Income					
Total income		471,381	287,554	181,195	110,195
Provision against debt securities		-	-	-	-
EXPENSES					
Remuneration of the Management Company		48,400	44,038	16,571	13,913
Sindh Sales tax on remuneration of the Management Company		6,292	5,725	2,154	1,808
Expenses allocated by the Management Company		3,227	3,256	1,105	987
Remuneration of the Trustee		2,420	3,134	828	997
Sindh Sales Tax on trustee fee		315	407	108	129
Selling and marketing expenses		9,256	-	4,308	-
Annual fee to Securities and Exchange Commission of Pakistan		645	2,202	221	696
Brokerage and settlement and bank charges		5,410	7,626	2,531	1,149
Laga charges on MTS		-	900	-	900
Auditors' remuneration		668	599	178	243
Legal and professional charges		49	170	(42)	50
Others		436	505	96	112
Total operating expenses		77,118	68,561	28,058	20,983
Net income from operating activities		394,263	218,993	153,137	89,212
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	(7,885)	(4,380)	(3,037)	(1,784)
Net income for the period before taxation		386,378	214,613	150,100	87,428
Taxation	11	-	-	-	-
Net income for the period after taxation		386,378	214,613	150,100	87,428
<i>Allocation of net income for the period:</i>					
Net income for the period after taxation		386,378	214,613		
Income already paid on units redeemed		(56,972)	(28,514)		
		329,406	186,099		
<i>Accounting income available for distribution:</i>					
- Relating to capital gains		15,906	-		
- Excluding capital gains		313,500	186,099		
		329,406	186,099		

Earnings per unit

12

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements .

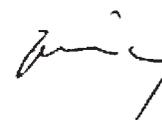
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



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**

	Nine months period ended		Quarter ended	
	March 31,		March 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	386,378	214,613	150,100	87,428
Other comprehensive for the period:	-	-	-	-
Total comprehensive income for the period	<u>386,378</u>	<u>214,613</u>	<u>150,100</u>	<u>87,428</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements .

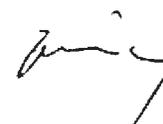
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



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

	Nine Months ended March 31, 2020			Nine Months ended March 31, 2019			
	(Rupees in '000)						
	Capital value	Undistrib- uted income	Total	Capital value	Undistrib- uted income	Unrealised appreciation/(dimin- ution) on available- for-sale investments	Total
Net assets at beginning of the period	3,539,191	394,254	3,933,445	4,299,274	573,226	7	4,872,493
Effect of Change in accounting policy	-	-	-	-	(7)	(7)	-
Net assets at beginning of the period	<u>3,539,191</u>	<u>394,254</u>	<u>3,933,445</u>	<u>4,299,274</u>	<u>573,219</u>	<u>-</u>	<u>4,872,493</u>
Issuance of 71,367,962 units (2019: 16,319,727 units)							
- Capital value (at net asset value per unit at the beginning of the period)	7,604,556	-	7,604,556	1,724,444	-	-	1,724,444
- Element of income	448,010	-	448,010	59,412	-	-	59,412
	<u>8,052,566</u>	<u>-</u>	<u>8,052,566</u>	<u>1,783,856</u>	<u>-</u>	<u>-</u>	<u>1,783,856</u>
Redemption of 72,027,088 units (2019: 26,064,989 units)							
- Capital value (at net asset value per unit at the beginning of the period)	(7,674,789)	-	(7,674,789)	(2,761,953)	-	-	(2,761,953)
- Element of income	(414,234)	(56,972)	(471,206)	(40,117)	(28,514)	-	(68,631)
	<u>(8,089,023)</u>	<u>(56,972)</u>	<u>(8,145,995)</u>	<u>(2,802,070)</u>	<u>(28,514)</u>	<u>-</u>	<u>(2,830,584)</u>
Total comprehensive income for the period	-	386,378	386,378	-	214,613	-	214,613
Final Distribution for the year ended June 30, 2018 (including additional units) at the rate of Rs. 4.8783 per unit (Declared on July 04, 2018)	-	-	-	(31,091)	(182,392)	-	(213,483)
	<u>-</u>	<u>386,378</u>	<u>386,378</u>	<u>(31,091)</u>	<u>32,221</u>	<u>-</u>	<u>1,130</u>
Net assets at end of the period	<u>3,502,734</u>	<u>723,660</u>	<u>4,226,394</u>	<u>3,249,969</u>	<u>576,926</u>	<u>-</u>	<u>3,826,896</u>

Undistributed income brought forward comprising of:

- Realised gain	407,880	590,511
- Unrealised loss	(13,626)	(17,285)
	<u>394,254</u>	<u>573,226</u>
Effect of Change in accounting policy	-	(7)
Undistributed income - restated	<u>394,254</u>	<u>573,219</u>
Accounting income available for distribution:		
- Relating to capital gains	15,906	-
- Excluding capital gains	313,500	186,099
	<u>329,406</u>	<u>186,099</u>
Cash distribution during the period	-	(182,392)
Undistributed income carried forward	<u>723,660</u>	<u>576,926</u>
Undistributed income carried forward comprising of:		
- Realised gain	716,306	587,167
- Unrealised loss	7,354	(10,241)
	<u>723,660</u>	<u>576,926</u>

	(Rupees)	(Rupees)
Net assets value per unit at beginning of the period	<u>106.5542</u>	<u>111.3412</u>
Net assets value per unit at end of the period	<u>116.5714</u>	<u>112.5010</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements .

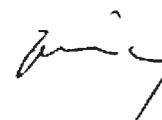
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Nine Months ended	
	March 31, 2020	March 31, 2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	386,378	214,613
Adjustments for:		
Net unrealised loss on revaluation of investments 'at fair value through profit or loss - held-for-trading'	(7,785)	10,966
	<u>378,593</u>	<u>225,580</u>
Decrease / (increase) in assets		
Investments	(1,145,435)	(75,951)
Mark-up, dividend and other receivables	1,247	543
Derivatives- Future Contracts	(1,057)	(1,783)
Receivable against sale of investments	22,840	62,666
Receivable against Margin Trading System (MTS)	-	(2,475)
Advance against subscription of sukuk certificates	-	-
Advances, deposits and prepayments	(149,367)	101,907
	<u>(1,271,771)</u>	<u>84,908</u>
Increase / (Decrease) in liabilities		
Payable to MCB Arif Habib Savings and Investments Limited -	5,053	(1,181)
Payable to Central Depository Company of Pakistan Limited - Trustee	(67)	(45)
Annual fee payable to SECP	(2,294)	(1,912)
Payable against purchase of investments	544,370	195,596
Payable against redemption of units	-	(4,739)
Accrued and other liabilities	(25,690)	2,266
	<u>521,373</u>	<u>189,985</u>
Net cash generated from / (used in) operating activities	<u>(371,806)</u>	<u>500,473</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units (excluding additional units)	8,052,566	1,752,765
Payments on redemption of units	(8,145,995)	(2,830,584)
Dividend paid	-	(182,392)
Net cash used in from financing activities	<u>(93,429)</u>	<u>(1,260,211)</u>
Net decrease in cash and cash equivalents during the period	<u>(465,235)</u>	<u>(759,738)</u>
Cash and cash equivalents at beginning of the period	2,779,853	2,944,793
Cash and cash equivalents at end of the period	<u><u>2,314,616</u></u>	<u><u>2,185,055</u></u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements .

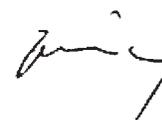
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



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 DCF Income Fund (the Fund) was established under a Trust Deed dated November 20, 2006 executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited) as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) as a Collective Investment Scheme vide its letter dated on November 7, 2006 consequent to which the trust deed was executed on November 10, 2006 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) 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 ended mutual fund and has been categorised as "Income Scheme" and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The units are listed on the Pakistan Stock Exchange Limited.
- 1.4 The Fund primarily invests in money market and other instruments which includes corporate debt and government securities, repurchase agreements and spread transactions. The Fund may also invest a portion of the funds in medium term assets in order to provide higher return to the unit holders.
- 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 is 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 VIII A 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 VIII A 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 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

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

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 (Un-audited)	June 30, 2019 (Audited)
		------(Rupees in '000)-----	
4 BALANCES WITH BANKS	Note		
Current accounts	4.1	19,055	3,509
Savings accounts	4.2	2,295,550	2,776,344
		2,314,605	2,779,853

- 4.1** This represents balance maintained with MCB Bank Limited
- 4.2** This includes balances of Rs.0.91 million (June 30, 2019: Rs.5.718 million) maintained with related party that carry profit at 9.5% per annum (June 30, 2019: 4.5%). Other profit and loss saving accounts of the Fund carry profit rates ranging from 9.5% to 14.45% per annum (June 30, 2019: 3.75% to 13.10% per annum).

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

	Note	March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
		------(Rupees in '000)-----	
5 INVESTMENTS			
Investments by Category			
At fair value through profit or loss			
Government securities	5.1	1,081,971	29,540
Listed equity securities	5.2	128,180	3,965
Listed debt securities	5.3	607,493	651,178
Unlisted debt securities	5.4	581,597	559,978
Future stock contracts		(431)	(129)
		<u>2,398,809</u>	<u>1,244,532</u>

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

Name of security	Note	Date of issue	Face value			Balance as at March 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments	
			As at July 01, 2019	Purchased during the period	Disposed/ matured during the period	As at March 31, 2020	Carrying value	Market value			Unrealised gain / (loss)
------(Rupees in '000)-----											
Market treasury bills-3 months		August 1, 2019	-	75,000	75,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		February 27, 2020	-	250,000	250,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		May 23, 2019	30,000	-	30,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months	5.1.1	January 30, 2020	-	1,750,000	1,750,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		August 16, 2019	-	3,430,000	3,430,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		November 21, 2019	-	1,000,000	1,000,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		December 5, 2019	-	500,000	500,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		December 19, 2019	-	1,150,000	1,150,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		September 26, 2019	-	500,000	500,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		September 12, 2019	-	700,000	700,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		October 10, 2019	-	1,400,000	1,400,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		January 2, 2020	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		July 18, 2019	-	9,850,000	9,850,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		October 24, 2019	-	2,725,000	2,725,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		November 7, 2019	-	3,975,000	3,975,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		August 29, 2019	-	2,405,000	2,405,000	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		March 12, 2020	-	375,000	375,000	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		September 12, 2019	-	1,700,000	1,700,000	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		December 19, 2019	-	2,500,000	2,500,000	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		July 18, 2019	-	6,050,000	6,050,000	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		October 24, 2019	-	500,000	500,000	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		March 12, 2020	-	750,000	750,000	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		November 7, 2019	-	2,700,000	2,700,000	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		August 1, 2019	-	325,000	325,000	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		January 2, 2020	-	650,000	650,000	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		October 10, 2019	-	1,375,000	1,375,000	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		January 30, 2020	-	1,750,000	1,750,000	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		September 26, 2019	-	500,000	500,000	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		December 5, 2019	-	350,000	350,000	-	-	-	0.00%	0.00%	
Market treasury bills-12 months		October 24, 2019	-	1,000,000	1,000,000	-	-	-	0.00%	0.00%	
Market treasury bills-12 months		January 2, 2020	-	1,100,000	1,100,000	-	-	-	0.00%	0.00%	
Market treasury bills-12 months		March 12, 2020	-	580,000	530,000	50,000	44,958	45,488	530	1.08%	1.90%
Market treasury bills-12 months		August 29, 2019	-	2,550,000	2,550,000	-	-	-	-	0.00%	0.00%
Market treasury bills-12 months		November 7, 2019	-	1,000,000	1,000,000	-	-	-	-	0.00%	0.00%
Market treasury bills-12 months		February 27, 2020	-	1,000,000	500,000	500,000	456,107	456,466	359	10.80%	19.03%
Market treasury bills-12 months		September 26, 2019	-	500,000	500,000	-	-	-	-	0.00%	0.00%
Market treasury bills-12 months		January 30, 2020	-	2,225,000	2,150,000	75,000	67,797	68,955	1,158	1.63%	2.87%
Market treasury bills-12 months		September 12, 2019	-	2,850,000	2,850,000	-	-	-	-	0.00%	0.00%
Market treasury bills-12 months		October 10, 2019	-	1,000,000	1,000,000	-	-	-	-	0.00%	0.00%
Market treasury bills-12 months		July 18, 2019	-	1,000,000	1,000,000	-	-	-	-	0.00%	0.00%
Market treasury bills-12 months		December 19, 2019	-	1,989,000	1,989,000	-	-	-	-	0.00%	0.00%
Pakistan Investment Bond- 3 Years		July 12, 2018	-	711,000	200,000	511,000	484,883	492,330	7,447	11.65%	20.52%
Pakistan Investment Bond- 3 Years		September 19, 2019	-	1,574,000	1,555,000	19,000	17,618	18,733	1,115	0.44%	0.78%
Pakistan Investment Bond- 5 Years		July 12, 2018	-	496,900	496,900	-	-	-	-	0.00%	0.00%
Pakistan Investment Bond- 5 Years		September 19, 2019	-	475,000	475,000	-	-	-	-	0.00%	0.00%
Pakistan Investment Bond- 10 Years		July 12, 2018	-	37,500	37,500	-	-	-	-	0.00%	0.00%
Pakistan Investment Bond- 10 Years		September 19, 2019	-	50,000	50,000	-	-	-	-	0.00%	0.00%
As at March 31, 2020						<u>1,071,362</u>	<u>1,081,971</u>	<u>10,608</u>			
June 30, 2019						<u>29,543</u>	<u>29,540</u>	<u>(3)</u>			

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

5.1.1 The above includes Market treasury bill with a face value aggregating to Rs.50 million (2018: Rs.150) million which has been pledged with National Clearing Company of Pakistan Limited as security against MTS trades and exposure margin / MTM losses as per Circular no. 11 dated October 23, 2007 issued by the SECP.

5.2 Listed equity securities - 'at fair value through profit or loss'

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

Name of investee company	Number of shares				Balance as at March 31, 2020			Market Value	
	As at July 01, 2019	Purchased during the period	Sold during the period	As at March 31, 2020	Carrying value	Market value	Unrealised (loss) / gain	As a percentage of net assets	As a percentage of total investments
----- (Rupees in '000) - ----- % -----									
Automobile Assembler	-	-	-	-	-	-	-	-	-
Gandhara Industries Limited	-	41,500	41,500	-	-	-	-	0.00%	0.00%
Pak Suzuki Motors Company Limited	-	170,000	170,000	-	-	-	-	0.00%	0.00%
								0.00%	0.00%
Automobile Parts & Accessories									
General Tyre & Rubber Company Limited	-	32,500	32,500	-	-	-	-	0.00%	0.00%
								0.00%	0.00%
Cable & Electrical Goods									
Pak Elektron Limited	5,000	2,641,500	2,646,500	-	-	-	-	0.00%	0.00%
								0.00%	0.00%
Cement									
Cherat Cement Company Limited	500	-	500	-	-	-	-	0.00%	0.00%
D.G. Khan Cement Company Limited	-	1,044,500	1,044,500	-	-	-	-	0.00%	0.00%
Fauji Cement Company Limited	-	3,497,000	3,494,000	3,000	43	44	1	0.00%	0.00%
Kohat Cement Limited	-	3,000	3,000	-	-	-	-	0.00%	0.00%
Lucky Cement Limited	-	9,000	9,000	-	-	-	-	0.00%	0.00%
Maple Leaf Cement Factory Limited	-	267,500	267,500	-	-	-	-	0.00%	0.00%
Pioneer Cement Limited	-	37,000	37,000	-	-	-	-	0.00%	0.00%
				3,000	43	44	1	0.00%	0.00%
Chemicals									
Engro Polymer and Chemicals Limited	-	489,500	455,500	34,000	881	834	(48)	0.02%	0.03%
Lotte Chemical Pakistan Limited	-	11,596,500	11,596,500	-	-	-	-	0.00%	0.00%
				34,000	881	834	(48)	0.02%	0.03%
Engineering									
Amreli Steels Limited	-	11,500	11,500	-	-	-	-	0.00%	0.00%
International Industries Limited	-	115,500	115,500	-	-	-	-	0.00%	0.00%
International Steels Limited	-	1,797,500	1,797,500	-	-	-	-	0.00%	0.00%
Mughal Iron & Steel Industries Limited	-	565,000	565,000	-	-	-	-	0.00%	0.00%
								0.00%	0.00%
Fertilizer									
Engro Corporation Limited	-	40,500	38,500	2,000	508	534	26	0.01%	0.02%
Engro Fertilizer Limited	-	1,120,500	1,119,000	1,500	90	86	(3)	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	15,000	4,508,500	4,523,500	-	-	-	-	0.00%	0.00%
Fauji Fertilizer Company Limited	1,000	622,500	622,000	1,500	155	140	(15)	0.00%	0.01%
				5,000	753	760	7	0.02%	0.03%
Food & Personal Care Products									
Fauji Foods Limited	-	2,389,000	2,389,000	-	-	-	-	0.00%	0.00%
Frieslandcampina Engro Pakistan Limited	-	78,000	78,000	-	-	-	-	0.00%	0.00%
								0.00%	0.00%

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

Oil & Gas Exploration Companies									
Oil & Gas Development Company Limited	-	2,631,000	994,500	1,636,500	126,093	125,994	(99)	2.98%	5.25%
Pakistan Oilfields Limited	-	703,500	703,500	-	-	-	-	0.00%	0.00%
Pakistan Petroleum Limited	-	111,500	111,500	-	-	-	-	0.00%	0.00%
				1,636,500	126,093	125,994	(99)	2.98%	5.25%
Oil And Gas Marketing Companies									
Hascol Petroleum Limited	-	24,500	24,500	-	-	-	-	0.00%	0.00%
Pakistan State Oil Company Limited.	-	1,025,500	1,025,500	-	-	-	-	0.00%	0.00%
Sui Southern Gas Company Limited	40,500	3,342,500	3,383,000	-	-	-	-	0.00%	0.00%
				-	-	-	-	0.00%	0.00%
Pharmaceuticals									
The Searle Company Limited	-	1,032,000	1,032,000	-	-	-	-	0.00%	0.00%
				-	-	-	-	0.00%	0.00%
Power Generation & Distribution									
Hub Power Company Limited	-	51,500	51,000	500	31	34	3	0.00%	0.00%
K-Electric Limited	541,000	6,914,500	7,455,500	-	-	-	-	0.00%	0.00%
Kot Addu Power Co. Limited	2,000	1,586,000	1,570,500	17,500	335	338	3	0.01%	0.01%
				18,000	366	372	6	0.01%	0.02%
Refinery									
Attock Refinery Limited	-	97,500	97,500	-	-	-	-	0.00%	0.00%
National Refinery Limited	-	221,000	221,000	-	-	-	-	0.00%	0.00%
				-	-	-	-	0.00%	0.00%
Technology & Communications									
Avanceon Limited	-	40,500	40,500	-	-	-	-	0.00%	0.00%
Netsol Technologies	-	142,000	142,000	-	-	-	-	0.00%	0.00%
Trg Pakistan	-	536,000	536,000	-	-	-	-	0.00%	0.00%
				-	-	-	-	0.00%	0.00%
Textile Composite									
Gul Ahmed Textile Mills Limited	-	500	500	-	-	-	-	0.00%	0.00%
Nishat (Chunian) Limited	4,500	334,500	339,000	-	-	-	-	0.00%	0.00%
Nishat Mills Limited	500	352,500	350,000	3,000	175	176	1	0.00%	0.01%
				3,000	175	176	1	0.00%	0.01%
Transport									
Pakistan International Bulk Terminal Limited	-	3,831,000	3,831,000	-	-	-	-	0.00%	0.00%
				-	-	-	-	0.00%	0.00%
Vanaspati & Allied Industries									
Unity Foods Limited	-	201,500	201,500	-	-	-	-	0.00%	0.00%
				-	-	-	-	0.00%	0.00%
Total as at March 31, 2020				128,312	128,180	(132)			
Total as at June 30, 2019				3,799	3,965	166			

***These Shares has been pledged with National Clearing Company of Pakistan Limited as security against exposure margin / MTM losses as per Circular no. 11 dated October 23, 2007 issued by the SECP.

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

5.3 Listed debt securities - term finance certificates of Rs.5,000 each (unless stated otherwise) - 'at fair value through profit or loss'

Name of investee company	Number of certificates				Balance as at March 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2019	Purchased during the period	Disposed during the period	As at March 31, 2020	Carrying value	Market value	Unrealised (loss) / gain		
----- (Rupees in '000) ----- % -----									
Commercial banks									
Bank Alfalah Limited-V (February 20, 2013)	65,581	-	-	65,581	326,987	325,780	(1,206)	7.71%	13.58%
					326,987	325,780	(1,206)	7.71%	13.58%
Fertilizer									
Dawood Hercules Corporation Limited - Sukuk (November 16, 2017)	2,500	-	-	2,500	199,342	201,448	2,106	4.77%	8.40%
Dawood Hercules Corporation Limited - Sukuk (March 01, 2018)	1,000	-	-	1,000	79,840	80,264	424	1.90%	3.35%
					279,182	281,713	2,530	6.67%	11.74%
Leasing companies									
Saudi Pak Leasing Company Limited (March 13, 2010) (refer note 5.4.1)	10,000	-	-	10,000	27,548	-	-	-	-
Less: Provision for impairment					(27,548)	-	-	-	-
					-	-	-	-	-
As at March 31, 2020					606,169	607,493	1,324		
As at June 30, 2019					654,473	651,178	(3,295)		

* Nominal value of these term finance certificates is Rs.100,000 per certificate.

5.4 Unlisted debt securities - term finance and sukuk certificates of Rs.5,000 each (unless stated otherwise) - 'at fair value through profit or loss'

Name of investee company	Number of certificates				Balance as at March 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2019	Purchased during the period	Disposed/ Matured during the period	As at March 31, 2020	Carrying value	Market value	Unrealised (loss) / gain		
----- (Rupees in '000) ----- % -----									
Commercial banks									
Askari Bank Limited IV - TFC (September 30, 2014)	39,000	-	-	39,000	189,522	190,186	664	4.50%	7.93%
Bank AL Habib Limited (March 17, 2016) TFC-II	10,480	-	-	10,480	51,793	50,330	(1,463)	1.19%	2.10%
The Bank of Punjab Limited - TFC II - Issue Date April 23, 2018	850	-	-	850	80,370	79,529	(842)	1.88%	3.32%
The Bank of Punjab Limited TFC-I * (December 23, 2016)	950	250	-	1,200	118,537	119,197	660	2.82%	4.97%
					440,222	439,242	(980)	10.39%	18.31%
Chemicals									
Ghani Gases Limited - Sukuk *(February 02, 2017)	500	-	-	500	25,059	22,096	(2,962)	0.52%	0.92%
					25,059	22,096	(2,962)	0.52%	0.92%
Investment Bank									
Jahangir Siddiqui and Company Limited- TFC-III- July 18, 2017	10,000	-	-	10,000	30,951	30,980	29	0.73%	1.29%
Jahangir Siddiqui & Co. Ltd. - TFC (March 06, 2018)	14,000	4,000	-	18,000	89,380	89,279	(101)	2.11%	3.72%
					120,331	120,259	(72)	2.85%	5.01%
Household goods									
New Allied Electronics Industries (Private) Limited (May 15, 2007) (refer note 5.4.1)	10,400	-	-	10,400	21,983	-	-	-	-
Less: Provision for impairment					(21,983)	-	-	-	-
					-	-	-	-	-
New Allied Electronics Industries (Private) Limited Sukuk (July 25, 2007) (refer note 5.4.1)	112,000	-	-	112,000	35,001	-	-	-	-
Less: Provision for impairment					(35,001)	-	-	-	-
					-	-	-	-	-
As at March 31, 2020					585,612	581,597	(4,015)	14%	24%
As at June 30, 2019					570,343	559,978	(10,365)		

* Nominal value of this sukuk certificate is Rs.100,000 per certificate.

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

5.4.1 Details of non-compliant investments with the investment criteria as specified by the SECP

In accordance with clause (v) of the investment criteria laid down for 'income scheme' in Circular No. 7 of 2009, the Fund is required to invest in any security having rating not lower than the investment grade (credit rating of BBB and above). However, as at March 31, 2020, the Fund is non-compliant with the above mentioned requirement in respect of the following investments. The securities were in compliance with the circular (i.e. investment grade) at the time of purchase and were subsequently downgraded to non investment grade by MUFAP on default by respective issuer in repayment of coupon due on respective dates.

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of total investments
Listed debt securities						
Saudi Pak Leasing Company Limited	TFC	27,548	(27,548)	-	0.00%	0.00%
Unlisted debt securities						
New Allied Electronics Industries (Private) Limited	TFC	21,983	(21,983)	-	0.00%	0.00%
New Allied Electronics Industries (Private) Limited	Sukuk	35,001	(35,001)	-	0.00%	0.00%

	Note	(Unaudited) March 31, 2020 '---- (Rupees in '000) ----	(Audited) June 30, 2019
5.5 Unrealised (diminution) / appreciation in value of investments at fair value through profit or loss - net			
Market value of investments	5.1 to 5.4	2,399,240	1,244,532
Carrying value of investments		2,391,455	1,258,158
		<u>7,785</u>	<u>(13,626)</u>
6 PAYABLE TO MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY		(Un-audited)	(Audited)
		----- (Rupees in '000) -----	
Remuneration payable	6.1	5,632	4,779
Sindh sales tax on management fee	6.2	732	621
Sale load Payable		117	399
Allocated expenses payable	6.3	375	319
Back end load payable		6	-
Selling and marketing expenses payable	6.4	4,308	-
		<u>11,171</u>	<u>6,118</u>

6.1 The Management Company has charged remuneration at the rate upto 1.5% (June 30, 2019: 1.5%) of average daily net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

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

6.3 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).

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%.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
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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.

- 6.4** 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.

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	
-Up to Rs.1 billion	Rs.0.6 million or 0.17% per annum of net assets, whichever is higher	0.075% p.a. of net assets
- Rs.1 billion to Rs.5 billion	Rs.1.7 million plus 0.085% per annum of net assets exceeding Rs.1 billion	
- Over Rs.5 billion	Rs.5.1 million plus 0.07% per annum of net assets exceeding Rs.5 billion	

Accordingly the Fund has charged Trustee Fee at the rate 0.075% per annum of net assets during the period.

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 income scheme was 0.075%.

9 ACCRUED AND OTHER LIABILITIES	Note	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		----- (Rupees in '000) -----	
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	35,597	27,711
Federal Excise Duty on remuneration to the Management Company	9.2	99,060	99,060
Federal Excise Duty and related taxes payable on sales load		27,933	27,933
Sale load payable to MCB Bank Limited (a related party)		58	512
Auditors' remuneration		346	486
Withholding tax payable		930	316
Brokerage payable		2,167	1,181
Dividend payable		-	34,851
Others		602	336
		<u>166,694</u>	<u>192,386</u>

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

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/lower by Re. 0.98 per unit (June 30, 2019 Re. 0.75 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. 2.73 per unit (June 30, 2019: Re. 3.44 per unit).

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at March 31, 2020 and June 30, 2019 except for the following mentioned below:

	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	----- (Rupees in '000) -----	
10.1 Commitments		
Future sale transactions of equity securities entered into by the Fund in respect of which the sale transactions have not been settled as at period end	-	<u>22,840</u>

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 nine year ending March 31, 2020 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.

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 TOTAL EXPENSE RATIO

The Annualized total expense ratio of the Fund is 2.63% as on March 31, 2020 (March 31, 2019: 2.38%) and this includes 0.47% (March 31, 2019: 0.35%) representing Government Levy, Sindh Workers' Welfare Fund (SWWF) and SECP fee. This ratio is within the maximum limit of 2.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorized as Income Scheme.

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

14 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER 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:

14.1 Unit Holders' Fund

	For the Nine Months ended March 31, 2020 (Un-Audited)							
	As at July 01, 2019	Issuance (including additional units)	Redeemed	As at March 31, 2020	As at July 01, 2019	Issuance	Redeemed	As at March 31, 2020
	Units				(Rupees in '000)			
Group / associated companies								
MCB-Arif Habib Savings and Investments limited	-	725,403	277,121	448,282	-	80,128	30,176	52,257
MCB Employees' Provident Fund	1,414,434	-	-	1,414,434	150,714	-	-	164,883
MCB Employees' Pension Fund	1,414,434	-	-	1,414,434	150,714	-	-	164,883
D.G. Khan Cement Company Limited - Employees' Provident Fund Trust	4,255	-	-	4,255	453	-	-	496
					-			-
Mandate under discretionary portfolio services*	-	55,379,720	55,379,720	0	-	6,290,526	6,296,555	0
Key management personnel*	-	24,861	24,859	2	-	2,659	2,671	0

	For the nine months ended March 31, 2019 (Un-Audited)							
	As at July 01, 2018	Issuance	Redeemed	As at March 31, 2019	As at July 01, 2018	Issuance	Redeemed	As at March 31, 2019
	Units				(Rupees in '000)			
Associated companies								
MCB Employees' Provident Fund	1,255,728	57,539	-	1,313,267	139,814	6,126	-	147,744
MCB Employees' Pension Fund	1,255,728	57,539	-	1,313,267	139,814	6,126	-	147,744
MCB-Arif Habib Savings And Investments Limited	-	4,081	4,081	-	-	456,678	457,052	-
D.G. Khan Cement Company Limited - Employees' Provident Fund Trust	3,777	173	-	3,950	421	18	-	444
Adamjee Life Assurance Company Limited - Employees' Gratuity Fund	166,862	7,646	174,508	-	18,579	4	18,591	-
Nishat Power Limited Employees Provident Fund Trust	86,109	3,946	90,055	-	9,587	2	9,607	-
Adamjee Insurance Co.Ltd Employees Provident Fund	335,292	15,364	350,656	-	37,332	9	37,388	-
Key Management Personnel	-	45	45	-	-	5	5	-
Mandate under discretionary portfolio services	1,554,333	157,855	1,692,840	19,348	173,061	9,377	180,618	2,177

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

	(Un-Audited)	
	March 31, 2020	March 31, 2019
	----- (Rupees in '000) -----	
14.2 Transactions during the period:		
Management Company		
MCB Arif Habib Savings and Investments Limited		
Remuneration (including indirect taxes)	54,692	49,763
Marketing and Selling Expense	9,256	-
Expense allocated by the Management	3,227	3,256
Central Depository Company of Pakistan Limited - Trustee		
Remuneration (including indirect taxes)	2,735	3,541
Settlement charges	111	418
Group / associated companies		
MCB Bank Limited		
Mark-up on deposit accounts	426	57
Sale of securities face value Rs.146,900,000 (2019: Nil)	127,956	-
Bank charges	24	15
Next Capital Limited - Brokerage House		
Brokerage and settlement charges *	48	492
Arif Habib Limited		
Brokerage expense *	18	-
Nishat (Chunian) Limited		
Purchase of 334,500 (2019: 1,661,000) shares	12,585	87,230
Sale of 334,500 (2019: 724,500) shares	12,377	39,347
Dividend income	378.00	-
D.G. Khan Cement Company Limited		
Purchase of 1,044,500 (2019: 4,211,000) shares	79,210	376,524
Sale of 1,044,500 (2019: 4,211,000) shares	79,898	376,465
Dividend income	-	1,394
Nishat Mills Limited		
Purchase of 352,500 (2019: 197,500) shares	32,935	27,348
Sale of 349,500 (2019: 191,500) shares	32,537	26,780
Dividend income	740.00	-
Adamjee Insurance Company Limited		
Purchase of Nil shares (2019: 58,500)		2,739
Sale of Nil Shares (2019: 58,500)		2,771

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

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

	(Un-Audited) March 31, 2020	(Audited) June 30 2019
	----- (Rupees in '000) -----	
14.3 Balances outstanding at period end:		
Management Company		
MCB-Arif Habib Savings and Investments Limited		
Remuneration payable	5,632	4,779
Sindh sales tax payable on remuneration payable	732	621
Sales load payable	104	353
Sindh sales tax payable on sales load	13	46
Back End Load Payable	6	-
Expense allocated by the Management Company	375	319
Selling and marketing expenses payable	4,308	-
Central Depository Company of Pakistan Limited - Trustee		
Security deposit	282	200
Remuneration payable (including indirect taxes)	37	385
Group / associated companies		
MCB Bank Limited		
Balances with bank	19,970	5,718
Sales load payable	58	512
Arif Habib Limited - Brokerage House		
Brokerage and settlement charges payable*	3	-
Next Capital Limited - Brokerage House		
Brokerage and settlement charges payable*	21	73
Nishat (Chunian) Limited		
Nil shares (2019: 4,500) shares held	-	158
Nishat Mills Limited		
3,000 shares (2019: 500) shares held	176	47

15. GENERAL

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

15.2. 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.

16. DATE OF AUTHORISATION

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

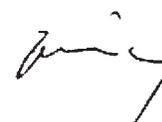
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



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

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