



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2020
(UNAUDITED)

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



PAKISTAN CAPITAL MARKET 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 Director
Audit Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member 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 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 Shahra-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 United Bank Limited Allied Bank Limited Bank Al Habib Limited Habib Bank Limited National Bank of Pakistan JS Bank Limited Standard Chartered Bank Limited Zarai Traqiati Bank Limited Habib Bank Limited	
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member 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 **Pakistan Capital Market Fund's** 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

EQUITIES MARKET OVERVIEW

As panic hit equity markets around the globe post novel coronavirus spread, KSE-100 Index was no different. The benchmark index plunged by ~28% in the third quarter of the current fiscal year, reversing all the previous gains of the fiscal year. This took the cumulative negative return of nine months of FY20 to 13.8%. Also, KSE had its worst month since the financial crisis of 2008 as the global pandemic took a toll on all risk assets. Foreigners continued to shun risk assets across the emerging market and Pakistan did not turn out to be an exception. FIPI selling during the quarter amounted to USD 130 million during the period. Individuals were the main buyers during the period taking exposure of USD 144 million in equities, while commercial banks and mutual funds turned out to be net sellers reducing their exposure by USD 48 million and USD 85 million respectively. Volumes and values traded averaged around 191 mn shares/ PKR 7.1 bn during the period.

The energy chain underperformed severely during the quarter as crude oil prices had its one of the worst month of history, after Saudi Arabia started a price war as an agreement wasn't reached between OPEC and Russia. Alongside, a weak global demand amidst the contagious virus added fuel to the fire. Oil prices touched its 18-year low during the month. E&Ps, and OMC's lost more than 40% during the quarter. Commercial banks also lost nearly 30% during the period, as central bank continued its easing policy, while foreigners continued to dump local banks as they shunned risk assets. Fertilizers and Pharmaceutical sectors outperformed the index as defensive plays remained in the radar of investors.

FUND PERFORMANCE

During the period under review, the fund posted a return of -6.53% compared to the return of -8.71% posted by the benchmark.

On the equities front, the overall allocation stood at 53.6%. The exposure was mainly held in Commercial Banks, Oil & Gas Exploration Companies, and Fertilizers.

On the fixed income side, the fund maintained its exposure towards cash to benefit from attractive rates offered by banks.

The Net Assets of the Fund as at March 31, 2020 stood at Rs. 397 million as compared to Rs. 504 million as at June 30, 2019 registering a decrease of 21.23%.

The Net Asset Value (NAV) per unit as at March 31, 2020 was Rs. 9.45 as compared to opening NAV of Rs. 10.11 per unit as at June 30, 2019 showing a decrease of Rs. 0.66 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

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

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.

From capital market perspective, particularly equities, we await more clarity on local status of Covid-19. Equities in terms of valuations have not been as cheap as they are now, however, at the same time, the economic outlook has not been as uncertain as it is now owing to Covid-19. On the flip side, the bond market is pricing a relatively normal economic scenario, whereby it expects inflation to significantly fall and economic activities to resume in the short run after the lockout period. If that is the case, then equities as an asset class is bound to outperform all the relative asset classes in the domestic market. The risk premiums (difference between earnings yield and 10Y bonds) have moved into unseen territory. Risk premium is currently close to ~10.0% against the historical average of 0.9% and a 15-year low of 6.0% (happened in the financial crisis of 2008-09). We believe a micro view of sectors and stock will remain more important this year and investment selection should focus on companies which trade at a deep discount to their intrinsic value. Similarly, focus should also revert back to companies that are expected to exhibit stellar earnings growth over the medium term.

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

ڈائریکٹر رپورٹ

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 ہوا تو انٹریسٹ کی شرحوں میں مزید کمی بعید از قیاس نہیں ہے۔

کلیپیٹل مارکیٹ خصوصاً ایکویٹیز کے معاملے میں ہم کو وڈ۔۱۹ کی مقامی صورتحال مزید واضح ہونے کے منتظر ہیں۔ ایکویٹیز اپنی قدر کے اعتبار سے جتنی سستی فی الوقت ہیں اُتنی پہلے کبھی نہیں تھیں، تاہم، بیک وقت، معاشی مستقبل بھی اتنا غیر یقینی پہلے کبھی نہیں تھا جتنا کو وڈ۔۱۹ کی وجہ سے فی الوقت ہے۔ دوسری طرف بانڈ مارکیٹ نسبتاً معمول کے مطابق معاشی منظر پیش کر رہی ہے جس میں لاک آؤٹ مدت کے بعد مختصر میعاد میں افراط زر میں بڑی کمی اور معاشی سرگرمیوں کی بحالی کی اُمید کی جا رہی ہے۔ اگر ایسا ہی ہو تو ایکویٹیز ایک اثاثہ جاتی زمرے کی حیثیت سے مقامی مارکیٹ میں ضرورتاً دیگر اثاثہ جاتی زمروں سے کارکردگی میں سبقت لے جائیں گی۔ خطرات کے پرمیئم (منافعوں اور دس سالہ بانڈز میں فرق) نامعلوم مقام پر چلے گئے ہیں۔ موجودہ طور پر خطرات کے پرمیئم تقریباً 10.0 فیصد کے قریب ہیں جبکہ اس کا تاریخی اوسط 0.9 فیصد ہے اور گزشتہ پندرہ برسوں کی کم ترین سطح 6.0 فیصد ہے (جو 2008-09ء کے مالی بحران کے دوران دیکھی گئی تھی)۔ ہم سمجھتے ہیں کہ سیلٹرز اور اسٹاک کی وسیع تصویر اس سال زیادہ اہم رہے گی اور سرمایہ کاری کے انتخاب کا انحصار ایسی کمپنیوں پر ہونا چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ اسی طرح ایسی کمپنیوں کی طرف بھی توجہ دوبارہ مرکوز ہونی چاہیے جن کی درمیانی مدت کی آمدنی میں زبردست ترقی متوقع ہے۔

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۔

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 ڈائریکٹر کی طرف سے خراج تحسین پیش کیا جاتا ہے۔

برائے اور من جانب بورڈ



نسیم بیگ
ڈائریکٹر اوٹس چیئرمین



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
120 اپریل 2020ء

نی یونٹ کے مقابلے میں 0.66 روپے فی یونٹ کی 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 حال 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 آ سکتے 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 تر متاثر ہوگا کیونکہ یہاں صحت عامہ کے شعبے کا ڈھانچہ اور مالیاتی پٹھے 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 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 پریشانیاں 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 منسست 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 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۔ ابھرتی 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 براں 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 سست رفتار پذیریری اور اشیائے 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 تر میمات کے باعث ہماری توقعات غلط ثابت ہو سکتی ہیں۔ افراط زر سے متعلق ہماری

بینکوں کے رجحان کی پیروی کرتے ہوئے انٹریسٹ کی شرحوں میں مزید 150 بی پی ایس کی کا فیصلہ کیا۔
زیر جائزہ مدت کے دوران طویل تر میعاد کے بانڈز کی خطیر طلب کے باعث پیداواری ختم 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 کی کمی ہوئی۔

ایکویٹیز مارکیٹ کا مجموعی جائزہ

کورونا وائرس کی وبا پھیلنے کے بعد دنیا بھر میں ایکویٹی مارکیٹس کو نقصان ہوا، اور کراچی اسٹاک ایکسچینج (کے ایس ای -100) کا معاملہ کچھ مختلف نہ تھا۔ انڈیکس کا یہ مقررہ معیار موجودہ مالی سال کی تیسری سہ ماہی میں تقریباً 28 فیصد گر گیا جس کے باعث مالی سال کے دوران ہونے والے تمام سابقہ منافع جات رائیگاں ہو گئے۔ اس کے نتیجے میں مالی سال 2019-20ء کے نو ماہ کا مجموعی منفی منافع 13.8 فیصد تک پہنچ گیا۔ مزید برآں، 2008ء کے مالی بحران کے بعد کے ایس ای کے لیے یہ بدترین مہینہ تھا کیونکہ عالمی وبائے خطرات پر مبنی اثاثہ جات کو زبوں حالی کا شکار کر دیا۔ غیر ملکیوں نے پوری اُبھرتی ہوئی مارکیٹ میں خطرات پر مبنی اثاثہ جات سے گریز کیا اور پاکستان اس صورتحال سے مستثنیٰ نہیں تھا۔ دوران سہ ماہی غیر ملکی سرمایہ کاروں کے دائرہ کاری سرمایہ کاری (ایف آئی پی آئی) کی فروخت 130 ملین ڈالر کی سطح پر تھی۔ دوران سہ ماہی بنیادی خریدار افراد تھے جنہوں نے ایکویٹیز میں 48 ملین ڈالر کی سرمایہ کاری کی جبکہ کمرشل بینک اور میوچل فنڈز حتمی فروخت کاررہے جنہوں نے سرمایہ کاری میں بالترتیب 48 ملین ڈالر اور 85 ملین ڈالر کی۔ دوران مدت خرید و فروخت ہونے والے حجم اور قدروں کا اوسط تقریباً 191 ملین حصص 7.1 ملین روپے تھا۔

دوران سہ ماہی توانائی کی کاروباری زنجیر میں کارکردگی شدید ناقص رہی کیونکہ خام تیل کی قیمتوں کی تاریخ کا یہ ایک بدترین مہینہ تھا۔ سعودی عرب نے قیمت کی جنگ شروع کر دی تھی کیونکہ پٹرولیم برآمد کرنے والے ممالک کی تنظیم (اوپیک) اور روس کے ساتھ معاہدہ طے نہیں پاسکا تھا۔ ساتھ ساتھ متعدد وائرس کے باعث کمزور عالمی مانگ نے صورتحال کو مزید خراب کر دیا۔ تیل کی قیمتیں گزشتہ اٹھارہ برسوں کی پست ترین سطح پر پہنچ گئیں۔ (تیل کی دریافت اور پیداوار (ای این ڈی پی) اور تیل کی مارکیٹنگ کی کمپنیوں (اوا ایم سی) کو دوران سہ ماہی 40 فیصد سے زائد کا نقصان ہوا۔ کمرشل بینکوں کو بھی تقریباً 30 فیصد خسارے کا سامنا ہوا کیونکہ مرکزی بینک نے تسہیل کی پالیسی جاری رکھی جبکہ غیر ملکیوں میں خطرات پر مبنی اثاثہ جات سے گریز اور اس کے نتیجے میں مقامی بینکوں سے بے اعتنائی کا رجحان برقرار رہا۔ کھاد اور دوا سازی کے شعبوں کی کارکردگی انڈیکس سے سبقت لے گئی کیونکہ سرمایہ کاروں کی توجہ دفاعی حکمت عملی پر مرکوز رہی۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے -6.53 فیصد منافع پوسٹ کیا جبکہ منافع -8.71 فیصد تھا۔ ایکویٹیز میں مجموعی اختصاص 53.6 فیصد تھا۔ زیادہ تر شمولیت کمرشل بینکوں، تیل اور گیس کی دریافت کی کمپنیوں اور کھاد میں رکھی گئی۔ مقررہ آمدنی کی جہت میں فنڈ نے نقد میں اپنی شمولیت کو برقرار رکھا تا کہ بینکوں کی طرف سے پیش کردہ پُرکشش شرحوں سے فائدہ اُٹھایا جاسکے۔ 31 مارچ 2020ء کو فنڈ کے net اثاثہ جات 397 ملین روپے تھے جو 30 جون 2019ء کو 504 ملین روپے کے مقابلے میں 21.23 فیصد کمی ہے۔

31 مارچ 2020ء کو net اثاثہ جاتی قدر (این اے وی) 9.45 روپے فی یونٹ تھی جو 30 جون 2019ء کو ابتدائی این اے وی 10.11 روپے

بورڈ آف ڈائریکٹرز کی طرف سے پاکستان کپیٹل مارکیٹ فنڈ 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 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 تاحال) 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 توقع کے مطابق کمی کا شکار رہی کیونکہ درآمداتی 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 سکیورٹی 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 زر کے دباؤ میں کمی کا رجحان شروع ہو گیا ہے جو مارچ میں 10.2 فیصد تھی کیونکہ پٹرولیم کی قیمتوں اور اشیائے خورد و نوش کی افراط زر میں کمی سے مجموعی افراط زر میں بھی کمی ہوئی ہے۔ بہر حال اشیائے 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

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

		(Un-Audited) March 31, 2020	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	135,405	192,760
Investments	5	272,708	316,053
Dividend, profit and other Receivable		4,658	1,157
Advances, deposits and prepayments		5,149	5,086
Receivable against sale of investments		-	4,655
Total assets		417,919	519,711
LIABILITIES			
Payable to the Management Company	6	2,550	1,521
Payable to the Central Depository Company of Pakistan Limited - Trustee		84	95
Payable to the Securities and Exchange Commission of Pakistan		72	490
Payable against purchase of investment		3,942	-
Payable against redemption of units		216	216
Accrued expenses and other liabilities	8	13,983	13,753
Total liabilities		20,848	16,075
NET ASSETS		397,071	503,636
Unit holders' fund (as per statement attached)		397,071	503,636
Contingencies and commitments	9.		
		(Number of units)	
NUMBER OF UNITS IN ISSUE		41,997,871	49,824,042
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		9.45	10.11

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information .

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

		Nine Months Ended March 31,		Quarter ended March 31,	
		2020	2019	2020	2019
	Note	(Rupees in '000)			
INCOME					
Dividend income		14,810	16,097	3,212	23,508
Income from government securities		6,285	7,551	2,603	(2,347)
Profit on bank deposits, TDR & LOP		9,545	6,668	2,236	950
Income from term finance certificate		85	74	25	28
Capital (loss) / gain on sale of investments - net		25,883	(1,402)	8,528	(1,402)
Income on NCCPL deposit against exposure margin		98	24	38	(3,395)
Impairment on investment in equity securities		-	-	-	(2)
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'at fair value through profit or loss' - net	5.4	(67,351)	(22,220)	(95,555)	15,779
Total income		(10,644)	6,792	(78,912)	33,119
EXPENSES					
Remuneration of the Management Company		7,205	8,920	2,426	2,831
Sindh Sales Tax on remuneration of the Management Company.		937	1,160	316	368
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		721	892	243	283
Sales Tax on remuneration of the trustee		94	116	32	37
Securities and Exchange Commission of Pakistan - fee		72	379	24	120
Allocated expense		360	492	121	148
Marketing and selling expense		3,943	1,784	1,638	566
Securities transaction cost		1,709	922	708	214
Settlement, bank charges		450	390	144	124
Fees and subscription		32	44	6	6
Auditors' remuneration		463	433	138	139
Printing and related cost		46	49	29	25
Legal and professional charges		34	139	(57)	48
Total expenses		16,065	15,719	5,767	4,908
Net (loss) / income from operating activities		(26,709)	(8,928)	(84,679)	28,210
Provision for Workers' Welfare Fund		-	-	1,160	-
Net (loss) / income for the period before taxation		(26,709)	(8,928)	(83,519)	28,210
Taxation	11	-	-	-	-
Net (loss) / income for the period		(26,709)	(8,928)	(83,519)	28,210
Allocation of net (loss) / income for the period:					
Net income for the period		-	-	-	-
Income already paid on units redeemed		-	-	-	-
Accounting income available for distribution:					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		-	-	-	-
Accounting income available for distribution		-	-	-	-
(Loss) / Earnings per unit	12.				

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information

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 Ended March 31,		Quarter ended March 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net (Loss) / income for the period after taxation	(26,709)	(8,928)	(83,519)	28,210
Other comprehensive loss for the period	-	-	-	-
Total comprehensive (Loss) / income for the period	(26,709)	(8,928)	(83,519)	28,210

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information

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			2019			
				(Rupees in '000)			
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	512,914	(9,278)	503,636	573,580	42,884	2,115	618,579
Change in Accounting policy		-			2,115	(2,115)	
Net assets at beginning of the period	512,914	(9,278)	503,636	573,580	44,999	-	618,579
Issuance of 3,140,157 units (2019: 2,013,430 units)							
- Capital value (at net asset value per unit at the beginning of the period)	31,747	-	31,747	20,887	-	-	20,887
- Element of income	2,827	-	2,827	271	-	-	271
Total proceeds on issuance of units	34,574	-	34,574	21,159	-	-	21,159
Redemption of 10,966,329 units (2019: 6,348,453 units)							
- Capital value (at net asset value per unit at the beginning of the period)	(110,870)	-	(110,870)	(69,267)	-	-	(69,267)
- Amount paid out of element of income							
- Relating to 'Net income for the period after taxation'	(3,561)	-	(3,561)	752	-	-	752
- Element of income							
Total payments on redemption of units	(114,430)	-	(114,430)	(68,515)	-	-	(68,515)
Total comprehensive income for the period	-	(26,709)	(26,709)	-	(8,928)	-	(8,928)
Distribution during the period	-	-	-	-	-	-	-
Net (loss) / Income for the period	-	(26,709)	(26,709)	-	(8,928)	-	(8,928)
Net assets at end of the period	433,058	(35,987)	397,071	526,223	36,071	-	562,295
Undistributed income brought forward							
- Realised		50,729			67,904		
- Unrealised		(60,007)			(25,020)		
		(9,278)			42,884		
Change in Accounting policy		-			2,115		
Undistributed income brought forward		(9,278)			44,999		
Accounting income available for distribution							
- Relating to capital gains		-			-		
- Excluding capital gains		-			-		
		-			-		
Net loss for the period after taxation		(26,709)			(8,928)		
Distribution during the period		-			-		
Undistributed income carried forward		(35,987)			36,071		
Undistributed income carried forward							
- Realised		31,364			58,292		
- Unrealised		(67,351)			(22,220)		
		(35,987)			36,071		
			(Rupees)		(Rupees)		
Net assets value per unit at beginning of the period		10.11			11.16		
Net assets value per unit at end of the period		9.45			11.01		

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	Nine Months Ended March 31,	
	2020	2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	(26,709)	(8,928)
Adjustments for:		
Unrealised diminution in value of investments classified as at fair value through profit or loss - net	67,351	22,220
	67,351	22,220
Increase in assets		
Investments	(24,006)	17,627
Dividend and profit receivables	(3,501)	(5,627)
Advances, deposits and prepayments	(63)	(23)
Advance Against IPO subscription	-	(11,295)
Receivable against sale of investment	4,655	-
	(22,915)	682
(decrease) / Increase in liabilities		
Payable to the Management Company	1,029	330
Payable to the Central Depository Company of Pakistan Limited - Trustee	(11)	(10)
Payable to the Securities and Exchange Commission of Pakistan	(418)	(157)
Payable against purchase of investment	3,942	(6,325)
Accrued expenses and other liabilities	230	(539)
	4,772	(6,702)
Net cash generated from operating activities	22,500	7,272
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units sold	34,574	21,159
Cash paid on units redeemed	(114,430)	(68,515)
Net cash used in financing activities	(79,855)	(47,356)
Net increase in cash and cash equivalents during the period	(57,355)	(40,084)
Cash and cash equivalents at beginning of the period	192,760	210,758
Cash and cash equivalents at end of the period	135,405	170,674

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

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 Pakistan Capital Market Fund (the Fund) was established under 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). The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 30, 2003 consequent to which the Trust Deed was executed on October 27, 2003 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 Pakistan Capital Market Fund as a closed-end scheme was authorized by the SECP on November 5, 2003. During the year 2005, the Fund was converted from a closed-end scheme to an open-end scheme. The Fund has been categorised as "Balanced Scheme" and offers units for public subscription on continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on Pakistan Stock Exchange
- 1.4 The Fund primarily invests in a mix of listed equity and debt securities, unlisted government securities and secured debt securities, money market transactions and reverse purchase transactions.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2++' dated October 08, 2019 to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of the 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.

- 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.

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

- 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.

		(Unaudited) March 31, 2020	(Audited) June 30, 2019
		---- (Rupees in '000) ----	
4 BALANCES WITH BANKS			
Current accounts	4.1	2,789	6,193
Savings accounts	4.2	132,616	186,567
		<u>135,405</u>	<u>192,760</u>

- 4.1** These include Rs. 0.103 million (2019: Rs 0.007 million) maintained with MCB Bank Limited, a connected person / related party
- 4.2** These carry profit at the rates ranging between 9.5% to 14.5% (2019: 3.75% to 11.6%) per annum and include Rs. 0.989 million maintained with MCB Bank Limited, (a related party) which carries profit at the rate of 9.5% per annum

		(Unaudited) March 31, 2020	(Audited) June 30, 2019
		---- (Rupees in '000) ----	
5 INVESTMENTS			
<i>At fair value through profit or loss</i>			
Listed equity securities	5.1	223,863	315,145
Government securities	5.2	48,173	-
Unlisted debt security	5.3	672	908
		<u>272,708</u>	<u>316,053</u>

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

5.1 Listed Equity Securities - 'At fair value through profit or loss'

Name of the investee company	As at July 1, 2019	Purchases during the period	Bonus / Right Issue during the period	Sales during the period	As at March 31, 2020	As at March 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments	Market value as a percentage of total paid up capital of the investee company
						Carrying Value	Market Value	Appreciation / (diminution)			
Automobile Assembler											
Atlas Honda Limited	23,160	-	-	23,160	-	-	-	-	0.00%	0.00%	0.00%
Millat Tractors Limited	-	7,200	-	7,200	-	-	-	-	0.00%	0.00%	0.00%
Automobile Parts & Accessories											
Thal Limited	-	30,000	-	3,400	26,600	9,033	7,815	(1,219)	1.97%	2.87%	0.03%
Cable & Electrical Goods											
Pak Elektron Limited	90,000	200,000	-	90,000	200,000	5,158	3,714	(1,444)	0.94%	1.36%	0.04%
Cement											
Cherat Cement Company Limited	-	82,000	-	-	82,000	4,710	4,542	(168)	1.14%	1.67%	0.04%
D.G. Khan Cement Company Limited	-	138,000	-	138,000	-	-	-	-	0.00%	0.00%	0.00%
Fauji Cement Company Limited	-	325,000	-	-	325,000	5,339	4,813	(526)	1.21%	1.76%	0.02%
Kohat Cement Limited	110,500	-	-	98,000	12,500	657	1,091	434	0.27%	0.40%	0.01%
Lucky Cement Limited	-	50,600	-	19,000	31,600	12,146	11,714	(432)	2.95%	4.30%	0.01%
Maple Leaf Cement Factory Limited	-	571,000	-	300,000	271,000	6,778	5,615	(1,163)	1.41%	2.06%	0.02%
Pioneer Cement Limited	-	108,000	-	-	108,000	4,579	2,992	(1,588)	0.75%	1.10%	0.05%
						34,209	30,767	(3,443)	7.75%	11.28%	0.15%
Chemicals											
Engro Polymer and Chemicals Limited	336,187	220,000	-	175,500	380,687	10,476	9,334	(1,142)	2.35%	3.42%	0.04%
Lotte Chemical Pakistan Limited	182,500	552,000	-	734,500	-	-	-	-	0.00%	0.00%	0.00%
						10,476	9,334	(1,142)	2.35%	3.42%	0.04%
Commercial Banks											
Allied Bank Limited	49,000	74,900	-	28,000	95,900	9,560	6,820	(2,740)	1.72%	2.50%	0.01%
Askari Bank Limited	484,500	-	-	484,500	-	-	-	-	0.00%	0.00%	0.00%
Bank Al Falah Limited	807,950	-	-	807,950	-	-	-	-	0.00%	0.00%	0.00%
Bank Al Habib Limited	151,500	263,500	-	313,500	101,500	7,672	5,468	(2,204)	1.38%	2.01%	0.01%
Bank Of Punjab	-	200,000	-	-	200,000	2,569	1,532	(1,037)	0.39%	0.56%	0.01%
Faysal Bank Limited	8,500	-	-	250	8,250	178	114	(63)	0.03%	0.04%	0.00%
Habib Bank Limited	200,000	202,000	-	80,700	121,300	20,249	12,522	(7,727)	3.15%	4.59%	0.01%
Habib Metropolitan Bank Limited	109,600	249,000	-	-	449,000	16,429	13,807	(2,622)	3.48%	5.06%	0.04%
MCB Bank Limited	15,500	90,000	-	109,600	90,000	12,075	13,435	1,360	3.38%	4.93%	0.01%
National Bank Of Pakistan	67,000	163,900	-	15,500	-	-	-	-	0.00%	0.00%	0.00%
United Bank Limited	-	-	-	230,200	700	108	71	(37)	0.02%	0.03%	0.00%
						68,839	53,769	(15,070)	13.54%	19.72%	0.09%
Engineering											
International Industries Limited	900	-	-	900	-	-	-	-	0.00%	0.00%	0.00%
Mughal Iron & Steel Industries Limited	-	111,000	-	111,000	-	-	-	-	0.00%	0.00%	0.00%
Fertilizer											
Engro Corporation Limited	-	77,000	-	30,500	46,500	15,384	12,411	(2,973)	3.13%	4.55%	0.01%
Engro Fertilizer Limited	279,000	210,000	-	414,000	75,000	4,011	4,325	314	1.09%	1.59%	0.01%
Fatima Fertilizer Company Limited	216,000	-	-	216,000	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	-	260,000	-	-	260,000	5,205	3,445	(1,760)	0.87%	1.26%	0.03%
Fauji Fertilizer Company Limited	262,000	209,200	-	328,500	142,700	15,050	13,273	(1,777)	3.34%	4.87%	0.01%
						39,649	33,453	(6,196)	8.42%	12.27%	0.06%

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

Food & Personal Care Products												
Al-Shaheer Corporation	805	-	-	805	10	8	(3)	0.00%	0.00%	0.00%	0.00%	0.00%
AT-TAHUR LIMITED	-	270,000	-	270,000	3,942	4,236	294	1.07%	1.55%	0.00%	0.17%	0.00%
National Foods Limited	13,200	-	2,640	-	405	525	119	0.13%	0.19%	0.00%	0.00%	0.00%
Shezan International Limited	2,860	-	-	2,860	1,208	702	(506)	0.18%	0.26%	0.03%	0.03%	0.03%
					5,566	5,470	(85)	1.38%	2.01%		0.20%	
Glass & Ceramics												
Tariq Glass Industries	26,000	-	-	26,000	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Insurance												
Adamjee Insurance Co. Limited	-	120,000	-	120,000	5,250	3,196	(2,054)	0.80%	1.17%	0.03%	0.03%	0.03%
					5,250	3,196	(2,054)	0.80%	1.17%		0.03%	
Leather & Tanneries												
Bata Pakistan Limited	3,750	-	-	3,750	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Service Industries	9,750	-	2,437	9,850	922	1,502	580	0.38%	0.55%	0.01%	0.01%	0.01%
					922	1,502	580	0.38%	0.55%		0.01%	
Oil & Gas Exploration Companies												
Mari Petroleum Company Limited	-	11,460	526	11,986	12,711	10,681	(2,030)	2.69%	3.92%	0.01%	0.01%	0.01%
Oil & Gas Development Company Limited*	242,500	-	-	140,000	13,478	7,891	(5,586)	1.99%	2.89%	0.00%	0.00%	0.00%
Pakistan Oilfields Limited	21,660	-	-	86,660	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	175,879	200,000	35,175	213,000	26,287	14,222	(12,065)	3.58%	5.22%	0.01%	0.01%	0.01%
					52,476	32,794	(19,681)	8.26%	12.05%		0.02%	
Oil And Gas Marketing Companies												
Attock Petroleum Limited	-	15,500	-	15,500	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Hi-Tech Lubricants Limited	-	171,500	-	171,500	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Pakistan State Oil Company Limited	23,500	-	-	23,500	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Sui Northern Gas Pipelines Limited	68,000	127,000	-	45,000	10,852	5,535	(5,317)	1.39%	2.03%	0.02%	0.02%	0.02%
					10,852	5,535	(5,317)	1.39%	2.03%		0.02%	
Pharmaceuticals												
Abbott Laboratories (Pakistan) Limited	-	25,500	-	25,500	10,077	8,116	(1,961)	2.04%	2.98%	0.03%	0.03%	0.03%
Ferozsons Laboratories Limited	-	12,300	-	12,300	2,632	2,139	(494)	0.54%	0.78%	0.04%	0.04%	0.04%
The Searle Company Limited	596	-	-	385	31	33	2	0.01%	0.01%	0.00%	0.00%	0.00%
					12,741	10,288	(2,453)	2.59%	3.77%		0.07%	
Power Generation & Distribution												
Hub Power Company Limited*	285,851	360,500	-	415,851	22,322	15,736	(6,586)	3.96%	5.77%	0.02%	0.02%	0.02%
K-Electric Limited	-	1,100,000	-	1,100,000	5,156	3,113	(2,043)	0.78%	1.14%	0.00%	0.00%	0.00%
Kot Addu Power Co. Limited	-	80,000	-	80,000	2,360	1,543	(817)	0.39%	0.57%	0.01%	0.01%	0.01%
					29,839	20,392	(9,447)	5.14%	7.48%		0.03%	
Real Estate Investment Trust												
Dolmen City REIT	249,500	174,000	-	423,500	4,639	4,328	(310)	1.09%	1.59%	0.02%	0.02%	0.02%
					4,639	4,328	(310)	1.09%	1.59%		0.02%	
Technology & Communications												
Hum Network	700,000	-	-	700,000	2,219	1,505	(714)	0.38%	0.55%	0.07%	0.07%	0.07%
					2,219	1,505	(714)	0.38%	0.55%		0.07%	
Textile Composite												
Gul Ahmed Textile Mills Limited	320,500	82,000	65,500	468,000	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Interloop Limited	134,005	-	-	134,005	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Kohinoor Textile Mills Limited	153,700	-	-	153,659	1	1	0	0.00%	0.00%	0.00%	0.00%	0.00%
Nishat Mills Limited	600	-	-	600	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
					1	1	0	0.00%	0.00%		0.00%	
Total at March 31, 2020 (Unaudited)												
	291,869	223,863	(68,005)									
Total at June 30, 2019 (Audited)												
	375,145	315,145	(60,000)									

* The above include shares with a market value aggregating to Rs. 11.12 million (June 30 2019: 34.32 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

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

5.2 Government securities - 'at fair value through profit or loss'

Issue Date	Tenor	Number of certificates				As at March 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments	
		As at July 1, 2019	Purchased during the period	Disposed during the period	Matured during the period	As at March 31, 2020	Carrying value	Market value			Appreciation / (Diminution)
----- ('000) -----											
----- (Rupees in '000) -----											
Treasury Bills											
November 7, 2019	3-Months	-	730,000	630,000	100,000	-	-	-	-	-	-
February 27, 2020	3-Months	-	250,000	250,000	-	-	-	-	-	-	-
March 12, 2020	3-Months	-	375,000	375,000	-	-	-	-	-	-	-
December 19, 2019	3-Months	-	100,000	100,000	-	-	-	-	-	-	-
January 02, 2020	3-Months	-	50,000	-	50,000	-	-	-	-	-	-
August 16, 2019	3-Months	-	160,000	100,000	60,000	-	-	-	-	-	-
January 30, 2020	3-Months	-	500,000	500,000	-	-	-	-	-	-	-
October 10, 2019	3-Months	-	170,000	170,000	-	-	-	-	-	-	-
July 18, 2019	3-Months	-	550,000	550,000	-	-	-	-	-	-	-
August 29, 2019	3-Months	-	100,000	100,000	-	-	-	-	-	-	-
October 24, 2019	3-Months	-	565,000	500,000	65,000	-	-	-	-	-	-
November 07, 2019	6-Months	-	500,000	500,000	-	-	-	-	-	-	-
January 02, 2020	6-Months	-	150,000	150,000	-	-	-	-	-	-	-
September 12, 2019	6-Months	-	235,000	235,000	-	-	-	-	-	-	-
October 24, 2019	6-Months	-	500,000	500,000	-	-	-	-	-	-	-
December 05, 2019	6-Months	-	125,000	125,000	-	-	-	-	-	-	-
July 18, 2019	6-Months	-	65,000	65,000	-	-	-	-	-	-	-
March 12, 2020	6-Months	-	250,000	250,000	-	-	-	-	-	-	-
October 10, 2019	6-Months	-	500,000	500,000	-	-	-	-	-	-	-
September 26, 2019	12-Months	-	500,000	500,000	-	-	-	-	-	-	-
March 12, 2020	12-Months	-	250,000	250,000	-	-	-	-	-	-	-
October 10, 2019	12-Months	-	500,000	500,000	-	-	-	-	-	-	-
October 24, 2019	12-Months	-	650,000	650,000	-	-	-	-	-	-	-
December 19, 2019	12-Months	-	250,000	250,000	-	-	-	-	-	-	-
January 02, 2020	12-Months	-	250,000	250,000	-	-	-	-	-	-	-
January 30, 2020	12-Months	-	125,000	125,000	-	-	-	-	-	-	-
November 07, 2019	12-Months	-	550,000	550,000	-	-	-	-	-	-	-
Pakistan Investment Bonds											
September 19, 2019	3 Years	-	525,000	525,000	-	-	-	-	-	-	-
July 12, 2018	3 Years	-	250,000	200,000	-	50,000	47,531	48,173	642	12.13%	17.66%
September 19, 2019	5 Years	-	550,000	550,000	-	-	-	-	-	-	-
July 12, 2018	5 Years	-	275,000	275,000	-	-	-	-	-	-	-
July 12, 2018	10 Years	-	37,500	37,500	-	-	-	-	-	-	-
Total as at March 31, 2020 (Un-audited)							47,531	48,173	642		
Total as at June 30, 2019 (Audited)							-	-	-		

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

	Note	(Unaudited) March 31, 2020	(Audited) June 30, 2019
		---- (Rupees in '000) ----	
5.4 Unrealised appreciation / (diminution) in value of investments at fair value through profit or loss - net			
Market value of investments	5.1, 5.2, 5.3	272,708	410,900
Carrying value of investments	5.1, 5.2, 5.3	340,060	(435,919)
		(67,351)	(25,020)

	Note	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		(Rupees in '000)	
6 PAYABLE TO MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY			
Remuneration payable	6.1	740	844
Sindh sales tax payable on management fee	6.2	96	110
Sales load payable		1	2
Allocated expenses payable	6.3	76	42
Selling and marketing payable	6.4	1,637	523
		2,550	1,521

6.1 The management fees is being calculated at the rate 2% (June 30, 2019: 2%) of the average annual 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%.

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 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 period. Previously, the rate of annual fee applicable to balanced scheme was 0.085%.

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

8 ACCRUED EXPENSES AND OTHER LIABILITIES

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
Provision for Sindh Workers' Welfare Fund	8.1	3,900	3,900
Provision for Federal Excise Duty and related tax			
- On management fee	8.2	5,872	5,872
- Sales load		393	393
Legal and professional charges		9	67
Withholding tax payable		1	-
Dividend payable		2,783	2,784
Auditors' remuneration		262	368
Zakat		-	-
Brokerage		708	328
Other		54	41
		13,983	13,753

8.1 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. 0.09 per unit (June 30, 2019 Re. 0.08 per unit).

8.2 Provision for Federal Excise Duty and related tax

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.0.14 per unit (June 30, 2019: Re. 0.13 per unit).

9. CONTINGENCIES AND COMMITMENTS

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

10 EXPENSE RATIO

The Annualized total expense ratio of the Fund is 4.45% as on March 31, 2020 (March 31, 2019: 3.46%) and this includes 0.31% (March 31, 2019: 0.32%) representing Government Levy, Sindh Workers' Welfare Fund (SWWF) and SECP fee. This ratio is within the maximum limit of 4.5 % prescribed under the NBFC Regulations for a collective investment scheme categorized as a Balanced Scheme.

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.

12. (Loss) / Earnings per unit

(Loss) / 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

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

13. TRANSACTIONS WITH CONNECTED PERSONS

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

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

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.

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:

13.1 Details of transactions with connected persons are as follows:

	Nine Months Ended March 31,	
	2020	2019
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and - Management Company		
Remuneration for the period including indirect taxes	8,142	10,079
Allocated expense	360	492
Marketing and selling Expense	7,205	1,784
 Arif Habib Limited - Brokerage house		
Brokerage*	47	83
 Next Capital Private Limited - Brokerage House		
Brokerage *	23	14
 MCB Bank Limited		
Purchase of 90,000 shares (2019: Nil shares)	-	-
Sales of 109,600 shares (2019: 33,000 shares)	12,075	6,865
Sale of securities - Face Value Nil (2019: Face value: 200,000,000)	-	198,468
Bank charges	4	2
Profit on bank deposit	70	46
Dividend income	560	1,579
 Dolmen City Reit		
Dividend income	317	157
 Nishat Chunian Limited		
Purchase of Nil shares (2019: 100,000 shares)	-	5,772
 Nishat Mills Limited		
Sales of 600 shares (2019: 140,000 shares)	45	18,459
Dividend income	-	3
 D.G. Khan Cement Limited		
Purchase of 138,000 shares (2019: Nil shares)	9,757	-
Sales of 138,000 shares (2019: Nil shares)	8,570	-

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

		Nine Months Ended March 31,	
		2020	2019
		---- (Rupees in '000) ----	----
Adamjee Insurance Company Limited			
Purchase of 120,000 shares (2019: Nil shares)		5,250	-
Central Depository Company of Pakistan Limited - Trustee			
Remuneration for the period		814	1,008
CDS charges		41	32
*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.			
		(Unaudited)	(Audited)
		March 31,	June 30,
		2020	2019
		----(Rupees in '000)----	----
13.2	Amounts outstanding as at period / year end:		
MCB-Arif Habib Savings and - Management Company			
Remuneration payable		740	844
Sales tax payable on management fee		96	110
Sales load payable		1	2
Sindh sales tax payable on sales load			-
Allocated expense payable		76	42
Marketing and selling expense		1,637	524
Central Depository Company of Pakistan Limited - Trustee			
Security deposit		300	300
Remuneration payable		74	84
Sales tax payable on trustee fee			11
MCB Bank Limited			
Bank balance		4,555	4,017
Profit receivable on bank deposits		35	35
90,000 shares held (June 30, 2019: Nil Shares)		13,435	19,119
Arif Habib Limited - Brokerage House			
Brokerage payable		27	9
Next Capital Private Limited - Brokerage House			
Brokerage payable		-	48
Fatima Fertilizer Company Limited			
Nil shares (June 30, 2019: 216,000) shares held		-	6,448
Dolmen City REIT			
423,500 (June 30, 2019: 423,500) shares held		4,328	2,537
Adamjee Insurance Company Limited			
120,000 (June 30, 2019: Nil) shares held		3,196	-
Nishat Mills Limited			
Nil shares (June 30, 2019: 600) shares held		-	56

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

13.3

Unit Holders' Fund

March 31, 2020 (Un-Audited)

As at July 01, 2019	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at March 31, 2020	As at July 01, 2019	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at March 31, 2020
(Units)				(Rupees in '000)			

Associated Companies

Asghari Beg Memorial Trust

26,987	-	-	26,987	323	-	-	255
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Directors and executives of the Management Company

85	-	-	85	1	-	-	1
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Mandate under Discretionary Portfolio

-	33,548	33,548	-	-	327	331	-
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March 31, 2019 (Un-Audited)

As at July 01, 2018	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at March 31, 2019	As at July 01, 2019	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at March 31, 2019
(Units)				(Rupees in '000)			

Associated Companies

Asghari Beg Memorial Trust

31,961	-	5,000	26,961	357	-	56	297
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Directors and executives of the Management Company

85	38	38	85	1	1	1	1
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14 GENERAL

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

14.2 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.

15 DATE OF AUTHORISATION FOR ISSUE

15.1 This condensed interim financial information was 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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