

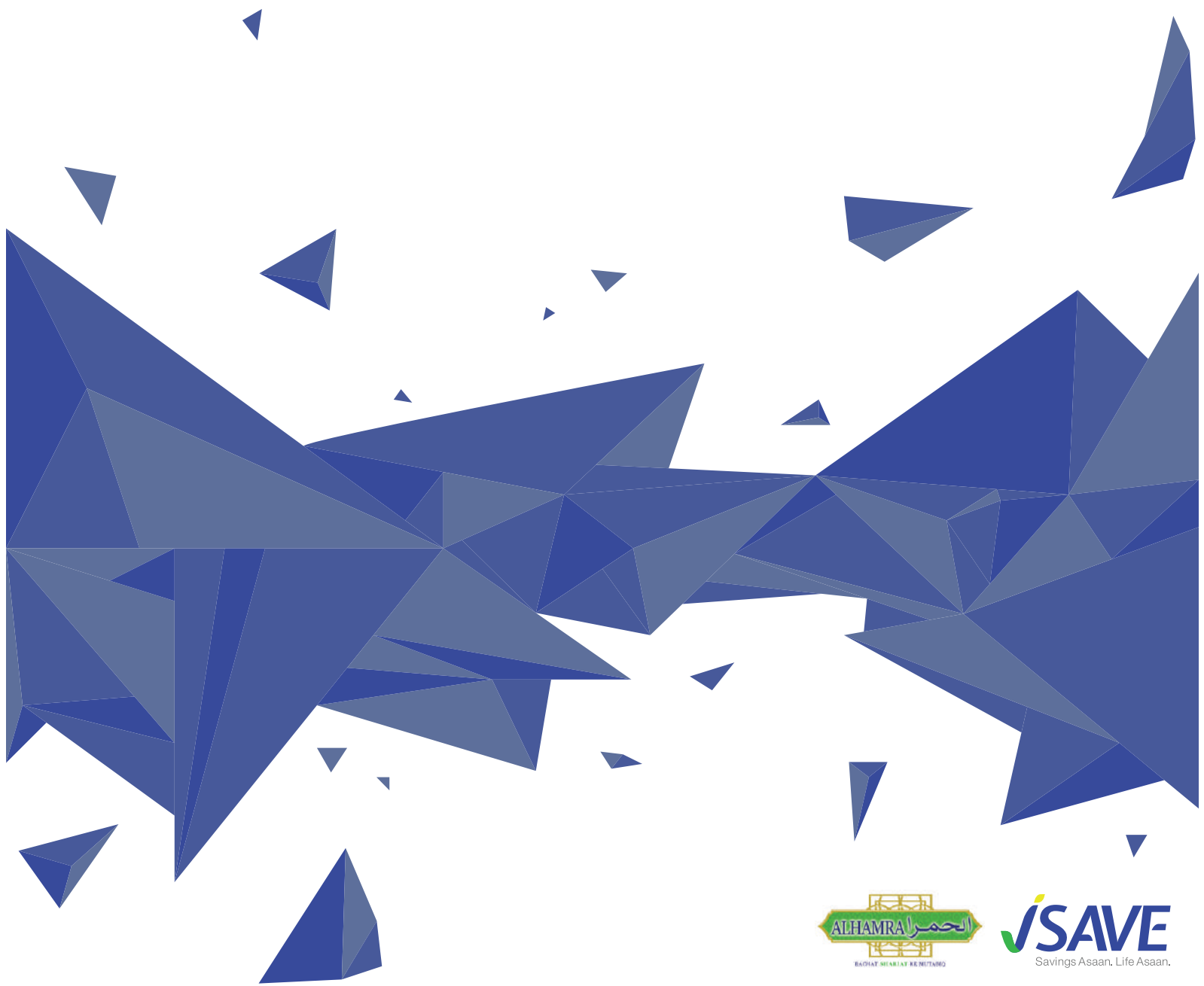


MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

SEPTEMBER
2021
(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 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 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	AM1 Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB DCF Income Fund accounts** review for the quarter ended September 30, 2021.

Economy and Money Market Review

The fiscal year started on a robust note as Covid-19 vaccination drive gathered paced which helped to lift lockdowns across the country. The economic recovery was higher than expected as lagged impact of monetary easing, higher remittances and government incentives such as TERF facilities provided impetus to economic growth. The GDP growth clocked at 3.94 per cent in FY21 with government expecting the economic growth to clock at 4.8 per cent for FY22.

However, the robust recovery in domestic demand, coupled with higher international commodity prices, led to a strong pick-up in imports and a rise in the current account deficit. This put pressure on the local currency as rupee depreciated by 13.1 per cent against USD during this quarter.

Current account deficit posted a deficit of USD 2,290 million in the first two months of fiscal year compared to a surplus of USD 838 million in the corresponding period of the last year. The deterioration came in primarily on the back of higher imports which grew by 67.8 per cent in the first two months compared to export growth of 35.4 per cent. Trade Deficit increased by 100.2 per cent to USD 6.8 billion compared to USD 3.4 billion last year. Foreign exchange reserves of central bank saw an increase of USD 1.6 billion as Pakistan received USD 2.75 billion from the IMF under its new SDR allocation to back economically vulnerable countries combating the coronavirus pandemic.

Inflation remained a concern for the government as rising commodities continued to create challenges for policy makers. Headline inflation represented by CPI averaged 8.58 per cent during the quarter, with food inflation averaging 9.5 per cent during the period. Inflation was also effected by increase in fuel prices on account of increase in international oil and LNG prices. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged 6.5 per cent for the period. The MPC committee conducted two monetary policies during the quarter and increased policy rate by 25bps in the Sep-21 meeting. SBP increased the interest rate to control the current account deficit and prevent the overheating of the economy as it noted the need to gradually increase the interest rates to protect the nascent economic growth.

On the fiscal side FBR Tax collection increased by 38 per cent over last year in this quarter to clock at PKR 1,395 billion compared to target of PKR 1,211 billion exceeding it by PKR 186 billion. This was on the back of higher custom duty and sales tax due to higher import.

Secondary markets yields have increased significantly in the quarter as SBP has started the monetary tightening cycle. The recent depreciation in rupee along with persistently high commodity prices will add pressure to inflation and we expect average FY22 inflation to clock above the range of 7-9 per cent forecasted by SBP. 3Y, 5 Y and 10Y bonds saw a rise of 73 bps, 46 bps and 51 bps respectively during the period.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 9.63 per cent as against its benchmark return of 7.73 per cent. The WAM of the fund reduced to 1.3 years because of interest rate outlook which was on a rising trend. The fund allocation remained notably in cash and TFCs at the end of the period under review. At period-end, the fund was invested 54.3 per cent in Cash and 12.6 per cent in TFCs. 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 September 31, 2021 stood at Rs. 4,246 million as compared to Rs. 3,646 million as at June 30, 2021 registering an increase of 16.46 per cent.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2021

The Net Asset Value (NAV) per unit as at September 31, 2020 was Rs.109.6490 as compared to opening NAV of Rs. 107.0518 per unit as at June 30, 2021 registering an increase of Rs. 2.5972 per unit.

Economy & Market – Future Outlook

The government has set a GDP growth target of 4.8 per cent for fiscal year 2022 (FY22). Covid-19 vaccination drive is continuing with success as over 50 million people have received the first dose of coronavirus vaccine. This has helped to lift lockdown across the country and we expect the Covid-19 situation to remain under control. Broader economy also appears to be operating close to pre-covid levels gauged by LSM growth, cement sales, auto sales, etc. However, the recent surge in commodity prices poses challenges to both to Fiscal and External Accounts. Due to the recent government steps to curtail demand we see some downside risks to government growth target. We expect GDP growth to clock higher as compared to previous year but it is likely to remain lower than the government target of 4.8 per cent.

The robust recovery in domestic demand on the back of pro-growth measures by the government, coupled with higher international commodity prices, has led to a strong pick-up in imports and a rise in the current account deficit. The current account deficit is expected to increase to USD 13.1 billion (4.0 per cent of GDP) in FY22, amid rising international crude oil prices along with general increase in international commodity prices. The Current Account deficit is likely to further weaken the local currency and we expect the exchange rate to close the year around 176 PKR/USD. Swift resumption of IMF program will be a key prerequisite to keep the financial account in positive zone. SBP has indicated that the flexible market determined exchange rate and gradual tightening of interest rates would be used in tandem to ensure sustainable current account position. The remittances along with bilateral and multilateral flows would also be crucial in managing our external position.

CPI averaged 8.9 per cent in FY21. The expected utility adjustments, currency depreciation and higher international commodities prices will lead to increase in inflation in this year. We expect Average FY22 inflation to clock at 9.7 per cent with inflation going in double digits in second half of the fiscal year. Based on our expected inflation, the real interest rates now fall into negative range thus requiring adjustments in the monetary policy during the current fiscal year. However, SBP has shown its focus to avoid any shocks to economic growth and will gradually increase interest rate to achieve mildly positive interest rate over the medium term. We expect the Policy Rate to reach 9.0 per cent by the end of the year.

From capital market perspective, particularly equities, the recent correction in stock prices have opened up valuation. The market has priced in expected interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 15.9 per cent, a discount of 43 per cent from its historical average. Similarly, risk premiums are close to 5.9 per cent, compared to historical average of 1.5 per cent signifying abnormal returns for long term investors. We believe a micro view of sectors and stock will remain important 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 yields may continue to rise given expected increase in interest rates. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

Mutual Fund Industry Review

The Net Assets of the open end mutual fund industry increased by about 1.4 per cent during the quarter to PKR 1,032 billion at the end of 1QFY22. Total money market funds grew by about 1.1 per cent since June 2021. Within the money market sphere, the conventional funds dominated as they grew by about 8.1 per cent to PKR 308 billion while Islamic funds declined by 9.9 per cent to PKR 164 billion. In addition, the total fixed Income funds increased by about 8.5 per cent since June 2021, as the conventional income funds grew by 13.6 per cent to PKR 143 billion. Equity and related funds declined by 4.4 per cent over

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2021

last quarter as market witnessed a decline in the quarter eroding AUMS and concern over macroeconomic and geopolitical factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 46 per cent, followed by Equity and Equity related funds with a share of 28 per cent and Income funds having a share of 26 per cent as at the end of 1QFY22.

Mutual Fund Industry Outlook

The recent increase in interest rates along with prospect of further monetary tightening would increase flows in the money market funds. The money markets funds by virtue of its short duration would be the ideal for investors with a short term horizon and low risk profile. However recent correction in stock prices have opened up valuations and long term investors would look to add equity exposure at these attractive levels. Our operations remained seamless and given our competitive edge due to aggressive investment in digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

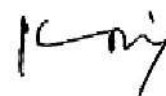
ACKNOWLEDGMENT

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
October 22, 2021



Kashif A. Habib
Director

میوچل فنڈز صنعت کے مستقبل کا منظر

سود کی شرحوں میں حالیہ اضافے کے ساتھ ساتھ مزید مالیاتی سختی سے money مارکیٹ فنڈز میں آمدات میں اضافہ ہوگا۔ Money مارکیٹ فنڈز اپنی مختصر مدت کی بدولت ایسے سرمایہ کاروں کے لیے موزوں ترین ثابت ہوں گے جو محدود مدت کے لیے اور کم خطرات کے ساتھ کام کرنا چاہتے ہیں۔ تاہم اسٹاک کی قیمتوں میں حالیہ تصحیح نے valuations کو کشادہ کر دیا ہے اور سرمایہ کار ان پُرکشش سطحوں پر ایکوٹی میں پیسہ لگانا چاہیں گے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کی مسلسل معاونت اور حمایت کے لیے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز انتظامیہ ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

من جانب ڈائریکٹرز



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

22 اکتوبر 2021ء



کاشف اے حبیب

ڈائریکٹر

الطرفہ آمدات بھی اہم کردار ادا کریں گی۔

مالی سال 2021ء میں سی پی آئی کا اوسط 8.9 فیصد تھا۔ متوقع یوٹیلیٹی تریمیات، روپے کی قدر میں کمی اور بلند ترین الاقوامی اشیائی قیمتوں کے نتیجے میں سال رواں کے دوران افراط زر میں اضافہ ہوگا۔ ہماری توقع کے مطابق مالی سال 2022ء کا افراط زر کا اوسط 9.7 فیصد ہوگا، اور سال کے نصف آخر میں افراط زر دو ہندسوں میں پہنچ جائے گی۔ ہماری متوقع افراط زر کی بنیاد پر حقیقی شرویح سود اب منفی حد میں آرہی ہے، چنانچہ موجودہ مالی سال کے دوران مالیاتی پالیسی میں تریمیات درکار ہیں۔ تاہم ایس بی پی نے معاشی ترقی کو متوقع دھچکوں سے محفوظ رکھنے پر توجہ مرکوز کی ہے اور درمیانی مدت میں معتدل حد تک مثبت شرح سود حاصل کرنے کے لیے شرویح سود میں بتدریج اضافہ کیا جائے گا۔ ہماری توقع کے مطابق پالیسی شرح اختتام سال تک 9.0 فیصد تک پہنچ جائے گی۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے تناظر میں، اسٹاک کی قیمتوں میں حالیہ تصحیح کے نتیجے میں تعیین قدر کھل گئی ہے۔ مارکیٹ نے شرح سود میں متوقع اضافے اور روپے کی قدر میں کمی کو مد نظر رکھا ہوا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 15.9 فیصد ہو گیا ہے، جو اس کے قدیم اوسط سے 43 رعایت ہے۔ اسی طرح خطرات کے پرمیئم تقریباً 5.9 فیصد ہیں، اور ان کے قدیم اوسط 1.5 فیصد کے ساتھ تقابل سے طویل المیعاد سرمایہ کاروں کے لیے غیر معمولی منافعوں کا عندیہ ملتا ہے۔ ہم سمجھتے ہیں کہ شعبوں اور اسٹاک کی مجموعی تصویر اہمیت کی حامل رہے گی، اور سرمایہ کاری کے انتخاب میں ایسی کمپنیوں پر توجہ مرکوز ہونی چاہیے جو اپنی خلقی قدر سے 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۔

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شروحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب، شرویح سود میں متوقع اضافے کی بدولت حکومتی بانڈز کے منافع جات میں اضافہ جاری رہ سکتا ہے۔ ہم بانڈز کے منافع جات کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا کے نکات کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ کی صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2022ء کی پہلی سہ ماہی کے دوران تقریباً 1.4 فیصد بڑھ کر اختتام مدت پر 1,032 بلین روپے تھے۔ مجموعی money مارکیٹ فنڈز میں جون 2021ء کے مقابلے میں 1.1 فیصد اضافہ ہوا۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور 8.1 فیصد بڑھ کر 308 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 9.9 فیصد گھٹ کر 164 بلین روپے ہو گئے۔ علاوہ ازیں، مجموعی فلکسڈ انکم فنڈز میں جون 2021ء کے مقابلے میں 8.5 فیصد اضافہ ہوا اور روایتی انکم فنڈز 13.6 فیصد بڑھ کر 143 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں گزشتہ سہ ماہی کے مقابلے میں 4.4 فیصد کمی ہوئی کیونکہ دوران مدت مارکیٹ میں تنزل دیکھا گیا جس کے نتیجے میں اثاثہ جات تحت الانظامیہ (AUMs) گھٹ گئے اور کلاں معاشیاتی اور ارضی سیاسی عوامل پر خدشات نے سرمایہ کاروں کو دُور رکھا۔ شعبہ جاتی اعتبار سے مالی سال 2022ء کی پہلی سہ ماہی کے اختتام پر money مارکیٹ فنڈز تقریباً 46 فیصد شراکت کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز کی شراکت 28 فیصد اور انکم فنڈز کی 26 فیصد تھی۔

ڈائریکٹر ز پورٹ

ٹانوی مارکیٹس کی پیداواروں میں دوران سہ ماہی قابل ذکر اضافہ ہوا ہے کیونکہ اسٹیٹ بینک آف پاکستان نے مالیاتی سختی کا دورہ شروع کر دیا ہے۔ روپے کی قدر میں حالیہ کمی کے ساتھ مسلسل بلند اشیائی قیمتوں سے افراط زر پر دباؤ میں اضافہ ہوگا اور مالی سال 2022ء کے لیے افراط زر کا اوسط متوقع طور پر اسٹیٹ بینک آف پاکستان کی پیش گوئی کردہ سطح 7 تا 9 فیصد سے بلند ہوگا۔ تین سالہ، پانچ سالہ اور دس سالہ بانڈز میں دوران مدت بالترتیب 73 بی پی ایس، 46 بی پی ایس اور 51 بی پی ایس اضافہ ہوا۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 9.63 فیصد تھا جبکہ مقررہ معیار 7.73 فیصد تھا۔ فنڈ کی WAM کم ہو کر 1.3 سال ہو گئی جس کا سبب سود کی شرحوں میں اضافے کا رجحان تھا۔ زیر جائزہ مدت کے اختتام پر فنڈ کی زیادہ تر سرمایہ کاری نقد (54.3 فیصد) اور TFCs (12.6 فیصد) میں تھی۔ نقد میں زیادہ سرمایہ کاری کی وجہ بینک ڈپازٹس پر منافع بخش شرحیں تھیں۔ 30 ستمبر 2021ء کو فنڈ کے net اثاثہ جات 4,246 ملین روپے تھے، جو 30 جون 2021ء کی سطح 3,646 ملین روپے کے مقابلے میں 16.46 فیصد اضافہ ہے۔ 30 ستمبر 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 109.6490 روپے تھی، جو 30 جون 2021ء پر ابتدائی این اے وی 107.0518 روپے کے مقابلے میں 2.5972 روپے فی یونٹ اضافہ ہے۔

معیشت اور بازار - مستقبل کا منظر

حکومت نے مالی سال 2022ء کے لیے جی ڈی پی میں ترقی کا ہدف 4.8 فیصد مقرر کیا ہے۔ کووڈ-19 ویکسین مہم کامیابی کے ساتھ جاری ہے اور پانچ کروڑ سے زیادہ افراد پہلی خوراک حاصل کر چکے ہیں۔ اس کی بدولت ملک بھر میں لاک ڈاؤن ختم کرنے میں مدد ملی ہے اور ہم اُمید کرتے ہیں کہ کووڈ کی صورتحال قابو میں رہے گی۔ وسیع تر معیشت قبل از کووڈ سطحوں کے قریب چلتی ہوئی نظر آ رہی ہے جس کی پیمائش ایل ایس ایم میں ترقی، سیمنٹ کی فروخت، گاڑیوں کی فروخت وغیرہ سے ہوتی ہے۔ تاہم اشیاء کی قیمتوں میں حالیہ اضافہ مالیاتی اور خارجی اکاؤنٹس، دونوں کو مشکلات سے دوچار کر دے گا۔ طلب میں کمی کے حالیہ حکومتی اقدامات کے سبب ترقی کے حکومتی اہداف کی تکمیل کو خطرات لاحق ہو گئے ہیں۔ ہم توقع کرتے ہیں کہ جی ڈی پی میں سال گزشتہ کے مقابلے میں زیادہ ترقی ہوگی، لیکن زیادہ امکان اس بات کا ہے کہ یہ 4.8 فیصد کے حکومتی ہدف سے نیچے رہے گی۔

حکومتی ترقیاتی اقدامات اور بلند ترین الاقوامی اشیائی قیمتوں کے باعث مقامی طلب میں بھرپور بحالی ہوئی ہے اور اس کے نتیجے میں درآمدات اور کرنٹ اکاؤنٹ خسارے میں بھرپور اضافہ ہوا ہے۔ خام تیل کی بین الاقوامی قیمتوں اور اشیاء کی عمومی قیمتوں میں اضافے کی صورتحال میں مالی سال 2022ء میں کرنٹ اکاؤنٹ خسارہ بڑھ کر 13.1 بلین ڈالر (جی ڈی پی کے 4.0 فیصد) تک پہنچ سکتا ہے۔ خدشہ ہے کہ یہ خسارہ مقامی روپے کو مزید کمزور کرے گا، اور اختتام سال پر شرح مبادلہ تقریباً 176 ڈالر فی روپیہ ہو جانے کا امکان ہے۔ آئی ایم ایف پروگرام کی تیز رفتار بحالی مالیاتی گوشوارے کو مثبت احاطے میں رکھنے کے لیے کلیدی شرط ہوگی۔ ایس بی پی نے اشارہ دیا ہے کہ کرنٹ اکاؤنٹ کی قابل بقاء صورتحال یقینی بنانے کے لیے مارکیٹ کی متعین کردہ چکدار شرح مبادلہ اور سود کی شرحوں میں بتدریج سختی کو بھی استعمال کیا جائے گا۔ ہماری خارجی صورتحال کو سنبھالنے میں ترسیلات کے ساتھ ساتھ دو طرفہ اور کثیر

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی ڈی سی ایف انکم فنڈ کے گوشواروں مختتمہ سہ ماہی 30 ستمبر 2021ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

مالی سال کا بھرپور آغاز ہوا جب کووڈ-19 ویکسین کی مہم میں تیز رفتاری سے ملک بھر میں لاک ڈاؤن ختم کرنے میں مدد ملی۔ معیشت میں بحالی متوقع سے زیادہ ہوئی کیونکہ مالیاتی تسہیل کی سست رفتار اثر پذیر، ترسیلات زر میں اضافے، اور حکومتی ترغیبات مثلاً TERF سہولتوں نے معاشی ترقی کو محرک فراہم کیا۔ مالی سال 2021ء میں مجموعی ملکی پیداوار (جی ڈی پی) میں 3.94 فیصد ترقی ہوئی اور اگلے مالی سال 2022ء کے لیے حکومت کو 4.8 فیصد معاشی ترقی کی توقع ہے۔

تاہم مقامی طلب کی بھرپور بحالی، اور اس کے ساتھ بلند ترین الاقوامی اشیائی قیمتوں، کے نتیجے میں درآمدات اور کرنٹ اکاؤنٹ خسارے میں اضافہ ہوا۔ چنانچہ مقامی روپے پر دباؤ پڑا جس کی قدر میں دوران سہ ماہی امریکی ڈالر کے مقابلے میں 13.1 فیصد کمی ہوئی۔ کرنٹ اکاؤنٹ نے مالی سال کے پہلے دو ماہ میں 2,290 ملین ڈالر خسارہ پوسٹ کیا جبکہ اس کے بالمقابل سال گزشتہ مماثل مدت میں 838 ملین ڈالر فاضل تھے۔ اس ابتری کی بنیادی وجہ درآمدات میں اضافہ تھی جس میں پہلے دو ماہ کے دوران 67.8 فیصد اضافہ ہوا جبکہ اس کے بالمقابل برآمدات میں 35.4 فیصد اضافہ ہوا۔ تجارتی خسارہ 100.2 فیصد بڑھ کر 6.8 بلین ڈالر ہو گیا جبکہ اس کے بالمقابل سال گزشتہ 3.4 بلین ڈالر تھا۔ مرکزی بینک میں غیر ملکی زرمبادلہ کے ذخائر میں 1.6 بلین ڈالر کا اضافہ ہوا کیونکہ پاکستان کو آئی ایم ایف سے اس کے نئے ایس ڈی آر اختصاص کے تحت 2.75 بلین ڈالر موصول ہوئے جس کا مقصد کورونا وائرس وبا سے نبرد آزما ضرر پذیر ممالک کی معاشی معاونت ہے۔

افراط زر (مہنگائی) حکومت کے لیے مسئلہ بنی رہی اور بڑھتی ہوئی اشیائی قیمتوں نے پالیسی سازوں کو مشکلات سے دوچار رکھا۔ مجموعی افراط زر، جس کی ترجمانی صارفین کی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط دوران سہ ماہی 8.58 فیصد تھا، اور اشیائے خورد و نوش کے افراط زر کا اوسط 9.5 فیصد تھا۔ بین الاقوامی سطح پر تیل اور ایل این جی کی قیمتوں میں اضافے کے نتیجے میں ایندھن کی قیمتوں میں اضافہ بھی افراط زر پر اثر انداز ہوا۔ اس کے باوجود بنیادی افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، قابو میں تھی اور اس کا اوسط برائے مدت 6.5 فیصد تھا۔ مانیٹری پالیسی کمیٹی (ایم پی سی) نے دوران سہ ماہی دو اجلاس منعقد کیے اور ستمبر 2021ء کے اجلاس میں پالیسی کی شرح میں 25 بیسیس پوائنٹس (بی پی ایس) کا اضافہ کیا۔ اسٹیٹ بینک آف پاکستان نے سود کی شرح میں اضافہ کیا تاکہ کرنٹ اکاؤنٹ خسارے اور معیشت میں بڑھتی ہوئی حرارت کو قابو میں رکھا جائے کیونکہ نوازائیدہ معاشی ترقی کی حفاظت کے لیے سود کی شرحوں میں بتدریج اضافے کی ضرورت ہوتی ہے۔

مالیاتی جانب ایف بی آر کی ٹیکس وصولی میں دوران سہ ماہی سال گزشتہ کے مقابلے میں 38 فیصد اضافہ ہوا؛ 1,395 بلین روپے، جو 1,211 بلین روپے کے ہدف سے 184 بلین روپے زیادہ ہیں۔ اس کی وجہ بلند تر درآمدات کے باعث بلند تر کسٹم ڈیوٹی اور سیلز ٹیکس ہیں

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2021

		September 30, 2021 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2021 (Audited)
ASSETS	Note		
Balances with banks	6	2,723,584	3,014,318
Investments	7	1,636,138	2,278,357
Receivable Against Margin Trading System		72,665	49,596
Mark-up, dividend and other receivables		23,988	34,325
Receivable against sale of investments		349,443	386,229
Advances, deposits and prepayments		209,518	47,070
Total assets		5,015,336	5,809,895
LIABILITIES			
Payable to MCB Arif Habib Savings and Investments Limited - Management Company	8	10,960	10,064
Payable to Central Depository Company of Pakistan Limited - Trustee		291	280
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		207	807
Payable against purchase of investments		589,033	1,965,915
Accrued and other liabilities	9	169,332	186,879
Total liabilities		769,823	2,163,945
NET ASSETS		4,245,513	3,645,950
Unit holders' fund (as per statement attached)		4,245,513	3,645,950
Contingencies and commitments	10		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		38,719,127	34,057,826
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		109.6490	107.0518

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements .

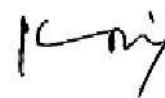
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Note	September 30,	
		2021	2020
		----- (Rupees in '000) -----	
INCOME			
Income from Government securities		27,304	27,933
Income from term finance certificates		11,142	32,466
Net gain / (loss) on sale of investments		(10,187)	(6,826)
Mark-up on bank deposits and term deposit receipt		27,555	18,325
Income from Margin Trading System (MTS) - net		3,890	5,741
Dividend income		22,263	4,301
Income from spread transactions		41,496	11,768
Net unrealised (loss) / gain on derivatives		35,692	65,570
Unrealised appreciation / (diminution) on re-measurement of investments classified 'at fair value through profit or loss' - net		(71,462)	(60,928)
Other Income		516	915
Total income		88,208	99,264
EXPENSES			
Remuneration of the Management Company		15,515	15,953
Sindh Sales tax on remuneration of the Management Company		2,015	2,074
Expenses allocated by the Management Company		1,034	1,063
Marketing and Selling Expense		4,759	4,148
Remuneration of the Trustee		776	798
Sindh Sales Tax on trustee fee		101	104
Annual fee to Securities and Exchange Commission of Pakistan		207	213
Brokerage and settlement and bank charges		6,068	6,083
Auditors' remuneration		189	190
Legal and professional charges		1,039	34
Others		151	549
Total operating expenses		31,854	31,209
Net income from operating activities		56,354	68,056
Sindh Workers' Welfare Fund (SWWF)	9.1	42,902	(1,361)
Net income for the period before taxation		99,256	66,695
Taxation	11	-	-
Net income for the period		99,256	66,695
<i>Allocation of net income for the period:</i>			
Net income for the period after taxation		99,256	66,695
Income already paid on units redeemed		(2,970)	(5,288)
		96,285	61,407
<i>Accounting income available for distribution:</i>			
- Relating to capital gains		-	-
- Excluding capital gains		96,285	61,407
		96,285	61,407
Earnings per unit	12		

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements .

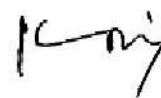
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	September 30,	
	2020	2019
	----- (Rupees in '000) -----	
Net income for the period after taxation	99,256	66,695
Other comprehensive income / (loss) for the period:	-	-
Total comprehensive income for the period	<u>99,256</u>	<u>66,695</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements .

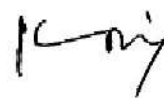
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	September 30, 2021			September 30, 2020		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the period	3,234,571	411,379	3,645,950	3,623,649	409,126	4,032,775
	3,234,571	411,379	3,645,950	3,623,649	409,126	4,032,775
Issuance of 7,172,826 units (2020: 66,019,928 units)						
- Capital value (at net asset value per unit at the beginning of the period)	767,864	-	767,864	7,061,815	-	7,061,815
- Element of income	4,505	-	4,505	40,307	-	40,307
Total Proceeds on Issuance of Units	772,369	-	772,369	7,102,122	-	7,102,122
Redemption of 2,511,525 units (2020: 68,717,997 units)						
- Capital value (at net asset value per unit at the beginning of the period)	268,863	-	268,863	7,350,414	-	7,350,414
-Element of loss	228	2,970	3,199	39,261	5,288	44,549
Total Payment on Redemption of Units	269,091	2,970	272,062	7,389,675	5,288	7,394,963
Total comprehensive income for the period	-	99,256	99,256	-	66,695	66,695
	-	-	-	-	-	-
	-	99,256	99,256	-	66,695	66,695
Net assets at end of the period	3,737,849	507,664	4,245,513	3,336,096	470,533	3,806,629
Undistributed income brought forward comprising of:						
- Realised gain		395,044			420,055	
- Unrealised loss		16,335			(10,929)	
		411,379			409,126	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		96,285			61,407	
		96,285			61,407	
Cash distribution during the period		-			-	
Undistributed income carried forward		507,664			470,533	
Undistributed income carried forward comprising of:						
- Realised gain		543,435			465,891	
- Unrealised loss		(35,770)			4,642	
		507,664			470,533	
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the period		107.0518			106.9649	
Net assets value per unit at end of the period		109.6490			108.7491	

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements .

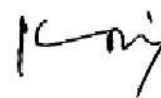
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	September 30,	
	2021	2020
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	99,256	66,695
Adjustments for:		
Net unrealised loss on revaluation of investments 'at fair value through profit or loss - held-for-trading'	35,770	(4,642)
	135,026	62,053
Decrease / (increase) in assets		
Investments	606,448	1,262,853
Mark-up, dividend and other receivables	10,337	(2,705)
Receivable against sale of investments	36,786	(123,442)
Receivable against MTS	(23,069)	(225,228)
Advances, deposits and prepayments	(162,448)	(52,518)
	468,054	858,960
(Decrease) / Increase in liabilities		
Payable to MCB Arif Habib Savings and Investments Limited -	896	(1,053)
Payable to Central Depository Company of Pakistan Limited - Trustee	11	(30)
Annual fee payable to SECP	(600)	(674)
Payable against purchase of investments	(1,376,882)	(994,383)
Accrued and other liabilities	(17,547)	4,418
	(1,394,122)	(991,722)
Net cash (used in) / generated from operating activities	(791,041)	(70,708)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units (excluding additional units)	772,369	7,101,497
Payments on redemption of units	(272,062)	(7,394,337)
Net cash (used in) / generated from operating activities	500,307	(292,841)
Net (decrease) / Increase in cash and cash equivalents during the period	(290,734)	(363,549)
Cash and cash equivalents at beginning of the period	3,014,318	1,643,631
Cash and cash equivalents at end of the period	2,723,584	1,280,082

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements .

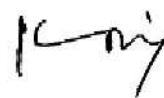
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(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

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 fund 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 'AM1' dated October 06, 2021 to the Management Company and a stability rating of 'AA-(f)' dated September 09, 2021 to the Fund.
- 1.6 Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited (CDC) 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 2021.
- 2.1.3 The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2021 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2021, whereas 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'

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

funds are stated from unaudited condensed interim financial information for the quarter ended 30 September 2020.

2.1.4 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.

2.1.5 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 Fund.

2.2 Basis of Measurement

This condensed interim financial information have been prepared on the basis of historical cost convention except that investments have been included at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2021.

3.2 Standards, amendments and interpretations to existing standards not yet effective and not applicable/ relevant to the Fund

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Fund's accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

4 ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2021.

5 Financial Risk Management

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2021.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

		September 30, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
6	BALANCES WITH BANKS		
Current accounts		372	39
Savings accounts	6.1	2,723,212	3,014,279
	6.2	<u>2,723,584</u>	<u>3,014,318</u>

6.1 These carry profit at the rates ranging between 5.5% to 8% (2021 ; 5.5% to 8.5 %) per annum.

6.2 This includes balances with related parties of Rs. 0.956 million (Jun 2021: Rs. 0.602 million) maintained with MCB Bank Limited and Rs. 0.010 million (2021:Rs. 0.010 million) maintained with MCB Islamic Bank Limited.

		September 30, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
7	INVESTMENTS		
	Investments by Category		
	At fair value through profit or loss		
Government securities	7.1	373,130	1,677,862
Listed equity securities	7.2	768,439	43,725
Listed debt securities	7.3	458,877	-
Unlisted debt securities	7.4	-	555,267
Future stock contracts		<u>35,692</u>	<u>1,503</u>
		1,636,138	2,278,357

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

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

- Market treasury bills '

Name of security	Date of issue	Face value -----				1Balance as at September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2021	Purchased during the period	Disposed/ matured during the period	As at September 30, 2021	Carrying value	Market value	Unrealised gain / (loss)		
(Rupees in '000) ----- % -----										
Market Treasury Bills										
- 3 Months	April 22, 2021	1,000,000	-	1,000,000	-	-	-	-	0.00%	0.00%
- 3 Months	February 7, 2021	-	500,000	500,000	-	-	-	-	0.00%	0.00%
- 3 Months	May 20, 2021	-	1,500,000	1,500,000	-	-	-	-	0.00%	0.00%
- 3 Months	May 20, 2021	-	200,000	200,000	-	-	-	-	0.00%	0.00%
- 3 Months	July 15, 2021	-	500,000	500,000	-	-	-	-	0.00%	0.00%
- 3 Months	July 15, 2021	-	1,250,000	1,250,000	-	-	-	-	0.00%	0.00%
- 3 Months	May 20, 2021	-	50,000	50,000	-	-	-	-	0.00%	0.00%
- 3 Months	June 5, 2021	-	100,000	100,000	-	-	-	-	0.00%	0.00%
- 3 Months	July 29, 2021	-	500,000	500,000	-	-	-	-	0.00%	0.00%
- 3 Months	July 15, 2021	-	2,000,000	2,000,000	-	-	-	-	0.00%	0.00%
- 3 Months	June 17, 2021	-	1,018,000	1,018,000	-	-	-	-	0.00%	0.00%
- 3 Months	December 8, 2021	-	500,000	500,000	-	-	-	-	0.00%	0.00%
- 3 Months	August 26, 2021	-	500,000	500,000	-	-	-	-	0.00%	0.00%
- 3 Months	September 09, 2021	-	500,000	500,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills										
- 6 Months	February 7, 2021	-	500,000	500,000	-	-	-	-	0.00%	0.00%
- 6 Months	July 15, 2021	-	500,000	500,000	-	-	-	-	0.00%	0.00%
- 6 Months	April 22, 2021	-	1,000,000	1,000,000	-	-	-	-	0.00%	0.00%
- 6 Months	July 15, 2021	-	1,000,000	1,000,000	-	-	-	-	0.00%	0.00%
- 6 Months	July 29, 2021	-	1,000,000	1,000,000	-	-	-	-	0.00%	0.00%
- 6 Months	July 29, 2021	-	500,000	500,000	-	-	-	-	0.00%	0.00%
- 6 Months	November 3, 2021	-	966,000	966,000	-	-	-	-	0.00%	0.00%
- 6 Months	July 29, 2021	-	1,000,000	1,000,000	-	-	-	-	0.00%	0.00%
- 6 Months	December 8, 2021	-	500,000	500,000	-	-	-	-	0.00%	0.00%
- 6 Months	August 26, 2021	-	500,000	500,000	-	-	-	-	0.00%	0.00%
- 6 Months	July 15, 2021	-	1,773,000	1,773,000	-	-	-	-	0.00%	0.00%
- 6 Months	March 6, 2021	-	900,000	900,000	-	-	-	-	0.00%	0.00%
- 6 Months	August 26, 2021	-	454,000	454,000	-	-	-	-	0.00%	0.00%
- 6 Months	August 26, 2021	-	1,448,500	1,448,500	-	-	-	-	0.00%	0.00%
- 6 Months	September 9, 2021	-	3,000,000	3,000,000	-	-	-	-	0.00%	0.00%
- 6 Months	September 9, 2021	-	500,000	500,000	-	-	-	-	0.00%	0.00%
- 6 Months	September 9, 2021	-	3,000,000	3,000,000	-	-	-	-	0.00%	0.00%
- 6 Months	September 9, 2021	-	1,000,000	1,000,000	-	-	-	-	0.00%	0.00%
- 6 Months	August 26, 2021	-	1,000,000	1,000,000	-	-	-	-	0.00%	0.00%
- 6 Months	September 9, 2021	-	2,000,000	2,000,000	-	-	-	-	0.00%	0.00%
- 6 Months	September 9, 2021	-	700,000	700,000	-	-	-	-	0.00%	0.00%
- 6 Months	March 25, 2021	-	250,000	250,000	-	-	-	-	0.00%	0.00%
Total as at September 30, 2021						-	-	-	-	-
Total as at June 30, 2021						-	-	-	-	-
						997,444	997,458	14		

Pakistan Investment Bonds

Name of security	Date of issue	Face Value				As at September 30, 2020			Market value as a percentage of	
		As at July 01, 2021	Purchased during the year	Sold / matured during the year	As at September 30, 2021	Carrying Value	Market value	Unrealised gain / (loss)	Net assets	Total investments
(Rupees in '000)										
%										
Pakistan Investment Bonds										
- 02 years	November 5, 2020	100,000	-	-	100,000	99,715	99,650	(65)	2.35%	6.09%
Pakistan Investment Bonds										
- 03 years	July 12, 2018	11,000	-	11,000	-	-	-	-		
- 03 years	August 20, 2020	-	550,000	550,000	-	-	-	-		
- 03 years	June 18, 2020	200,000	200,000	200,000	200,000	200,360	200,340	(20)	4.72%	12.24%
Pakistan Investment Bonds										
- 05 years	July 12, 2018	300,000	800,000	1,100,000	-	-	-	-	-	-
- 05 years	October 15, 2020	-	200,000	200,000	-	-	-	-	-	-
Pakistan Investment Bonds										
-10 years	August 22, 2019	35,000	35,000	35,000	35,000	35,259	35,329	70	0.83%	2.16%
Total as at September 30, 2021						335,334	335,319	(15)		
Total as at June 30, 2021						642,142	642,679	537		

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Government Debt securities

Particulars	Issue Date	Number of certificates				Balance as at September 30, 2021			Market value as a percentage of	
		As at July 01, 2021	Purchased during the year	Sold during the year	As at September 30, 2021	Carrying value	Market value	Unrealised (loss) / gain	Net assets	Total investments
						----- (Rupees in '000) -----			----- % -----	
GOP Ijara - 5 years	June 24, 2020	37,500	-	-	37,500	37,711	37,811	100	0.89%	2.31%
Total as at September 30, 2021						37,711	37,811	100		
Total as at June 30, 2021						37,744	37,725	(19)		

7.2 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 September 30, 2021			Market Value	
	As at July 01, 2021	Purchased during the period	Sold during the period	As at September 30, 2021	Carrying value	Market value	Unrealised (loss) / gain	As a percentage of net assets	As a percentage of total investments
					----- (Rupees in '000) -----			----- % -----	

Automobile Assembler

Pak Suzuki Motors Company Limited	-	26,000	25,000	1,000	341	268	(74)	0.00%	0.02%
Sazgar Engineering Works Limited	-	66,000	58,500	7,500	1,182	986	(196)	0.00%	0.06%
					<u>1,524</u>	<u>1,254</u>	<u>(270)</u>		

Cable & Electrical Goods

Pak Elektron Limited	-	1,847,000	1,455,500	391,500	12,705	10,786	(1,919)	0.03%	0.66%
Waves Singer Pakistan Limited	-	3,654,000	1,767,000	1,887,000	40,999	35,627	(5,373)	0.09%	2.18%
					<u>53,704</u>	<u>46,412</u>	<u>(7,292)</u>		

Cement

D.G. Khan Cement Company Limited	-	684,000	663,000	21,000	2,282	1,857	(425)	0.00%	0.11%
Fauji Cement Company Limited	-	86,000	80,000	6,000	127	108	(19)	0.00%	0.01%
Lucky Cement Limited	-	6,500	3,000	3,500	2,650	2,530	(120)	0.01%	0.15%
Maple Leaf Cement Factory Limited	-	1,094,500	949,000	145,500	6,052	5,122	(930)	0.01%	0.31%
Pioneer Cement Limited	-	192,000	191,500	500	57	44	(13)	0.00%	0.00%
Power Cement Limited	-	3,500	3,000	500	4	4	(1)	0.00%	0.00%
					<u>11,172</u>	<u>9,664</u>	<u>(1,508)</u>		

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Chemicals

Sazgar Engineering Works Limited	-	66,000	58,500	7,500	1,182	986	(196)	0.00%	0.06%
					1,524	1,254	(270)		

Cable & Electrical Goods

Pak Elektron Limited	-	1,847,000	1,455,500	391,500	12,705	10,786	(1,919)	0.03%	0.66%
Waves Singer Pakistan Limited	-	3,654,000	1,767,000	1,887,000	40,999	35,627	(5,373)	0.09%	2.18%
					53,704	46,412	(7,292)		

4

Cement

D.G. Khan Cement Company Limited	-	684,000	663,000	21,000	2,282	1,857	(425)	0.00%	0.11%
Fauji Cement Company Limited	-	86,000	80,000	6,000	127	108	(19)	0.00%	0.01%
Lucky Cement Limited	-	6,500	3,000	3,500	2,650	2,530	(120)	0.01%	0.15%
Maple Leaf Cement Factory Limited	-	1,094,500	949,000	145,500	6,052	5,122	(930)	0.01%	0.31%
Pioneer Cement Limited	-	192,000	191,500	500	57	44	(13)	0.00%	0.00%
Power Cement Limited	-	3,500	3,000	500	4	4	(1)	0.00%	0.00%
					11,172	9,664	(1,508)		

Chemicals

Engro Polymer and Chemicals Limited	-	528,000	478,000	50,000	2,989	2,754	(235)	0.01%	0.17%
Ghani Global Holdings Limited	-	5,480,000	5,463,500	16,500	788	586	(201)	0.00%	0.04%
Lotte Chemical Pakistan Limited	-	532,000	506,500	25,500	360	357	(3)	0.00%	0.02%
Nimir Resins Limited	-	9,000	9,000	-	-	-	-	0.00%	0.00%
					4,136	3,696	(440)		

Engineering

Aisha Steel Mills Limited	-	1,277,000	1,251,000	26,000	620	541	(79)	0.00%	0.03%
Amreli Steels Limited	-	107,000	32,000	75,000	3,027	2,936	(91)	0.01%	0.18%
International Industries Limited	-	252,000	231,500	20,500	3,945	3,419	(526)	0.01%	0.21%
International Steels Limited	-	286,000	192,000	94,000	8,306	7,164	(1,143)	0.02%	0.44%
Mughal Iron & Steel Industries Limited	-	218,000	3,000	215,000	23,118	20,988	(2,130)	0.05%	1.28%
					39,016	35,048	(3,968)		

Fertilizer

Engro Corporation Limited	-	5,000	5,000	-	-	-	-	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	-	203,500	98,500	105,000	2,517	2,363	(154)	0.01%	0.14%
Fauji Fertilizer Company Limited	-	500	500	-	-	-	-	0.00%	0.00%
					2,517	2,363	(154)		

Food & Personal Care Products

Fauji Foods Limited	-	352,500	352,500	-	-	-	-	0.00%	0.00%
The Organic Meat Company Limited	-	59,000	57,000	2,000	80	72	(9)	0.00%	0.00%
Unity Foods Limited	-	9,133,000	5,920,000	3,213,000	118,660	100,310	(18,350)	0.26%	6.13%
					118,741	100,382	(18,359)		

Glass & Ceramics

Shabbir Tiles & Ceramics Limited	-	2,000	2,000	-	-	-	-	0.00%	0.00%
Tariq Glass Industries	-	104,500	80,500	24,000	2,491	2,435	(57)	0.01%	0.15%
					2,491	2,435	(57)		

Miscellaneous

Siddiqsons Tin Plate Limited	-	1,721,500	1,008,500	713,000	10,899	8,798	(2,101)	0.02%	0.54%
					10,899	8,798	(2,101)		

Oil & Gas Exploration Companies

Oil & Gas Development Company Limited	-	1,228,500	1,209,500	19,000	1,765	1,592	(172)	0.00%	0.10%
Pakistan Petroleum Limited	-	283,500	263,500	20,000	1,616	1,498	(118)	0.00%	0.09%
					3,381	3,090	(290)		

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Oil And Gas Marketing Companies									
Pakistan State Oil Company Limited	-	217,000	202,000	15,000	3,263	3,015	(248)	0.01%	0.18%
Sui Northern Gas Pipelines Limited	-	6,619,500	5,763,500	856,000	39,970	38,931	(1,039)	0.10%	2.38%
Sui Southern Gas Company Limited	-	36,500	36,500	-	-	-	-	0.00%	0.00%
					43,232	41,946	(1,287)		
Pharmaceuticals									
The Searle Company Limited	-	90,500	90,000	500	115	101	(14)	0.00%	0.01%
					115	101	(14)		
Power Generation & Distribution									
Hub Power Company Limited	-	653,000	431,500	221,500	16,682	16,287	(395)	0.04%	1.00%
K-Electric Limited	-	1,652,500	1,652,000	500	2	2	0	0.00%	0.00%
Kot Addu Power Company Limited	-	630,500	580,500	50,000	1,984	1,750	(234)	0.00%	0.11%
					18,668	18,039	(629)		
Refinery									
Attock Refinery Limited	170,500	846,000	786,500	230,000	51,221	41,119	(10,102)	0.11%	2.51%
Byco Petroleum Pakistan Limited	-	22,448,000	9,385,500	13,062,500	112,226	106,851	(5,375)	0.28%	6.53%
National Refinery Limited	-	397,000	382,500	14,500	5,826	4,391	(1,434)	0.01%	0.27%
Pakistan Refinery Limited	-	802,000	610,500	191,500	4,005	3,213	(791)	0.01%	0.20%
					173,278	155,575	(17,703)		
Technology & Communications									
Avanceon Limited	-	2,321,000	1,683,000	638,000	79,527	78,704	(824)	0.20%	4.81%
Hum Network Limited	-	5,770,500	5,770,500	-	-	-	-	0.00%	0.00%
Netsol Technologies	-	1,403,000	1,170,000	233,000	35,256	29,097	(6,158)	0.08%	1.78%
Pakistan Telecommunication Company Limited	-	75,000	74,500	500	6	5	(1)	0.00%	0.00%
TRG Pakistan Limited	-	2,359,500	1,384,000	975,500	164,540	157,709	(6,831)	0.41%	9.64%
					279,329	265,514	(13,815)		
Textile Composite									
Gul Ahmed Textile Mills Limited	-	291,000	289,000	2,000	112	110	(2)	0.00%	0.01%
Nishat (Chunian) Limited	-	842,500	819,500	23,000	1,192	1,139	(53)	0.00%	0.07%
Nishat Mills Limited	-	57,500	42,500	15,000	1,412	1,363	(49)	0.00%	0.08%
					2,716	2,611	(104)		
Transport									
Pakistan International Bulk Terminal Limited	-	17,833,500	9,807,500	8,026,000	78,557	71,512	(7,045)	0.18%	4.37%
					78,557	71,512	(7,045)		
Total as at September 30, 2021					843,475	768,441	(75,035)		
Total as at June 30, 2021					44,113	43,725	(388)		

7.2.1 The movement in equity securities represents spread transactions entered into by the Fund. The Fund purchases equity securities in ready settlement market and sells the securities in future settlement market on the same day, resulting in spread income / (loss) due to difference in ready and future stock prices.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

7.3 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 September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2021	Purchased during the period	Disposed during the period	As at September 30, 2020	Carrying value	Market value	Unrealised (loss) / gain		
					----- (Rupees in '000) -----			----- % -----	
Financial Services									
Saudi Pak Leasing Company Limited (March 13, 2010)	10,000	-	-	10,000	27,548	-	-	-	-
Less: Provision for impairment					(27,548)	-	-	-	-
					-	-	-	-	-
As at September 30, 2021					-	-	-		
As at June 30, 2021					-	-	-		

7.4 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 September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2021	Purchased during the period	Disposed/ Matured during the period	As at September 30, 2020	Carrying value	Market value	Unrealised (loss) / gain		
					----- (Rupees in '000) -----			----- % -----	
Commercial banks									
Askari Bank Limited - TFC - II - Issue Date 17-MAR-2020**	50	-	-	50	49,489	49,988	499	1.18%	3.06%
The Bank of Punjab Limited - TFC II - Issue Date April 23, 2018*	850	-	850	-	-	-	-	0.00%	0.00%
The Bank of Punjab Limited TFC I - Issue Date December 23, 2016*	1,200	-	-	1,200	120,982	122,180	1,198	2.88%	7.47%
Samba bank limited (March 1, 2021)*	1,850	-	-	1,850	184,963	185,200	237	4.36%	11.32%
					355,434	357,368	1,934	8.42%	21.84%
Chemicals									
Ghani Gases Limited - Sukuk *(February 02, 2017)	500	-	-	500	18,149	19,167	1,018	0.45%	1.17%
					18,149	19,167	1,018	0.45%	1.17%
Investment Bank									
Jahangir Siddiqui and Company Limited-***									
TFC-III- July 18, 2017	10,000	-	-	10,000	22,191	22,624	433	0.53%	1.38%
Jahangir Siddiqui & Co. Ltd. - TFC (March 06, 2018)***	18,000	-	-	18,000	59,602	59,719	116	1.41%	3.65%
					81,793	82,342	549	1.94%	5.03%
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	35,063				
Less: Provision for impairment					(35,063)				
					-	-	-	-	-
As at September 30, 2021					455,376	458,877	3,501		
As at June 30, 2021					540,579	555,267	14,688		

* Nominal value of this sukuk certificate is Rs.1000,000 per certificate.

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

*** Nominal value of this sukuk certificate is Rs.5,000 per certificate.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

7.4.1 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 September 30, 2019, 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	35,063	(35,063)	-	0.00%	0.00%

		(Unaudited) September 30, 2021	(Audited) June 30, 2021
		'---- (Rupees in '000) ----'	
8	PAYABLE TO MCB-ARIF HABIB SAVINGS & INVESTMENTS LIMITED - MANAGEMENT COMPANY		
	Management remuneration payable	5,143	4,960
	Sindh Sales Tax payable on remuneration of the Management Company	668	647
	Allocated expenses	342	330
	Sales load payable	48	208
	Marketing and Selling Payable	4,758	3,918
		<u>10,960</u>	<u>10,064</u>
		(Un-Audited) September 30, 2021	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
9	ACCRUED AND OTHER LIABILITIES	Note	
	Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	-
	Federal Excise Duty on remuneration to the Management Company	9.2	42,902
	Federal Excise Duty and related taxes payable on sales load		99,060
	Sale load payable to MCB Bank Limited (a related party)		27,933
	Auditors' remuneration		-
	Withholding tax payable		738
	Brokerage payable		110
	Dividend Payable		3,285
	Others		3
		<u>38,202</u>	<u>13,381</u>
		<u>169,332</u>	<u>186,879</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

9.1 Provision for Sindh Workers' Welfare Fund

Sindh Revenue Board (SRB) through its letter dated August 12, 2021 received on August 13, 2021 has intimated Mutual Funds Association of Pakistan's (MUFAP) that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the Sindh Workers' Welfare Fund (SWWF) contributions. This development was discussed at MUFAP level and was also been taken up with the Securities and Exchange Commission of Pakistan (SECP). All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds till August 12, 2021 on August 13, 2021.

SECP has also given its concurrence for recording reversal of provision of SWWF on the day letter was received by MUFAP. This reversal of provision has contributed towards an unusual increase in NAV of the Fund on August 13, 2021. **This is one-off event and is not likely to be repeated in the future.**

Going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

9.2 Federal Excise Duty and related tax payable

There is no change in the status of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2020. 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 September 30, 2020 would have been lower by Re. 3.27 per unit (June 30, 2021: Re. 3.72 per unit).

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

During the current year, DCF Income Fund (DCFIF) has received a notice of tax demand for the tax year 2018 from the Additional Commissioner (Inland) Revenue (ACIR). whereby the ACIR has raised objection on claiming of income already paid on units redeemed" as part of distribution and has thereby challenged the distribution of 90 percent of income and the Fund's eligibility for exemption from tax. The ACIR is of the view that the amount of 'Cash Dividend' paid can only be treated as part of distribution and according to his view the amount of income already paid on units redeemed is not cash Dividend'. The ACIR has raised a tax demand of Rs. 73,375,787 on the Fund in respect of the tax year 2018. Currently, based on the request of the Management Company, the Commissioner Appeals has granted stay of demand.

The Management Company contends that the practice being followed by it is as per the applicable regulations and in line with the industry practice. Based on the advice of the tax advisor and merits of the case. the Management Company believes that the assessment will be decided in the favour of the Fund and accordingly, no provision has been recognised in these financial statements.

10.2 There were no other material contingencies outstanding as at September 30, 2021 and June 30, 2021.

	(Un-Audited) September 30, 2021	(Audited) June 30, 2021
	----- (Rupees in '000) -----	
10.1 Commitments		
Future sale transactions and Margin Trading Transaction of equity securities entered into by the Fund in respect of which the sale transactions have not been settled as at period end	809,389	45,728

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

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 at least 90% of income to be earned during current year to the unit holders, therefore, no provision for taxation has been recorded in this condensed interim financial information.

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 based on the current period results is 3.09% (September 30, 2020: 3.05%) and this includes 0.24% (September 30, 2020: 0.36%) representing government levy, SECP fee etc.

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 quarter ended September 30, 2021 (Un-Audited)								
	As at July 01, 2020	Issuance	Redeemed	As at September 30, 2020	As at July 01, 2020	Issuance	Redeemed	As at September 30, 2020
	Units				(Rupees in '000)			
Group / associated companies								
MCB Employees' Provident Fund (Pak Staff)	1,677,094	-	-	1,677,094	179,536	-	-	183,892
MCB Employees' Pension Fund	1,677,094	-	-	1,677,094	179,536	-	-	183,892
D.G. Khan Cement Company Limited - Employees' Provident Fund Trust	5,045	-	-	5,045	540	-	-	553
Key Management Personnel	1	-	-	1	-	-	-	-
Mandate under discretionary portfolio services	2	824	-	826	-	90	-	91

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	For the quarter ended September 30, 2020 (Un-Audited)							
	As at July 01, 2019	Issuance	Redeemed	As at September 30, 2019	As at July 01, 2019	Issuance	Redeemed	As at September 30, 2019
	Units				(Rupees in '000)			
Group / associated companies								
MCB Employees' Provident Fund (Pak Staff)	1,573,657	-	-	1,573,657	168,326	-	-	171,134
MCB Employees' Pension Fund	1,573,657	-	-	1,573,657	168,326	-	-	171,134
MCB-Arif Habib Savings And Investments Limited	-	9,344	9,344	-	-	1,014	1,015	-
D.G. Khan Cement Company Limited - Employees' Provident Fund Trust	4,733	-	-	4,733	506	-	-	515
Key Management Personnel	-	2	-	2	-	1	-	1
Mandate under discretionary portfolio services	10,284	64,164,013	64,174,297	-	1,100	6,902,225	6,906,105	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	(Un-Audited)	
	September 30, 2021	September 30, 2020
	----- (Rupees in '000) -----	
14.2 Transactions during the period:		
Management Company		
MCB Arif Habib Savings and Investments Limited		
Remuneration (including indirect taxes)	17,530	18,027
Expense allocated by the Management Company	1,034	1,063
Marketing and selling Expense	4,759	4,148
Central Depository Company of Pakistan Limited - Trustee		
Remuneration (including indirect taxes)	877	901
Settlement charges	241	109
Group / associated companies		
MCB Bank Limited		
Mark-up on deposit accounts	13	-
Bank charges	9	10
Purchase of Government securities having face value of 454,000,000 (2019: 1,065,000,000)	439,007	1,034,326
Arif Habib Limited		
Brokerage expense *	-	14
Nishat (Chunian) Limited		
Purchase of 25,500 (2020: 360,500) shares	1,322	15,073
Sale of 819,500 (2020: NIL) shares	42,850	-
D.G. Khan Cement Company Limited		
Purchase of 659,500 (2020: 2,753,500) shares	72,835	302,631
Sale of 663,000 (2020: 2,599,000) shares	74,053	272,610
Nishat Mills Limited		
Purchase of 57,500 (2020: 575,900) shares	5,499	59,411
Sale of 42,500 (2020: 182,000) shares	4,191	15,925
Power Cement Limited		
Purchase of 3,500 (2020: 9,500) shares	29	-
Sale of 3,000 (2020: Nil) shares	25	-
Aisha Steel Mills Limited		
Purchase of 1,069,000 (2020: NIL) shares	26,071	
Sale of 1,251,000 (2020: NIL) shares	30,429	

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	(Un-Audited) September 30, 2021	(Audited) June 30 2021
	----- (Rupees in '000) -----	
14.3 Balances outstanding at period end:		
Management Company		
MCB-Arif Habib Savings and Investments Limited		
Management remuneration payable	5,143	4,960
Sindh sales tax payable on remuneration of the management company	668	647
Allocated expenses payable	342	330
Selling and marketing expenses payable	4,758	3,918
Sales load payable	48	208
Central Depository Company of Pakistan Limited - Trustee		
Security deposit	200	200
Remuneration payable (including indirect taxes)	291	281
Group / associated companies		
MCB Bank Limited		
Balances with bank	956	602
MCB Islamic Bank Limited		
Balances with bank	11	10
Arif Habib - Brokerage House		
Brokerage and settlement charges payable*	-	3
Nishat (Chunian) Limited		
23,000 shares (2021: Nil) shares held	1,139	-
D.G. Khan Cement Company Limited		
21,000 shares (2021: Nil) shares held	1,857	-
Nishat Mills Limited		
15,000 shares (2021: Nil) shares held	1,363	-
Power Cement Limited		
500 shares (2021: Nil) shares held	4	-
Aisha Steel Limited		
26,000 Shares (2021: NIL) Shares Held	542	

15 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly

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

16 Impact of COVID-19

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

17 GENERAL

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

17.2 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.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 22, 2021 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

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