

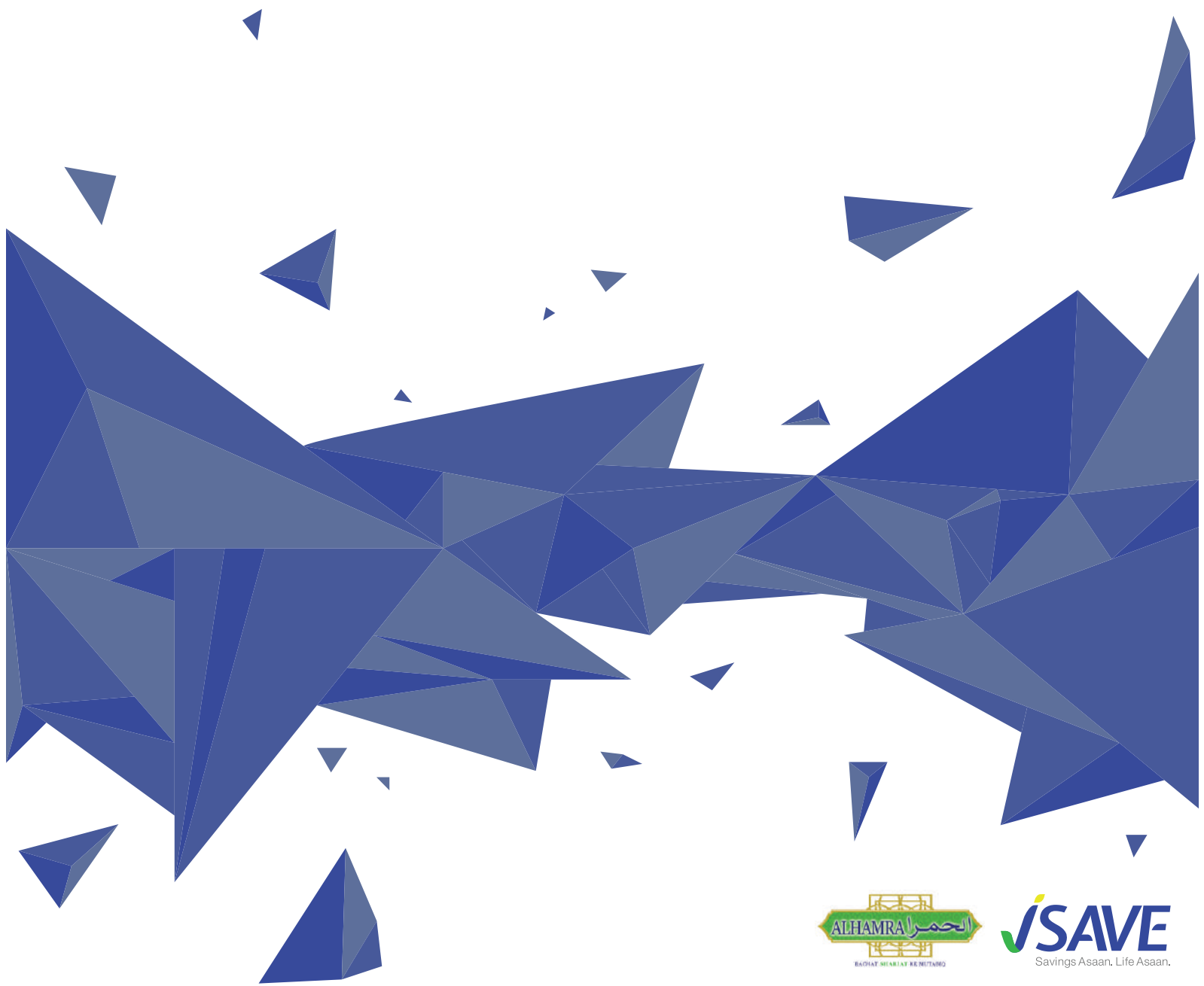


**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

SEPTEMBER  
**2021**  
(UNAUDITED)

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



# **PAKISTAN INCOME FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
<b>Bankers</b>	MCB Bank Limited Habib Metropolitan Bank Limited 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 Tameer 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 Soneri Bank Limited	
<b>Auditors</b>	<b>Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	

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

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**Dear Investor,**

On behalf of the Board of Directors, I am pleased to present **Pakistan 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 county. 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 8.19 per cent as against its benchmark return of 7.73 per cent.

At period end, the fund was 8.3 per cent in TFCs and 48.9 per cent in Cash. Weighted average maturity of the fund stood at 1.2 years.

The Net Assets of the Fund as at September 30, 2021 stood at Rs. 8,364 million as compared to Rs. 9,595 million as at June 30, 2021 registering a decrease of 12.83 per cent.

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

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The Net Asset Value (NAV) per unit as at September 30, 2021 was Rs. 55.4037 as compared to opening NAV of Rs. 54.2828 per unit as at June 30, 2021 registering an increase of Rs. 1.1209 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

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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

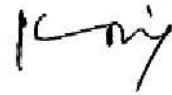
The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



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**Muhammad Saqib Saleem**  
Chief Executive Officer  
October 22, 2021



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**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



## ڈائریکٹر رپورٹ

مالی سال 2021ء میں سی پی آئی کا اوسط 8.9 فیصد تھا۔ متوقع یوٹیلٹی ترمیمات، 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 شروع سودا ب منفی حد میں آرہی ہے، چنانچہ موجودہ مالی سال کے دوران مالیاتی پالیسی میں ترمیمات 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 شروع 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 شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب، شروع 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 فیکسڈ 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 ڈور 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 رپورٹ

ثانوی 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 8.19 فیصد تھا جبکہ مقررہ معیار 7.73 فیصد تھا۔ اختتام مدت پر فنڈ کی سرمایہ کاری TFCs میں 8.3 فیصد اور نقد میں 48.9 فیصد تھی۔ فنڈ کی بالوزن اوسط میچورٹی 1.2 سال پر تھی۔ 30 ستمبر 2021ء کو فنڈ کے net اثاثہ جات 8,364 ملین روپے تھے، جو 30 جون 2021ء کی سطح 9,595 ملین روپے کے مقابلے میں 12.83 فیصد کمی ہے۔ 30 ستمبر 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 55.4037 روپے تھی، جو 30 جون 2021ء پر ابتدائی این اے وی 54.2828 روپے کے مقابلے میں 1.1209 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 آرہی 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 بین 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 دوطرفہ اور کثیر الطرفہ آمدات بھی اہم کردار ادا کریں گی۔



بورڈ آف ڈائریکٹرز کی جانب سے پاکستان انکم فنڈ کے گوشواروں مختتمہ سہ ماہی 30 ستمبر 2021ء کا جائزہ پیش خدمت ہے۔

### معیشت اور بازار کا جائزہ

مالی سال کا بھرپور آغاز ہو واجب کو وڈ۔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 پذیری، 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 صارفی 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 نوزائیدہ 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	June 30, 2021
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Bank balances	6 4,786,433	4,557,894
Investments	7 4,191,776	5,983,085
Receivable against margin trading system	85,998	135,777
Receivable against sale of investments	99,841	11,652
Dividend receivables	19,311	-
Profit receivable	56,821	68,418
Advances, deposits, prepayments and other receivables	539,318	49,871
<b>Total Assets</b>	<b>9,779,499</b>	<b>10,806,697</b>
<b>LIABILITIES</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	13,507	8,847
Payable to Central Depository Company of Pakistan Limited - Trustee	690	723
Payable to the Securities and Exchange Commission of Pakistan	520	1,062
Payable against redemption of units	47	47
Payable against purchase of investment	1,370,048	1,155,947
Accrued expenses and other liabilities	8 31,003	44,716
<b>Total liabilities</b>	<b>1,415,814</b>	<b>1,211,342</b>
<b>NET ASSETS</b>	<b>8,363,685</b>	<b>9,595,355</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<b>8,363,685</b>	<b>9,595,355</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	9	
	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>	<b>150,958,902</b>	<b>176,766,181</b>
	----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>	<b>55.4037</b>	<b>54.2828</b>

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

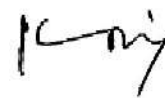
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Note	September 30, 2021	September 30, 2020
		----- (Rupees in '000) -----	
<b>INCOME</b>			
Markup / return on Investments		75,586	30,697
(Loss) / Gain on sale of investments - net		(9,957)	2,729
Markup on deposits with banks		60,189	9,909
Dividend income		27,359	1,395
Markup income on margin trading system		3,420	1,653
Unrealised (diminution) on re-measurement of investments at fair value through profit or loss - net		(99,283)	(2,139)
Income from spread transactions		190,470	7,329
Other income		1,140	54
<b>Total income</b>		<b>248,923</b>	<b>51,627</b>
<b>EXPENSES</b>			
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company		24,204	5,931
Sindh sales tax on remuneration of the Management Company		3,147	771
Allocated expenses		2,604	492
Marketing and selling expenses		2,329	633
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,953	365
Sindh sales tax on remuneration of Trustee		254	47
Annual fee of Securities and Exchange Commission of Pakistan		520	97
Brokerage expense		17,037	2,402
Legal, professional and other charges		769	34
Settlement and bank charges		2,172	189
Fees and subscription		214	172
Auditors' remuneration		153	152
Printing and related costs		25	31
<b>Total operating expenses</b>		<b>55,379</b>	<b>11,316</b>
Sindh Workers' Welfare Fund		18,571	(806)
<b>Net income for the period before taxation</b>		<b>212,115</b>	<b>39,505</b>
Taxation	11	-	-
<b>Net income for the period after taxation</b>		<b>212,115</b>	<b>39,505</b>
<b>Allocation of net income for the period</b>			
Net income for the period after taxation		212,115	39,505
Income already paid on units redeemed		(66,993)	(3,639)
		<b>145,122</b>	<b>35,866</b>
<b>Accounting income available for distribution</b>			
Relating to capital gains		-	590
Excluding capital gains		145,122	35,276
		<b>145,122</b>	<b>35,866</b>
Earning/ (Loss) per unit	12		

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

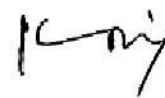
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30, 2021 ----- (Rupees in '000) -----	September 30, 2020 ----- (Rupees in '000) -----
<b>Net income for the period after taxation</b>	212,115	39,505
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<u>212,115</u>	<u>39,505</u>

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

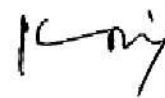
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	For the period ended September 30,					
	2021			2020		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	9,456,517	138,838	9,595,355	1,944,178	132,017	2,076,195
Issue of 89,973,213 units (2020: 15,968,600 units)						
- Capital value (at net asset value per unit at the beginning of the period)	4,883,994	-	4,883,994	865,609	-	865,609
- Element of income	43,421	-	43,421	9,177	-	9,177
	4,927,415	-	4,927,415	874,786	-	874,786
Redemption of 115,780,492 units (2020: 14,565,800 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(6,284,884)	-	(6,284,884)	(789,568)	-	(789,568)
- Amount paid out of element of income	(19,323)	(66,993)	(86,316)	(1,135)	(3,639)	(4,774)
- Relating to 'Net income for the period after taxation'	(6,304,207)	(66,993)	(6,371,200)	(790,703)	(3,639)	(794,342)
Total comprehensive income for the period	-	212,115	212,115	-	39,505	39,505
	-	212,115	212,115	-	39,505	39,505
Net assets at end of the period	8,079,725	283,960	8,363,685	2,028,261	167,883	2,196,144
Undistributed income brought forward						
- Realised		61,621			138,584	
- Unrealised		77,217			(6,567)	
		138,838			132,017	
Accounting income available for distribution						
- Relating to capital gains		-			590	
- Excluding capital gains		145,122			35,276	
		145,122			35,866	
Distributions during the year		-			-	
Undistributed income carried forward		283,960			167,883	
Undistributed income carried forward						
- Realised		383,243			170,022	
- Unrealised		(99,283)			(2,139)	
		283,960			167,883	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		54.2828			54.2070	
Net assets value per unit at end of the period		55.4037			55.3128	

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

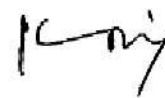
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30, 2021	September 30, 2020
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	212,115	39,505
<b>Adjustments for:</b>		
Unrealised appreciation on re-measurement of investments at fair value through profit or loss - net	99,283	2,139
	<b>311,398</b>	<b>41,644</b>
<b>(Increase) / decrease in assets</b>		
Investments	1,692,026	(942)
Receivable against margin trading system	49,779	(32,367)
Receivable against sale of investments	(88,189)	(31,506)
Dividend receivables	(19,311)	(1,395)
Profit receivable	11,597	13,130
Advances, deposits, prepayments and other receivables	(489,447)	(116,617)
	<b>1,156,454</b>	<b>(169,697)</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	4,660	4,182
Payable to Central Depository Company of Pakistan Limited - Trustee	(33)	(8)
Payable to the Securities and Exchange Commission of Pakistan	(542)	(230)
Payable against purchase of investment	214,101	
Accrued expenses and other liabilities	(13,713)	1,356
	<b>204,472</b>	<b>5,300</b>
<b>Net cash generated from / (used in) operating activities</b>	<b>1,672,324</b>	<b>(122,753)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	4,927,415	874,786
Amount paid against redemption of units	(6,371,200)	(794,342)
<b>Net cash (used in) / generated from financing activities</b>	<b>(1,443,785)</b>	<b>80,444</b>
<b>Net increase / (Decrease) in cash and cash equivalents during the period</b>	<b>228,539</b>	<b>(42,309)</b>
Cash and cash equivalents at the beginning of the period	4,557,894	970,246
<b>Cash and cash equivalents at the end of the period</b>	<b>4,786,433</b>	<b>927,937</b>

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

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



Chief Executive Officer



Chief Financial Officer



Director



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

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Income Fund (the Fund) was established under a Trust Deed executed between MCB - Arif Habib Savings and Investments Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October 23, 2001 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-end collective investment scheme categorised as an "Income" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The Fund primarily invests in money market and other short-term placements/instruments which include short-term corporate debt, government securities, margin trading system transactions and spread transactions. The Fund may also invest a portion of its assets under management in medium term assets in order to provide higher return to the unit holders.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of "AM1" dated October 06, 2021, to the Management Company and the stability rating of A+(f) to the Fund dated September 09, 2021.
- 1.6 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

## 2. BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part 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.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 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' funds are stated from unaudited condensed interim financial information for the quarter ended 30 September 2020.

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.

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** Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant and does not have any significant impact on the Fund's operations or a change in accounting policies of the Fund, therefore, have not been 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.

		September 30, 2021 ----- (Rupees in '000) -----	June 30, 2021
<b>6 BANK BALANCES</b>	<b>Note</b>		
In savings accounts	6.1	4,779,450	4,545,560
In current accounts	6.2	<u>6,982</u>	<u>12,334</u>
		<u><b>4,786,433</b></u>	<u><b>4,557,894</b></u>

- 6.1** These carry profit at the rates ranging between 5.5% to 8.6% (June 2021: 5.50% to 9.75%) per annum and include Rs 2.82

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

million (June 2021: Rs 2.83million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 5.5% (June 2021: 5.50%) per annum.

**6.2** This include Rs 6.97 million (2021: Rs 12.3225 million) maintained with MCB Bank Limited (a related party).

		September 30, 2021	June 30, 2021
	Note	----- (Rupees in '000) -----	
<b>7 INVESTMENTS</b>			
<b>Financial assets 'at fair value through profit or loss' - net</b>			
Government securities - Market Treasury Bills & Pakistan			
Investment Bonds	7.1	1,718,738	2,282,147
Term finance certificates - listed	7.2	-	-
Term finance certificates - unlisted	7.3	276,076	204,992
Sukuks certificates - unlisted	7.4	33,294	40,218
Investments in equity transactions	7.5	2,046,174	3,377,757
Future stock contracts		117,495	77,971
		<b>4,191,776</b>	<b>5,983,085</b>

**7.1 Financial assets 'at fair value through profit or loss' - net**

**7.1.1 Government securities - Market Treasury Bills**

Particulars	Issue Date	Face value				As at September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at September 30, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in '000) -----										
Treasury bills - 3 months	03-JUN-21	-	425,000	425,000	-	-	-	-	-	-
Treasury bills - 3 months	12-AUG-21	-	4,500,000	4,500,000	-	-	-	-	-	-
Treasury bills - 3 months	17-JUN-21	-	3,000,000	3,000,000	-	-	-	-	-	-
Treasury bills - 3 months	02-JUL-21	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 3 months	06-MAY-21	-	350,000	350,000	-	-	-	-	-	-
Treasury bills - 3 months	26-AUG-21	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 3 months	15-JUL-21	-	4,400,000	4,400,000	-	-	-	-	-	-
Treasury bills - 3 months	29-JUL-21	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 3 months	09-SEP-21	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 3 months	20-MAY-21	-	600,000	600,000	-	-	-	-	-	-
Treasury bills - 6 months	03-JUN-21	-	1,000,850	1,000,850	-	-	-	-	-	-
Treasury bills - 6 months	02-JUL-21	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 6 months	25-MAR-21	-	1,250,000	1,250,000	-	-	-	-	-	-
Treasury bills - 6 months	25-FEB-21	-	1,600,000	1,600,000	-	-	-	-	-	-
Treasury bills - 6 months	09-SEP-21	-	11,300,000	11,300,000	-	-	-	-	-	-
Treasury bills - 6 months	26-AUG-21	-	3,676,500	3,676,500	-	-	-	-	-	-
Treasury bills - 6 months	15-JUL-21	-	5,000,000	5,000,000	-	-	-	-	-	-
Treasury bills - 6 months	29-JUL-21	-	4,500,000	4,500,000	-	-	-	-	-	-
Treasury bills - 6 months	12-AUG-21	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 6 months	22-APR-21	-	1,000,000	1,000,000	-	-	-	-	-	-
Total as at September 30, 2021						-	-	-		
Total as at June 30, 2021						-	-	-		

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

## 7.1.2 Pakistan investment bonds - Floating Rate Bonds (FRB)

Particulars	Issue Date	Face value				As at September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchased during the period	Sold during the period	As at September 30, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in '000) -----										
									----- ( % ) -----	
Pakistan Investment Bond - 2 years *	05-Nov-20	550,000			550,000	548,435	548,075	(360)	6.55	13.08
Pakistan Investment Bond - 3 years *	22-Oct-20	300,000	550,000	500,000	350,000	347,498	347,480	(18)	4.15	8.29
Pakistan Investment Bond - 3 years *	18-Jun-20	650,000	650,000	650,000	650,000	651,170	651,105	(65)	7.78	15.53
Pakistan Investment Bond - 3 years *	06-May-21	-	350,000	175,000	175,000	172,012	172,078	66	2.06	4.11
Total as at Sepetmber 30, 2021						1,719,114	1,718,738	(377)		
Total as at June 30, 2021						1,495,982	1,496,005	23		

\* These carry effective yield of ranging between 7.2103% to 8.0219% (June 2021: 7.14% to 7.62%) per annum and will matured by November 05, 2022 to May 06, 2026. (June 2021: November 05, 2022 to October 22, 2023)

## 7.1.3 Pakistan investment bonds

Particulars	Issue Date	Face value				As at September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchased during the period	Sold during the period	As at September 30, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in '000) -----										
Pakistan Investment Bond - 3 years *	20-Aug-20	100,000	350,000	450,000	-	-	-	-	-	-
Pakistan Investment Bond - 5 years *	12-Jul-18	650,000	250,000	900,000	-	-	-	-	-	-
Pakistan Investment Bond - 5 years *	15-Oct-20	50,000	450,000	500,000	-	-	-	-	-	-
Total as at September 30, 2021					- - - - -			- - - - -		
Total as at June 30, 2021					784,815 786,142 1,327					

## 7.2 Term finance certificates - listed debt securities

	Note	September 30, 2021 ----- (Rupees in '000) -----	June 30, 2021
Market value as at June 30	7.2.1	99,771	99,771
Less: Provision as at July 1			
- Pace Pakistan Limited	7.6	(49,940)	(49,940)
- Telecard Limited		(31,088)	(31,088)
- Trust Investment Bank Limited		(18,743)	(18,743)
		(99,771)	(99,771)
		-	-

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

## 7.2.1 Listed debt securities - Term finance certificates

Certificates have a face value of Rs 5,000 each unless stated otherwise

Name of investee company	Number of certificates				As at Sepetmber 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of total issue size
	As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at September 30, 2021	Carrying value	Market value	Unrealised diminution			
----- (Rupees in '000) -----										
----- ( % ) -----										
Investment Banks / Investment Companies / Securities Companies										
Trust Investment Bank Limited										
- Due but not received	10,000	-	-	10,000	18,743	18,743	-	-	-	-
Miscellaneous										
Pace Pakistan Limited										
- Due but not received	10,000	-	-	10,000	49,940	49,940	-	-	-	-
Technology & Communication										
Telecard Limited										
- Due but not received	19,975	-	-	19,975	31,088	31,088	-	-	-	-
Total as at September 30, 2021					99,771	99,771	-			
Total as at June 30, 2021					99,771	99,771	-			

## 7.3 Term finance certificates - unlisted debt securities

Certificates have a face value of Rs 5,000 each

Name of investee company	Number of certificates				As at September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of total issue size
	As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at September 30, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)			
----- (Rupees in '000) -----										
----- ( % ) -----										
Commercial Banks										
Askari Bank Limited - VII	30	-	-	30	29,693	29,993	300	0.36	0.72	0.75
The Bank of Punjab	880	850	-	1,730	172,770	173,094	323	2.07	4.13	4.12
The Bank of Punjab	-	850	850	-						
Investment Banks / Investment Companies / Securities Companies										
Jahangir Siddiqui & Company Limited	22,000	-	-	22,000	72,847	72,989	142	0.87	1.74	1.47
Total as at September 30, 2021					275,311	276,076	765			
Total as at June 30, 2021					204,163	204,992	829			

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

## 7.3.1 Significant terms and conditions of term finance certificates outstanding as at September 30, 2021 are as follows:

Name of the issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
<b>Commercial Banks</b>				
Askari Bank Limited - VII	3 months KIBOR + 1.20%	17-Mar-20	17-Mar-30	AA+
The Bank of Punjab	6 months KIBOR + 1.25%	23-Apr-18	23-Apr-28	AA-
<b>Investment Banks / Investment Companies / Securities Companies</b>				
Jahangir Siddiqui & Company Limited	6 months KIBOR + 1.40%	6-Mar-18	6-Mar-23	AA+

## 7.4 Unlisted debt securities - Sukuk certificates

Certificates have a face value of Rs 100,000 each

Name of investee company	Number of certificates				As at September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments	Investment as a percentage of total issue size
	As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at September 30, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)			
					----- (Rupees in '000) -----			----- ( % ) -----		
Chemical										
Ghani Gases Limited	480	-	-	480	17,423	18,400	977	0.22	0.44	0.04
Oil and Gas										
Byco Petroleum Pakistan Limited	10	-	-	10	500	501	1	0.01	0.01	0.00
Miscellaneous										
International Brands Limited	500	-	-	500	14,492	14,393	(99)	0.17	0.34	0.02
Total as at September 30, 2021					32,415	33,294	878			
Total as at June 30, 2021					39,474	40,218	744			

\* Face value of the certificate is Rs. 1,000,000.

## 7.4.1 Significant terms and conditions of Sukuk certificates outstanding as at September 30, 2021 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
<b>Chemical</b>				
Ghani Gases Limited	3 months KIBOR + 1.00%	2-Feb-17	2-Feb-23	A-
<b>Oil and Gas</b>				
Byco Petroleum Pakistan Limited	3 months KIBOR + 1.05%	18-Jan-17	18-Jan-22	AAA
<b>Miscellaneous</b>				
International Brands Limited	12 months KIBOR + 0.50%	15-Nov-17	15-Nov-21	AA

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

## 7.5 Shares of listed companies

All shares have a par value of Rs. 10 each except stated otherwise

Name of investee company	As at July 1, 2021	Purchased during the period	Bonus/ rights issue during the period	Sold during the period	As at September 30, 2021	As at September 30, 2021			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
<b>Automobile Assembler</b>											
Ghandhara Nissan Limited	-	15,000	-	15,000	-	-	-	-	0.00%	0.00%	-
Pak Suzuki Motors Company Limited	18,000	28,500	-	46,500	-	-	-	-	0.00%	0.00%	-
Sazgar Engineering Works Limited	71,000	65,000	-	125,000	11,000	1,623	1,446	(177)	0.02%	0.03%	0.02
						<b>1,623</b>	<b>1,446</b>	<b>(177)</b>			
<b>Cable &amp; Electrical Goods</b>											
Pak Elektron Limited	2,192,500	1,636,500	-	3,758,500	70,500	2,173	1,942	(231)	0.02%	0.05%	0.01
Waves Singer Pakistan Limited	201,500	5,849,500	-	5,003,500	1,047,500	23,068	19,777	(3,291)	0.24%	0.47%	0.37
						<b>25,241</b>	<b>21,719</b>	<b>(3,522)</b>			
<b>Cement</b>											
Cherat Cement Company Limited	1,000,000	3,751,500	-	3,500,500	1,251,000	204,973	179,168	(25,805)	2.14%	4.27%	0.64
D.G. Khan Cement Company Limited*	341,500	1,605,500	-	1,579,000	368,000	34,400	32,538	(1,861)	0.39%	0.78%	0.08
Fauji Cement Company Limited	79,500	362,500	-	420,000	22,000	480	395	(85)	0.00%	0.01%	-
Lucky Cement Limited	102,500	309,000	-	310,500	101,000	80,973	73,013	(7,960)	0.87%	1.74%	0.03
Maple Leaf Cement Factory Limited	589,000	4,175,000	-	4,430,000	334,000	12,661	11,757	(904)	0.14%	0.28%	0.03
Pioneer Cement Limited	26,000	246,000	-	88,000	184,000	18,849	16,249	(2,600)	0.19%	0.39%	0.08
Power Cement Limited*	454,000	256,500	-	654,500	56,000	465	393	(72)	0.00%	0.01%	0.01
						<b>352,801</b>	<b>313,514</b>	<b>(39,287)</b>			
<b>Chemicals</b>											
Engro Polymer and Chemicals Limited	1,466,000	1,887,500	-	3,322,000	31,500	1,800	1,735	(66)	0.02%	0.04%	-
Ghani Global Holdings Limited	3,939,500	19,359,000	-	23,443,500	55,000	2,568	1,954	(614)	0.02%	0.05%	0.02
Lotte Chemical Pakistan Limited	202,000	504,000	-	664,000	42,000	572	588	(15)	0.01%	0.01%	-
						<b>4,940</b>	<b>4,276</b>	<b>(665)</b>			
<b>Commercial Banks</b>											
Bank Of Punjab	-	500	-	500	-	-	-	-	0.00%	0.00%	-
Habib Bank Limited	-	200,000	-	100,000	100,000	11,720	10,935	(785)	0.13%	0.26%	0.01
						<b>11,720</b>	<b>10,935</b>	<b>(785)</b>			
<b>Engineering</b>											
Aisha Steel Mills Limited*	4,971,000	16,379,000	-	15,904,500	5,445,500	127,079	113,321	(13,758)	1.35%	2.70%	0.65
Amreli Steels Limited	267,500	196,500	-	460,500	3,500	150	137	(13)	0.00%	0.00%	-
International Industries Limited	828,000	3,413,500	-	3,462,000	779,500	148,175	129,997	(18,178)	1.55%	3.10%	0.59
International Steels Limited	1,181,500	3,628,000	-	3,806,000	1,003,500	92,594	76,477	(16,118)	0.91%	1.82%	0.23
Mughal Iron & Steel Industries Limited	604,500	2,521,500	-	2,326,000	800,000	86,184	78,096	(8,088)	0.93%	1.86%	0.27
						<b>454,183</b>	<b>398,027</b>	<b>(56,156)</b>			
<b>Fertilizer</b>											
Engro Fertilizer Limited	-	131,000	-	5,000	126,000	9,223	8,855	(368)	0.11%	0.21%	0.01
Engro Corporation Limited	1,000	39,000	-	30,000	10,000	2,781	2,798	(16)	0.03%	0.07%	-
Fauji Fertilizer Bin Qasim Limited	2,200,500	364,500	-	2,475,000	90,000	2,089	2,025	(64)	0.02%	0.05%	0.01
						<b>14,093</b>	<b>13,678</b>	<b>(415)</b>			
<b>Food &amp; Personal Care Products</b>											
Fauji Foods Limited	-	674,000	-	617,000	57,000	955	885	(69)	0.01%	0.02%	0.01
The Organic Meat Company Limited	-	1,375,500	-	358,500	1,017,000	36,419	36,541	(121)	0.44%	0.87%	0.91
Unity Foods Limited	10,670,000	29,947,500	-	29,406,500	11,211,000	403,534	350,007	(53,527)	4.18%	8.35%	1.13
						<b>440,908</b>	<b>387,433</b>	<b>(53,475)</b>			
<b>Glass &amp; Ceramics</b>											
Shabbir Tiles & Ceramics Limited****	-	500	-	500	-	-	-	-	0.00%	0.00%	-
Tariq Glass Industries	3,000	88,500	-	45,500	46,000	4,775	4,667	(108)	0.06%	0.11%	0.03
						<b>4,775</b>	<b>4,667</b>	<b>108</b>			
<b>Miscellaneous</b>											
Siddiqsons Tin Plate Limited	-	2,545,000	-	2,533,000	12,000	194	148	(46)	0.00%	0.00%	0.01
						<b>194</b>	<b>148</b>	<b>(46)</b>			
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Oil & Gas Development Company Limited	665,000	1,453,500	-	2,080,000	38,500	3,500	3,226	(274)	0.04%	0.08%	-
Pakistan Petroleum Limited	151,500	400,500	-	432,000	120,000	8,674	8,989	(315)	0.11%	0.21%	-
						<b>12,174</b>	<b>12,216</b>	<b>(41)</b>			
<b>Oil And Gas Marketing Companies</b>											
Pakistan State Oil Company Limited	258,500	372,500	-	408,000	223,000	44,005	44,821	816	0.54%	1.07%	0.05
Sui Northern Gas Pipelines Limited	1,233,500	1,649,500	-	2,797,500	85,500	4,128	3,889	(239)	0.05%	0.09%	0.01
Sui Southern Gas Company Limited	40,500	-	-	40,500	-	-	-	-	-	-	-
						<b>48,133</b>	<b>48,709</b>	<b>577</b>			
<b>Pharmaceuticals</b>											
The Searle Company Limited	36,000	87,000	-	114,500	8,500	2,006	1,713	(293)	0.02%	0.04%	-
						<b>2,006</b>	<b>1,713</b>	<b>(293)</b>			
<b>Power Generation &amp; Distribution</b>											
Hub Power Company Limited	173,500	840,000	-	1,008,000	5,500	438	404	(33)	0.00%	0.01%	-
Kot Addu Power Company Limited	405,500	339,000	-	661,500	83,000	2,905	2,905	-	0.03%	0.07%	0.01
K-Electric Limited***	3,905,500	47,000	-	3,952,500	-	-	-	-	0.00%	0.00%	-
						<b>3,342</b>	<b>3,309</b>	<b>(33)</b>			
<b>Refinery</b>											
Attock Refinery Limited	1,170,500	1,517,000	-	2,227,000	460,500	103,658	82,328	(21,330)	0.98%	1.96%	0.43
Byco Petroleum Pakistan Limited	11,563,500	64,353,500	-	47,996,000	27,921,000	254,408	228,394	(26,014)	2.73%	5.45%	0.52
National Refinery Limited	350,000	899,000	-	1,214,500	34,500	10,123	10,449	326	0.12%	0.25%	0.04
Pakistan Refinery Limited	-	1,588,500	-	1,419,500	169,000	3,600	2,836	(764)	0.03%	0.07%	0.03
						<b>371,789</b>	<b>324,006</b>	<b>(47,782)</b>			
<b>Technology &amp; Communications</b>											
Avanceon Limited	485,000	5,262,500	-	4,723,000	1,024,500	129,736	126,382	(3,354)	1.51%	3.02%	0.40
Hum Network Limited**	31,160,000	16,275,000	-	47,435,000	-	-	-	-	0.00%	0.00%	-
Netsol Technologies	854,500	1,869,000	-	2,710,500	13,000	1,756	1,623	(132)	0.02%	0.04%	0.01
Pakistan Telecommunication	338,500	3,896,000	-	3,505,000	719,500	8,176	6,735	(1,441)	0.08%	0.16%	0.02
TRG Pakistan Limited	1,633,000	8,318,500	-	7,704,000	2,247,500	374,294	363,353	(10,941)	4.34%	8.67%	0.41
						<b>513,962</b>	<b>498,094</b>	<b>(15,869)</b>			
<b>Textile Composite</b>											
Gul Ahmed Textile Mills Limited	133,000	749,500	-	872,000	10,500	588	576	(12)	0.01%	0.01%	-
Nishat (Chunian) Limited*	3,500	426,500	-	421,000	9,000	452	446	(6)	0.01%	0.01%	-
Nishat Mills Limited*	39,000	625,500	-	653,000	11,500	1,059	1,045	(15)	0.01%	0.02%	-
						<b>2,099</b>	<b>2,066</b>	<b>(33)</b>			
<b>Transport</b>											
Pakistan International Bulk Terminal Limited	4,684,500	3,220,500	-	7,880,500	24,500	219	218	(1)	0.00%	0.01%	-
						<b>219</b>	<b>218</b>	<b>(1)</b>			
<b>As at September 30, 2021</b>						<b>2,264,203</b>	<b>2,046,174</b>	<b>(218,029)</b>			
<b>As at June 30, 2021</b>						<b>3,381,434</b>	<b>3,377,757</b>	<b>(3,677)</b>			

- \* These transactions relating to shares of related parties  
 \*\* These have a face value of Rs. 1 per share  
 \*\*\* These have a face value of Rs. 3.5 per share  
 \*\*\*\* These have a face value of Rs. 5 per share

7.5.1 The movement in equity securities represents spread transactions entered into by the Fund. The spread is the difference between the purchase price of equity securities in ready stock and the sale price of equity securities in ready stock 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

## 7.6 Status of non compliance as per circular 16 of 2010 issued by the Securities and Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (SECP), vide its circular no. 16 dated July 7, 2010 has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the collective investment schemes or with the investment requirements of their constitutive documents.

Name of non-compliant investments	Note	Type of Instrument	Value of Investment before provision	Provision held if any	Value of Investment after provision	% of net assets	% of gross assets
Trust Investment Bank Limited	7.2.1	TFC	18,743	(18,743)	-	-	-
Telecard Limited	7.2.1	TFC	31,088	(31,088)	-	-	-
Pace Pakistan Limited	7.2.1	TFC	49,940	(49,940)	-	-	-

Owing to continuous default on repayment of coupon by the issuer, the Fund had classified the said investment as non-performing. The Fund has recognised full provision against outstanding principal in accordance with applicable provisioning circular issued by the Securities and Exchange Commission of Pakistan and provisioning policy of the Fund duly approved by the Board of Directors of the Management Company. The Fund has suspended further accrual of mark-up there against.

	Note	September 30, 2021	June 30, 2021
		----- (Rupees in '000) -----	
<b>8 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision against Sindh Workers' Welfare Fund	8.1	-	18,571
Provision for Federal Excise Duty and related tax on			
- Management fee	8.2	9,210	9,210
- Sales load		239	239
Legal and professional charges		423	31
Withholding tax on capital gains		6,706	6,779
Auditors' remuneration		563	409
Brokerage		13,000	8,812
Others		861	665
		<b>31,003</b>	<b>44,716</b>

## 8.1 Provision for Sindh Workers' Welfare Fund (SWWF)

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 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.



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

## 8.2 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, 2021. 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, 2021 would have been higher/lower by Re. 0.063 per unit (June 30, 2021: Re. 0.053 per unit).

## 9 CONTINGENCIES AND COMMITMENTS

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

### 9.1 Commitments

Future transactions of equity securities entered into by the Fund  
in respect of which the following transactions have not been settled  
as at year end

- Future sale transaction
- Future buy transaction

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

2,171,924	3,505,610
-	11,696

Margin Trading Systems (MTS) transaction entered into by the  
Fund which have not been settled as at year end:

- Sale transactions

12,558	39,276
--------	--------

## 10 TOTAL EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 2.14% (September 30, 2020:2.50%) and this includes 0.16% (September 30, 2020:0.36%) representing government levy, SECP fee etc.

## 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 EARNING / (LOSS) PER UNIT

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

## 13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

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

For the quarter ended September 30, 2021						
	As at July 1, 2021	Issued for cash	Redeemed	As at September 30, 2021	Issued for cash	As at September 30, 2021
	Units					
	(Rupees in '000)					
Adamjee Life Assurance Company Limited - Employees Gratuity Fund	264,275	33,280	297,556	(1)	14,346	16,486
				(0)		
Security General Insurance Company Limited	8,700,207	-	8,700,207	-	472,272	479,609
MCB - Arif Habib Savings And Investments Limited	7,152,428	2,113,241	9,265,669	(0)	388,254	509,835
Nishat Mills Limited Employees Provident Fund Trust	1	-	-	1	-	0
Adamjee Life Assurance Company Limited	-	2,716,884	-	2,716,884	150,000	150,525
Directors and key management personnel of the Management Company	55	16,576	9,145	7,486	3	501
Mandate under discretionary portfolio services	28,214,949	3,888,738	15,019,056	17,084,631	1,531,585	946,552
					213,054	827,298
						946,552
	For the quarter ended September 30, 2020					
	As at July 01, 2020	Issued for cash	Redeemed	As at September 30, 2020	Issued for cash	As at September 30, 2020
	Units					
	(Rupees in '000)					
Adamjee Life Assurance Company Limited - Employees Gratuity Fund	97,032	-	-	97,032	5,260	5,267
Security General Insurance Company Limited	5,540,636	-	4,593,224	947,412	300,341	51,428
MCB - Arif Habib Savings And Investments Limited	-	5,746	5,746	-	318	318
Directors and key management personnel of the Management Company	-	5	-	5	-	-

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

**13.2 Details of transactions with related parties / connected persons during the period**

	September 30, 2021	September 30, 2020
	----- (Rupees in '000) -----	
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration including indirect taxes	27,351	6,702
Allocated expenses	2,604	492
Marketing and selling expense	2,329	633
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration including indirect taxes	2,206	412
CDS charges	749	-
<b>MCB Bank Limited - Parent of the Management Company</b>		
Profit on bank balances	56	104
Bank charges	10	6
<b>Arif Habib Limited</b>		
Brokerage expense *	47	-
<b>Aisha Steel Limited</b>		
Purchase of 16,379,000 shares (2020: Nil shares)	387,935	-
Sale of 15,904,500 shares (2020: Nil shares)	401,290	-
<b>D.G. Khan Cement Company Limited</b>		
Purchase of 1,605,500 shares (2020: 1,164,500 shares)	168,967	126,858
Sale of 1,579,000 shares (2020: 1,019,000 shares)	181,440	111,591
<b>Nishat Chunian Limited</b>		
Purchase of 426,500 shares (2020: Nil shares)	22,242	-
Sale of 421,000 shares (2020: Nil shares)	22,126	-
<b>Nishat Mills Limited</b>		
Purchase of 625,500 shares (2020: 136,500 shares)	60,527	14,450
Sale of 653,000 shares (2020: 10,500 shares)	63,894	1,174
<b>Power Cement Limited</b>		
Purchase of 256,500 shares (2020: Nil shares)	2,132	-
Sale of 654,500 shares (2020: Nil shares)	6,281	-

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

## 13.3 Details of balances with related parties / connected persons as at period end

	September 30, 2021	June 30, 2021
	----- (Rupees in '000) -----	
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Management remuneration payable	8,968	6,772
Sindh sales tax payable on management remuneration	1,166	880
Sales load payable	232	343
Payable against allocated expenses	813	852
Payable against marketing and selling expenses	2,328	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	610	640
Sindh sales tax payable on Trustee remuneration	79	83
Security deposit	200	200
<b>MCB Bank Limited - Parent of the Management Company</b>		
Bank balance	9,799	15,156
<b>Arif Habib Limited</b>		
Brokerage payable *	47	-
<b>D.G. Khan Cement Company Limited</b>		
368,000 shares (2021: 341,500 shares)	32,539	40,270
<b>Aisha Steel Limited</b>		
5,445,500 shares (2021: 4,971,000 shares)	113,321	123,828
<b>Nishat Chunian Limited</b>		
9,000 shares (2021: 3,500 shares)	446	176
<b>Nishat Mills Limited</b>		
11,500 shares (2021: 39,000 shares)	1,045	3,639
<b>Power Cement Limited</b>		
56,000 shares (2021: 454,000 shares)	393	4,363

\* The amount disclosed represents the amount of brokerage expense or brokerage payable to connected persons and not the purchase or sale value of securities transacted through them as the ultimate counter parties are not connected persons.

## 14 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.

### 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:

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

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 (i.e. as prices) or indirectly (i.e. derived from prices); and

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

### 15 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.

### 16 CORRESPONDING FIGURES

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

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

### 17 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 22, 2021 by the Board of Directors of the Management Company.

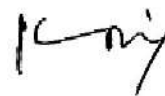
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

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

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