

MCB CASH MANAGEMENT OPTIMIZER
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT March 31, 2022

		March 31, 2022 (Unaudited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	35,942,785	34,046,358
Investments	5	-	-
Advances, deposits, prepayments and other receivables		373,979	193,427
Total assets		36,316,764	34,239,785
LIABILITIES			
Payable to the MCB-Arif Habib Savings and Investments Limited - Management Company	6	9,755	10,199
Payable to Central Depository Company of Pakistan Limited - Trustee		1,789	2,015
Payable to the Securities and Exchange Commission of Pakistan		5,090	6,427
Accrued and other liabilities	7	62,611	191,481
Total liabilities		79,245	210,122
NET ASSETS		36,237,519	34,029,663
Unit holders' fund (as per statement attached)		36,237,519	34,029,663
Contingencies and commitments	8		
(Number of units)			
NUMBER OF UNITS IN ISSUE		357,241,340	336,994,243
(Rupees)			
NET ASSET VALUE PER UNIT		101.4371	100.9800

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

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

Chief Executive Officer

Chief Financial Officer

Director

MCB CASH MANAGEMENT OPTIMIZER
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED March 31, 2022

		Nine months period ended		Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Note		(Rupees in '000)			
INCOME					
Capital gain / (loss) on sale of investments - net		79,254	4,529	12,734	12,354
Profit on term deposits		53,557	-	42,542	-
Profit on bank deposits		1,461,057	918,591	534,500	560,996
Income from government securities		774,673	838,191	360,016	585,806
Income on letter of placement		13,370	1,985	13,370	-
		2,381,911	1,763,296	963,162	1,159,156
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'- net		-	(2)	(2,960)	
Total income		2,381,911	1,763,294	960,202	1,159,156
EXPENSES					
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company		64,323	75,546	18,769	52,432
Sindh Sales tax on remuneration of the Management Company		8,364	9,820	2,442	6,816
Allocated expenses		18,616	20,042	8,474	11,742
Remuneration of Central Depository Company of Pakistan Limited - Trustee		14,796	15,611	4,832	10,218
Sindh Sales tax on remuneration of Trustee		1,923	2,030	628	1,329
Selling and marketing expenses		26,838	-	-	-
Annual fee to the Securities and Exchange Commission of Pakistan		5,090	4,803	1,758	3,139
Legal and professional charges		514	102	45	67
Brokerage expenses		1,731	289	713	174
Auditor's remuneration		765	853	223	470
Other expenses		1,092	825	407	541
Total operating expenses		144,052	129,921	38,291	86,928
Net income from operating activities		2,237,859	1,633,373	921,911	1,072,228
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	134,276	(32,667)	-	(21,171)
Net income for the period before taxation		2,372,135	1,600,704	921,911	1,051,057
Taxation	9	-	-	-	-
Net income for the period after taxation		2,372,135	1,600,704	921,911	1,051,057
Allocation of net income for the period:					
Net income for the period		2,372,135	1,600,704		
Income already paid on units redeemed		(391,226)	(101,013)		
		1,980,909	1,499,691		
Accounting income available for distribution					
- Relating to capital gains		60,885	4,529		
- Excluding capital gains		1,920,024	1,495,162		
		1,980,909	1,499,691		

Earnings per unit 11

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

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

Chief Executive Officer

Chief Financial Officer

Director

MCB CASH MANAGEMENT OPTIMIZER
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED March 31, 2022

	<u>Nine months period ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>----- (Rupees in '000) -----</u>			
Net income for the period after taxation	2,372,135	1,600,704	921,911	1,051,057
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u><u>2,372,135</u></u>	<u><u>1,600,704</u></u>	<u><u>921,911</u></u>	<u><u>1,051,057</u></u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

MCB CASH MANAGEMENT OPTIMIZER
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Nine months period ended March 31, 2022			Nine months period ended March 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Note	(Rupees in '000)					
Net assets at the beginning of the period	33,870,518	159,145	34,029,663	27,987,813	117,973	28,105,786
Issue of 1,144,094,072 units - including additional units (2021: 793,316,340 units)						
- Capital value (at net asset value per unit at the beginning of the period)	115,530,619	-	115,530,619	80,010,792	-	80,010,792
- Element of income	350,342	-	350,342	79,304	-	79,304
	115,880,961	-	115,880,961	80,090,096	-	80,090,096
Redemption of 1,123,846,975 units (2021: 734,127,016 units)						
- Capital value (at net asset value per unit at the beginning of the period)	113,486,068	-	113,486,068	74,041,188	-	74,041,188
- Element of income	70,642	391,226	461,868	1,762	101,013	102,775
	113,556,710	391,226	113,947,936	74,042,950	101,013	74,143,963
Total comprehensive income for the period	-	2,372,135	2,372,135	-	1,600,704	1,600,704
Interim distribution during the period (including additional units)	(291,130)	(1,806,174)	(2,097,304)	(77,028)	(1,433,325)	(1,510,353)
14	(291,130)	565,961	274,831	(77,028)	167,379	90,351
Net assets at the end of the period	35,903,639	333,880	36,237,519	33,957,931	184,339	34,142,270
Undistributed income brought forward comprising of:						
- Realised		159,145			117,891	
- Unrealised		-			82	
		159,145			117,973	
Accounting income available for distribution						
- Relating to capital gains		60,885			4,529	
- Excluding capital gains		1,920,024			1,495,162	
		1,980,909			1,499,691	
Cash distribution during the period		1,806,174			1,433,325	
Undistributed income carried forward		333,880			184,339	
Undistributed income carried forward comprising of:						
- Realised		333,880			184,339	
- Unrealised		-			-	
		333,880			184,339	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		100.9800			100.8561	
Net asset value per unit at the end of the period		101.4371			101.0541	

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

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

Chief Executive Officer

Chief Financial Officer

Director

MCB CASH MANAGEMENT OPTIMIZER
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED March 31, 2022

	Nine months period ended	
	March 31, 2022	March 31, 2021
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	2,372,135	1,600,704
Adjustments for:		
Provision for Sindh Workers' Welfare Fund (SWWF)	(134,276)	32,667
	<u>2,237,859</u>	<u>1,633,371</u>
Decrease / (increase) in assets		
Investments - net	-	33,582
Advances, deposits, prepayments and other receivables	(180,552)	(28,031)
Receivable against sale of investment	-	3,360,717
	<u>(180,552)</u>	<u>3,366,268</u>
(Decrease) / increase in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(444)	(5,707)
Payable to Central Depository Company of Pakistan Limited - Trustee	(226)	486
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(1,337)	930
Payable against purchase of investments	-	(3,352,541)
Accrued and other liabilities	5,406	(1,738)
	<u>3,399</u>	<u>(3,358,570)</u>
Net cash generated from operating activities	<u>2,060,706</u>	<u>1,641,069</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units (excluding additional units)	115,589,831	80,013,068
Payments on redemption of units	(113,947,936)	(74,143,963)
Cash distributions made during the period	(1,806,174)	(1,433,325)
Net cash generated from financing activities	<u>(164,279)</u>	<u>4,435,780</u>
Net increase in cash and cash equivalents	<u>1,896,427</u>	<u>6,076,849</u>
Cash and cash equivalents at the beginning of the period	34,046,358	28,023,622
Cash and cash equivalents at the end of the period	<u>10</u> <u>35,942,785</u>	<u>34,100,471</u>

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

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

Chief Executive Officer

Chief Financial Officer

Director

MCB CASH MANAGEMENT OPTIMIZER
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED March 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** MCB Cash Management Optimizer (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated July 09, 2009 consequent to which the trust deed was executed on July 10, 2009, in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and 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 Non Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3** The Fund is an open-end mutual fund and has been categorised as 'Money Market Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by SECP and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. Unit holders are divided into plan 'A' and plan 'B'. The unit holders under plan "A" are entitled for bonus units as well as cash dividend, whereas unit holders under plan "B" are entitled for cash dividend only. The units are listed on Pakistan Stock Exchange Limited (PSX).
- 1.4** The Fund primarily invests in a mix of short term corporate debt and government securities, repurchase agreements, term deposit and money market placements with scheduled banks.
- 1.5** Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2021 to the Management Company and a stability rating of 'AA+(f)' dated March 09, 2022 to the Fund.
- 1.6** Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.7** On August 12, 2021 the Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements 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.

- 2.2** 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. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2022 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2021, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2022

- 2.3** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.4** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.
- 2.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

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

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2021.

		March 31, 2022 (Unaudited)	June 30, 2021 (Audited)
	Note	------(Rupees in '000)-----	
4 BALANCES WITH BANKS			
In current accounts		43,645	4,223,994
In saving accounts	4.1	35,899,140	29,822,364
	4.2	<u>35,942,785</u>	<u>34,046,358</u>

- 4.1** These carry mark-up at rates ranging between 8.25% to 12.75% per annum (June 2021: 5.5% to 7.85% per annum).
- 4.2** These include balances of Rs. 55.197 million (June 2021: Rs. 30.109 million) maintained with MCB Bank Limited (a related party).

		March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
	Note	------(Rupees in '000)-----	
5 INVESTMENTS			
5.1 Investments at fair value through profit or loss			
Market Treasury Bills	5.1.1	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>

5.1.1 Market treasury bills - 'at fair value through profit or loss'

Name of Security	Issue Date	Face value				As at 31 March, 2022			Market value as a percentage of	
		As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at March 31, 2022	Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments

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

Market treasury**bills - 3 months**

Market treasury bills	May 6, 2021	-	4,000,000	4,000,000	-	-	-	-	-	-
Market treasury bills	May 20, 2021	-	6,000,000	6,000,000	-	-	-	-	-	-
Market treasury bills	June 3, 2021	-	2,000,000	2,000,000	-	-	-	-	-	-
Market treasury bills	June 17, 2021	-	4,000,000	4,000,000	-	-	-	-	-	-
Market treasury bills	July 2, 2021	-	4,500,000	4,500,000	-	-	-	-	-	-
Market treasury bills	July 15, 2021	-	7,700,000	7,700,000	-	-	-	-	-	-
Market treasury bills	July 29, 2021	-	6,500,000	6,500,000	-	-	-	-	-	-
Market treasury bills	August 12, 2021	-	12,000,000	12,000,000	-	-	-	-	-	-
Market treasury bills	August 26, 2021	-	4,000,000	4,000,000	-	-	-	-	-	-
Market treasury bills	September 9, 2021	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	September 23, 2021	-	3,500,000	3,500,000	-	-	-	-	-	-
Market treasury bills	October 7, 2021	-	5,825,000	5,825,000	-	-	-	-	-	-
Market treasury bills	October 21, 2021	-	5,000,000	5,000,000	-	-	-	-	-	-
Market treasury bills	November 4, 2021	-	400,000	400,000	-	-	-	-	-	-
Market treasury bills	December 2, 2021	-	44,000,000	44,000,000	-	-	-	-	-	-
Market treasury bills	December 16, 2021	-	19,100,000	19,100,000	-	-	-	-	-	-
Market treasury bills	December 30, 2021	-	14,000,000	14,000,000	-	-	-	-	-	-
Market treasury bills	January 13, 2022	-	5,800,000	5,800,000	-	-	-	-	-	-
Market treasury bills	January 27, 2022	-	13,400,000	13,400,000	-	-	-	-	-	-
Market treasury bills	February 24, 2022	-	1,000,000	1,000,000	-	-	-	-	-	-

Market treasury**bills - 6 months**

Market treasury bills	February 25, 2021	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	March 11, 2021	-	950,000	950,000	-	-	-	-	-	-
Market treasury bills	March 25, 2021	-	2,000,000	2,000,000	-	-	-	-	-	-
Market treasury bills	April 22, 2021	-	13,100,000	13,100,000	-	-	-	-	-	-
Market treasury bills	May 6, 2021	-	2,424,390	2,424,390	-	-	-	-	-	-
Market treasury bills	May 20, 2021	-	7,000,000	7,000,000	-	-	-	-	-	-
Market treasury bills	June 3, 2021	-	24,285,000	24,285,000	-	-	-	-	-	-
Market treasury bills	June 17, 2021	-	26,000,000	26,000,000	-	-	-	-	-	-
Market treasury bills	July 2, 2021	-	4,500,000	4,500,000	-	-	-	-	-	-
Market treasury bills	July 15, 2021	-	20,273,000	20,273,000	-	-	-	-	-	-
Market treasury bills	July 29, 2021	-	15,566,500	15,566,500	-	-	-	-	-	-
Market treasury bills	August 12, 2021	-	5,500,000	5,500,000	-	-	-	-	-	-
Market treasury bills	August 26, 2021	-	8,500,000	8,500,000	-	-	-	-	-	-
Market treasury bills	September 9, 2021	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	December 2, 2021	-	2,000,000	2,000,000	-	-	-	-	-	-
Market treasury bills	December 16, 2021	-	4,600,000	4,600,000	-	-	-	-	-	-
Market treasury bills	December 30, 2021	-	5,000,000	5,000,000	-	-	-	-	-	-
Market treasury bills	January 13, 2022	-	1,000,000	1,000,000	-	-	-	-	-	-
Market treasury bills	January 27, 2022	-	5,883,000	5,883,000	-	-	-	-	-	-
Market treasury bills	February 10, 2022	-	1,000,000	1,000,000	-	-	-	-	-	-

Total as at March 31, 2022

- - -

Total as at June 30, 2021

- - -

		March 31, 2022 (Unaudited)	June 30, 2021 (Audited)
	Note	---(Rupees in '000)---	
6	PAYABLE TO MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY		
Management remuneration payable	6.1	6,086	8,147
Sindh sales tax payable on remuneration of the Management Company	6.2	791	1,057
Allocated expenses payable		2,878	995
Selling and marketing expenses payable		-	-
		<u>9,755</u>	<u>10,199</u>

6.1 The management company has charged management fee at the rate upto, 7.5% of the gross earnings of scheme, calculated on a daily basis.

6.2 Sindh sales tax on remuneration of the management company has been charged at the rate of 13% (June 30, 2021: 13%).

		March 31, 2022 (Unaudited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
7	ACCRUED AND OTHER LIABILITIES		
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	-	134,276
Provision for Federal Excise Duty payable on:			
-Remuneration of the management fee	7.2	54,267	54,267
-Sales load		19	19
Brokerage payable		197	13
Capital gain tax payable		6,514	1,689
Auditor's remuneration payable		406	651
Printing expense payable		35	40
Other payable		1,173	526
		<u>62,611</u>	<u>191,481</u>

7.1 Provision for Sindh Workers' Welfare Fund

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

7.2 Federal Excise Duty on remuneration of the Management Company

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the period ended March 31, 2022. Had the provision for FED not been made, the Net Asset Value of the Fund as at March 31, 2022 would have been higher by Re 0.1519 (June 30, 2021: Re 0.161) per unit.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2022 and June 30, 2021.

9 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 for the year as reduced by capital gains whether realised or unrealised 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 Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised 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. Since the management intends to distribute atleast 90% of income earned by the Fund in cash during the year ending June 30, 2022 to the unit holders therefore, no provision for taxation has been made in these condensed interim financial statements.

11 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.

12 EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 0.51% (March 31, 2021: 0.68%) which includes 0.05% (March 31, 2021: 0.21%) representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee.

13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

The details of transactions during the current period and balances at period end with related parties / connected persons are as follows:

13.1 Details of transactions with the connected persons / related parties during the period are as follows:

	Nine months period ended March 31,	
	2022	2021
	----- (Unaudited) -----	
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited		
Remuneration of the Management Company and related taxes	72,687	85,366
Allocated expenses	18,616	20,042
Selling and marketing expenses	26,838	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee and related taxes	16,719	17,641
MCB Bank Limited		
Profit on bank deposits	825	1,014
Bank Charges	135	179
Purchase of securities - Face value of Rs Nil (2020: Rs. 1,000,000,000)	-	-
Arif Habib Limited - Brokerage House		
Brokerage expense*	245	14
	(Unaudited)	(Audited)
	March 31,	June 30,
	2022	2021
	----- (Rupees in '000) -----	

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

MCB-Arif Habib Savings and Investments Limited		
Remuneration payable	6,086	8,147
Sindh sales tax payable on remuneration of the Management Company	791	1,057
Allocated expenses payable	2,878	995
Selling and marketing expenses payable	-	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,583	1,783
Sindh sales tax payable on trustee fee	206	232
MCB Bank Limited		
Bank deposits	43,659	30,109
Profit receivable on bank deposits	335	419
Arif Habib Limited - Brokerage House		
Brokerage payable*	2	-

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

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

	For nine months ended March 31, 2022 (Unaudited)							
	As at July 01, 2021	Issued for cash	Redeemed	As at March 31, 2022	As at July 01,	Issued for cash	Redeemed	As at March 31, 2022
	Units				(Rupees in '000)			
Associated Companies								
MCB - Arif Habib Savings and Investments								
Limited - Management Company	64,767	35,503,858	33,754,795	1,813,829	6,540	3,589,770	3,422,581	183,990
Sayyed Engineers Limited	5,981	338	-	6,319	604	24	-	641
Adamjee Life Assurance Company Limited	518,776	28,953	197,811	349,917	52,386	2,924	20,000	35,495
Adamjee Life Assurance IMF	-	1,479,229	-	1,479,229	-	150,000	-	150,049
Adamjee Life Assurance Co.Ltd.(Isf)	-	21,794,007	16,345,024	5,448,983	-	2,202,022	1,656,849	552,729
Adamjee Life Assurance Co Ltd Isf II	-	38,096,480	32,152,823	5,943,657	-	3,848,116	3,256,925	602,907
Adamjee Life Assurance Co. Ltd.-Null Fund	-	1,783,013	-	1,783,013	-	180,049	-	180,864
Asghari Beg Memorial Trust	-	2	-	2	-	0	-	-
Nishat Pow er Limited Employees								
Provident Fund Trust	111,101	7,421	-	118,522	11,219	749	-	12,023
MCB Financial Sevcies Limited	862,616	33,409	863,649	32,377	87,107	3,374	87,500	3,284
D.G. Khan Cement Company Limited	3	-	-	3	0	0	-	-
Security General Insurance Company Limited	10,276	122	10,399	(0)	1,038	12	1,051	-
Adamjee Insurance Company Limited.								
Employees Gratuity Fund	68,133	318,078	386,210	1	6,880	32,119	39,057	-
Adamjee Insurance Company Limited								
Employees Provident Fund	196,012	634,587	830,600	(0)	19,793	64,081	83,987	-
ITminds Limited	-	99,030	99,030	0	-	10,000	10,042	-
Directors and executives of the management company *	23,011,248	8,385,885	854,329	30,542,805	2,323,676	847,049	86,619	3,098,173
Mandate Under Discretionary Portfolio Services*	1,963,418	59,017,897	46,951,036	14,030,278	198,266	5,962,023	4,764,648	1,423,190
Unit holders holding 10% or more units	82,168,723	477,809,393	498,575,646	61,402,469	8,297,398	64,897,207	30,133,828	6,228,487

* This reflects the position of related party / connected person status as at March 31, 2021

	For nine months ended March 31, 2021 (Unaudited)							
	As at July 01, 2020	Issued for cash	Redeemed	As at March 31, 2021	As at July 01, 2020	Issued for cash	Redeemed	As at March 31, 2021
	Units				(Rupees in '000)			
Associated Companies								
MCB - Arif Habib Savings and Investments Limited - Management Company	5,469,446	40,194,334	45,663,779	-	551,627	4,053,867	4,609,992	-
Sayyed Engineers Limited	5,654	235	-	5,889	570	24	-	595
Adamjee Life Assurance Company Limited	-	510,761	-	510,761	-	51,513	-	51,614
Adamjee Life Assurance IMF	-	1,241,626	1,241,626	-	-	125,226	125,447	-
Nishat Power Limited Employees Provident Fund Trust	103,985	4,957,851	4,952,751	109,086	10,488	514	-	11,024
Nishat Mills Limited Employees Provident Fund Trust	-	4,952,751	4,952,751	-	-	500,000	501,543	-
MCB Financial Services Limited	834,417	34,672	19,799	849,290	84,156	3,497	2,000	85,824
D.G. Khan Cement Company Limited	3	-	-	3	-	-	-	-
Security General Insurance Company Limited	4,517,331	60,175	4,567,388	10,118	455,600	6,069	461,000	1,022
Adamjee Insurance Company Limited. Employees Gratuity Fund	267,294	204,626	453,951	17,969	26,958	20,638	45,825	1,816
Adamjee Insurance Company Limited Employees Provident Fund	534,504	406,766	941,269	-	53,908	41,025	95,017	-
Hyundai Nishat Motor (Private) Limited Employees Provident Fund	22,188	1,088	-	23,276	2,238	2,237	110	2,352
ITminds Limited	-	129,114	129,114	-	-	13,022	13,041	-
Asghari Beg Memorial Trust	-	5,018	5,018	-	-	506	507	-
Directors and executives of the management company *								
	16,141,478	3,324,639	2,751,923	16,714,194	1,627,967	70,200	2,996	1,689,037
Mandate Under Discretionary Portfolio Services*								
	17,113,915	219,734,676	236,088,906	759,685	1,726,043	22,171,936	23,854,557	76,769
Unit holders holding 10% or more units	60,365,689	138,405,736	104,695,761	94,075,665	6,088,248	13,959,063	11,512,129	9,506,729

* This reflects the position of related party / connected person status as at March 31, 2021

14 INTERIM DISTRIBUTION DURING THE PERIOD

(Unaudited)				
March 31, 2022				
Rate per unit	Declaration date	Refund of capital	Distribution from income	Total distribution
---- (Rupees in '000) ----				

For the period ended July 27, 2021	0.5378	July 28, 2021	3,437	173,670	177,107
For the period ended August 6, 2021	0.2347	August 9, 2021	603	75,805	76,408
For the period ended August 20, 2021	0.6364	August 23, 2021	833	203,422	204,255
For the period ended September 3, 2021	0.2684	September 6, 2021	4,660	70,661	75,321
For the period ended September 17, 2021	0.2955	September 20, 2021	4,695	85,301	89,996
For the period ended October 4, 2021	0.3346	October 5, 2021	8,952	104,972	113,924
For the period ended October 21, 2021	0.3685	October 22, 2021	8,270	128,937	137,207
For the period ended November 5, 2021	0.3449	November 8, 2021	2,714	103,630	106,344
For the period ended November 19, 2021	0.2783	November 22, 2021	1,946	79,036	80,982
For the period ended December 28, 2021	1.0150	December 29, 2021	105,816	246,675	352,491
For the period ended January 12, 2022	0.4663	January 13, 2022	64,416	124,226	188,642
For the period ended February 25, 2022	1.2644	February 28, 2022	25,990	263,199	289,190
For the period ended March 10, 2022	0.2830	March 11, 2022	33,882	63,540	97,422
For the period ended March 17, 2022	0.2224	March 18, 2022	24,958	83,055	108,013

291,172	1,806,130	2,097,302
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15 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e., period end. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognized at fair value based on:

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

Level 2 : those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 : those with inputs for the asset or liability that are not based on observable market

16 GENERAL

16.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

16.2 Certain prior period's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are material re-arrangements / re-classifications to report.

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director