

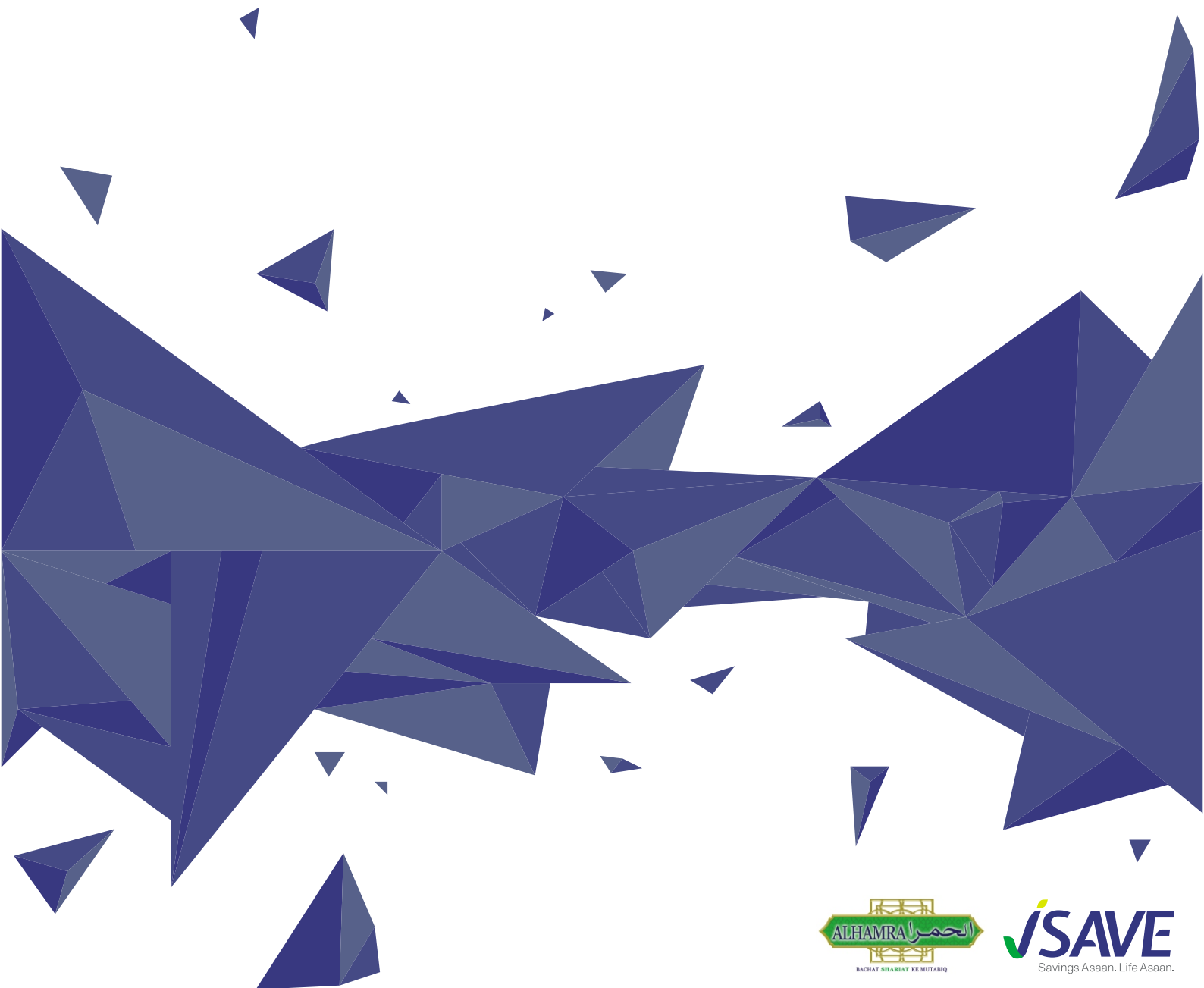


**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

SEPTEMBER  
**2022**  
(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 HBL Micro Finance Bank Limited National Bank of Pakistan Soneri Bank Limited The Bank of Khyber	
<b>Auditors</b>	<b>Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahr-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, 2022

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, 2022.

### **Economy and Money Market Review**

The new fiscal year started with unprecedented rainfall and added further woes to the already struggling economy of Pakistan. The country witnessed 3 times more rainfall than 30-year average of 135mm which caused considerable damage to the infrastructure, wiped off crops, devastated livestock and resulted in the loss of precious lives. The floods would directly hit our already fragile economy in the shape of higher inflation, worsening Current Account Deficit (CAD), fiscal strain, and lower GDP growth amid the tough global landscape.

The key crop affected by floods are cotton and rice. We expect the cotton imports to increase by 2.5mn bales which translates into an additional import bill of around USD 1.1bn. Similarly, we expect rice export to decrease by 20% leading to a decline in export of USD 500mn. This would worsen our trade deficit by USD 1.6 billion. The inflation could also escalate in the short term as supply chain disruption would lead to increase in price of perishable food products.

Agriculture contributes around 22.7% to the country's GDP with livestock having a weight of 14.0% in the overall pie followed by crops with a weightage of 7.8%. The floods would trim FY23 GDP growth number by 0.4% to 2.0%. On the fiscal front, the government will have to increase its spending to rehabilitate the peoples affected by floods. This could increase risk of fiscal slippage and cause us to miss our target of achieving a primary budget surplus of PKR 153bn (0.2% of GDP) in FY23.

The country posted a current account deficit of USD 1.9bn in first two months of fiscal year 2023 (2MFY23) compared to a deficit of USD 2.4bn in the corresponding period last year, registering a 20% improvement over last year. Narrowing trade deficit was the major contributor towards improving CAD as an 11.2% jump in exports coupled with 2.1% drop in imports led to 11% contraction in trade deficit. In addition to CAD, debt repayments put further pressure on the FX reserves, which dropped by another USD 1.9 billion to USD 7.9 billion, hardly enough for 6 weeks. This led PKR to lost its ground against the USD by 11% to close the quarter at PKR 227 against a Dollar.

Headline inflation represented by CPI averaged 25.1% during the quarter as compared to 8.6% in the corresponding period last year. Higher food prices as an aftermath of floods coupled with higher electricity tariff and rising petroleum prices were the major contributors towards rising CPI. The inflationary pressure was broad based which is depicted by core inflation increasing to 15.7% compared to 12.3% at the end of last quarter. SBP increased policy rate by a further 125bps in July-22 monetary policy while maintained interest rates in the latest MPS held in Oct-22. On the fiscal side, FBR tax collection increased by 17.1% in 1QFY23 to PKR 1,635 billion compared to PKR 1,396 billion in the same quarter last year. This exceeded the target by 25bn.

Secondary markets yields increased in the quarter on account of monetary tightening and additional bout of inflationary pressure post floods. The 3,6 and 12 Month T-Bills yield increased by 50, 52 and 44 basis points (bps) respectively while 3 and 5 Years Bond yields rose by 38 and 19bps respectively during the quarter.

### **FUND PERFORMANCE**

During the period under review, the fund generated an annualized return of 14.52% as against its benchmark return of 16.20%.

At period end, the fund was 15.4% in TFCs, 51.4% in PIBs and 24.3% in Cash. The weighted average maturity of the fund stood at 1.7 years.

The Net Assets of the Fund as at September 30, 2022, stood at Rs. 3,550 million as compared to Rs. 3,210 million as at June 30, 2022 registering an increase of 10.59%.

The Net Asset Value (NAV) per unit as at September 30, 2022 was Rs. 56.3548 as compared to the opening NAV of Rs. 54.3657 per unit as at June 30, 2022 registering an increase of Rs. 1.9891 per unit.

### **Economy & Market – Future Outlook**

Pakistan GDP growth clocked at 6.0% in FY22 with Agricultural, Industrial and Services sector increasing by 4.4%, 7.2% and 6.2% respectively. The GDP growth is projected to decline to 2.0% in FY23 as monetary tightening, rupee devaluation and the recent floods will lead to slowdown in the economy. The

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2022

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loss of cotton and rice crop would trim agriculture growth to 1.2% while industrial growth is expected at clock at -2.5% owing to demand slowdown. The government is taking administrative measures to control imports which will reduce service sector growth to 3.7%.

The international commodities have eased from their recent high but energy prices remain stubbornly high. We expect the government to keep a tight leash on imports and discourage unnecessary dollar outflows. The imports are expected to decrease by 13% YoY to USD 63bn as we may witness volumetric compression in several segments of the economy. Thus we expect the CAD to ease to USD 7.3bn (2.0% of GDP) in FY23, a massive drop, when compared with USD 17.4bn (4.5% of GDP) in FY22.

The successful resumption of IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. In addition, the aid commitment by multilateral agencies should lend support to foreign inflows. However, our external position still remains precarious as we are unlikely to issue international Eurobond or Sukuk owing to the challenging global conditions. The proceeds from FDI and RDA are also likely to remain muted owing to the current economic challenges. Thus we would have to ensure a sustainable current account this year to stave off external concerns.

The rupee has now recovered from its recent low as more clarity has emerged on foreign assistance from multilateral agencies. In addition, the statement given by the new finance minister regarding the overvaluation of dollar curbed speculation in the market. However, materialization of foreign inflows will be crucial to build sufficient reserve and lend support to the currency. We expect USD/PKR to close at 240 by fiscal year end on an assumed REER of 95.

We expect Average FY23 inflation to clock at 24.7% assuming international oil stays around USD 100/bbl. The government has increased petroleum and electricity prices, which will lead to a bout of inflationary pressure. We will also witness the second round impact of the currency devaluation which will keep inflation numbers elevated for remainder of the year. Food inflation is also expected to stay elevated due to the recent floods. SBP has already increased policy rate to 15.0% to cool aggregate demand and deescalate inflationary pressure. Given the significant economic slowdown and demand curtailment we do not rule out a scenario where SBP keeps real interest rates negative.

From capital market perspective, particularly equities, the correction in stock prices has further opened up valuation. The market appears to have priced in the interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 9.4%, a discount of 55% from its historical average. Similarly, risk premiums are close to 7.8%, compared to historical average of 2.2% signifying deep discount at which market is trading. 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. The market is currently trading at PER of 5.0x, while offering a dividend yield of 10.2%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. We would continue to monitor the data points and capitalize on opportunities to add government bonds in Income Funds at attractive rates to benefit from the expected monetary easing in the medium term.

### **Mutual Fund Industry Review**

The Net Assets of the open end mutual fund industry increased by about 6.3% during 1QFY23 to PKR 1,291bn. Total money market funds grew by about 7.0% since June 2022. Within the money market sphere, the conventional funds showed a growth of 0.6% to PKR 449bn while Islamic funds increased by 19.6% to PKR 270bn. In addition, the total fixed Income funds increased by about 3.3% since June 2022 to PKR 308bn. Equity and related funds declined by 3.6% as market witnessed a decline in 1QFY23 eroding AUMs as concern over macroeconomic factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 55.6%, followed by Income funds with 23.9% and Equity and Equity related funds having a share of 17.2% as at the end of 1QFY23.

### **Mutual Fund Industry Outlook**

The current interest rates would encourage higher flows in the money market funds as they are ideal for investors with a short term horizon and low risk profile. However, a correction in stock prices has opened up valuations and the long term investors may look to add equity exposure at these highly attractive levels. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2022

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### ACKNOWLEDGMENT

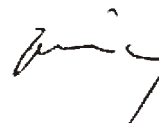
The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



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**Muhammad Saqib Saleem**  
Chief Executive Officer  
October 21, 2022



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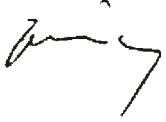
**Nasim Beg**  
Director / Vice Chairman

## ڈائریکٹرز رپورٹ

اظہار تشکر

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

منجانب ڈائریکٹرز



نسیم بیگ

ڈائریکٹر/وائس چیئرمین



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

21 اکتوبر 2022ء



## ڈائریکٹر رپورٹ

کے باعث ایس بی پی کے حقیقی شرواح سود کو منفی رکھنے کا امکان خارج از بحث نہیں ہے۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے اسٹاک کی قیمتوں میں تصحیح سے تعین قدر مزید کھل گئی ہے۔ مارکیٹ نے بظاہر شرح سود میں اضافے اور روپے کی قدر میں کمی کو مد نظر رکھا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 9.4 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 55 فیصد کم ہے۔ اسی طرح، خطرات کے پریمیم 7.8 فیصد کے قریب ہیں، اور ان کے قدیم اوسط 2.2 فیصد سے موازنہ کرنے پر اس بھرپور کمی کا پتہ چلتا ہے جس پر مارکیٹ میں تجارت ہو رہی ہے۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے ان کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 5.0x PER کے پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی سطح 10.2 فیصد پر ہے۔

حاملین قرض کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ ہم ڈیٹا پوائنٹس کی نگرانی، اور پُرکشش شرحوں پر انکم فنڈز میں حکومتی بانڈز شامل کرنے کے مواقع سے استفادہ جاری رکھیں گے تاکہ درمیانی مدت میں متوقع مالیاتی تسہیل سے فائدہ اٹھایا جاسکے۔

### میوچل فنڈ صنعت کا جائزہ

اپن اینڈ میوچل فنڈ صنعت کے inet اثاثہ جات مالی سال 2023ء کی پہلی سہ ماہی کے دوران تقریباً 6.3 فیصد بڑھ کر 1,291 بلین روپے ہو گئے۔ مجموعی Money مارکیٹ فنڈز میں جون 2022ء سے اب تک تقریباً 7.0 فیصد اضافہ ہوا ہے۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 0.6 فیصد بڑھ کر 449 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 19.6 فیصد بڑھ کر 270 بلین روپے ہو گئے۔ مزید براں، مجموعی فیکسڈ انکم فنڈز جون 2022ء سے اب تک تقریباً 3.3 فیصد بڑھ کر 308 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 3.6 فیصد کم ہو گئے جس کی وجہ مالی سال 2023ء کی پہلی سہ ماہی میں مارکیٹ میں انحطاط اور اثاثہ جات تحت الانظامیہ میں کمی ہے کیونکہ مجموعی معاشی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔

شعبہ جاتی اعتبار سے مالی سال 2023ء کی پہلی سہ ماہی کے اختتام پر Money مارکیٹ فنڈز تقریباً 55.6 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم فنڈز تھے جن کا 23.9 فیصد حصہ تھا، اور تیسرے نمبر پر ایکویٹی اور ایکویٹی سے متعلقہ فنڈز تھے جن کا 17.2 فیصد حصہ تھا۔

### میوچل فنڈ کی صنعت کے مستقبل کا منظر

سود کی موجودہ شرحوں سے Money مارکیٹ فنڈز میں آمد و رفت میں اضافے کی حوصلہ افزائی ہوگی کیونکہ یہ مختصر المیاد سرمایہ کاروں کے لیے موزوں ترین ہیں جو خطرے کی کم سطح پر رہنا چاہتے ہیں۔ تاہم اسٹاک کی قیمتوں میں تصحیح سے تعینات قدر کھل گئی ہیں اور طویل المیاد سرمایہ کاران بے حد پُرکشش سطحوں پر ایکویٹی میں مزید 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 کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

## ڈائریکٹر رپورٹ

### فنڈ کی کارکردگی

زیرِ جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 14.52 فیصد تھا، جبکہ مقررہ معیار کا منافع 16.20 فیصد تھا۔  
اختتامِ مدت پر فنڈ ٹرم فائنانس سرٹیفکیٹس (ٹیف سی) میں 15.4 فیصد، (پی آئی بی) میں 51.4 فیصد اور نقد میں 24.3 فیصد تھا۔ فنڈ کی پالوزن اوسط میچورٹی 1.7 سالوں کی سطح پر تھی۔

30 ستمبر 2022 کو فنڈ کے net اثاثہ جات 3,550 ملین روپے تھے جو 30 جون 2022 کی سطح 3,210 ملین روپے کے مقابلے میں 10.59 فیصد کا اضافہ ہے۔

30 ستمبر 2022 کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 56.3548 روپے تھی جو 30 جون 2022 کو ابھائی این اے وی 54.3657 روپے فی یونٹ کے مقابلے میں 1.9891 روپے فی یونٹ اضافہ ہے۔

### معیشت اور بازار - مستقبل کے امکانات

مالی سال 2022ء میں پاکستان کی مجموعی ملکی پیداوار (ج ڈی پی) کی ترقی 6.0 فیصد تھی۔ زراعت، صنعت اور خدمات کے شعبوں نے بالترتیب 4.4 فیصد، 7.2 فیصد اور 6.2 فیصد ترقی کی۔ مالی سال 2023ء میں جی ڈی پی کی ترقی میں 2.0 فیصد کی توقع ہے کیونکہ مالیاتی سختی، روپے کی قدر میں کمی اور حالیہ سیلابوں کے نتیجے میں معیشت سست رفتاری کا شکار ہوگی۔ کپاس اور چاول کی فصل میں نقصان کے باعث زرعی ترقی سنکڑ کر 1.2 فیصد ہو جائے گی جبکہ صنعتی ترقی (مانگ میں سست رفتاری کے باعث) (2.5) فیصد متوقع ہے۔ حکومت درآمدات پر قابو پانے کے لیے انتظامی اقدامات کر رہی ہے جس سے خدمات کے شعبے کی ترقی سنکڑ کر 3.7 فیصد ہو جائے گی۔

بین الاقوامی اشیاء کی قیمتیں حالیہ بلند سطح سے نیچے آئی ہیں لیکن توانائی کی قیمتیں ابھی تک آسمان سے باتیں کر رہی ہیں۔ ہم اُمید کرتے ہیں کہ حکومت درآمدات پر مضبوط لگام ڈالے رکھے گی اور ڈالر کے غیر ضروری اخراجات کی حوصلہ شکنی کرے گی۔ درآمدات متوقع طور پر 13 فیصد سال در سال (YoY) کم ہو کر 63 بلین ڈالر ہو جائیں گی کیونکہ معیشت کے متعدد شعبوں میں خجوماتی سنکڑ دیکھا جائے گا۔ چنانچہ مالی سال 2023ء میں سی اے ڈی متوقع طور پر کم ہو کر 7.3 بلین ڈالر (جی ڈی پی کا 2.0 فیصد) ہو جائے گا، جو مالی سال 2022ء (17.4 بلین ڈالر - جی ڈی پی کا 4.5 فیصد) کے مقابلے میں بڑی کمی ہے۔

آئی ایم ایف پروگرام کی کامیاب بحالی ایک کلیدی مثبت پیش رفت ہے کیونکہ اس کی بدولت ہم دو جہتی اور کثیر الجہتی ذرائع سے رقم حاصل کر سکیں گے۔ علاوہ ازیں، کثیر الجہتی ایجنسیوں کی طرف سے امداد کے وعدے سے غیر ملکی آمداتی بہاؤ کو معاونت حاصل ہوگی۔ تاہم ہماری خارجی حالت اب بھی غیر یقینی ہے کیونکہ وقت طلب عالمی حالات کے باعث اس بات کا امکان کم ہے کہ ہم بین الاقوامی یورو بانڈ یا سنکھک جاری کریں۔ FDI اور RDA سے حاصل ہونے والی آمدنیاں بھی موجودہ معاشی مشکلات کے باعث متوقع طور پر رُک رہی ہیں گی۔ چنانچہ اس سال ہمیں ایک قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی خدشات ختم ہو سکیں۔

روپے کی قدر حالیہ پست سطح سے بحال ہوئی ہے کیونکہ کثیر الجہتی ایجنسیوں سے غیر ملکی امداد کے حوالے سے صورتحال مزید واضح ہوئی ہے۔ علاوہ ازیں، نئے وزیر خزانہ کے ڈالر کی بیش قدری سے متعلق بیان سے بازار میں قیاس آرائی میں کمی ہوئی۔ تاہم خاطر خواہ ذخائر جمع کرنے اور روپے کو سہارا فراہم کرنے کے لیے غیر ملکی آمداتی بہاؤ کا عملی جامہ پہننا بے حد ضروری ہوگا۔ ہماری توقع کے مطابق مالی سال کے اختتام پر (REER کے 95 ہونے کے مفروضے پر) ڈالر کے مقابلے میں روپے کی قدر 240 ہوگی۔

مالی سال 2023ء میں اوسط مہنگائی 24.7 فیصد متوقع ہے، بشرطیکہ تیل بین الاقوامی سطح پر تقریباً 100 ڈالر فی بیرل پر برقرار رہے۔ حکومت نے پٹرول اور بجلی کی قیمتوں میں اضافہ کیا ہے جس کے نتیجے میں مہنگائی کی دباؤ میں شدت آئے گی۔ روپے کی قدر میں کمی کے اثر کا دوسرا دور بھی دیکھنے میں آئے گا جس کے باعث سال کے بقیہ حصے کے دوران مہنگائی کے عدد بلند سطح ہر رہیں گے۔ حالیہ سیلابوں کے سبب اشیاء خورد و نوش کی قیمتیں بھی بلند رہنے کا امکان ہے۔ اسٹیٹ بینک آف پاکستان نے پہلے ہی پالیسی شرح کو بڑھا کر 15.0 فیصد کر دیا ہے تاکہ مجموعی مانگ اور مہنگائی کے دباؤ سے نمٹا جاسکے۔ معیشت میں اچھی خاصی سست رفتاری اور مانگ میں کمی

## ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

منجانب بورڈ آف ڈائریکٹرز پاکستان انکم فنڈ کے اکاؤنٹس کا جائزہ برائے سہ ماہی مختتمہ 30 ستمبر 2022ء پیش خدمت ہے۔

### معیشت اور بازار زر کا جائزہ

نئے مالی سال کا آغاز فقید المثال برسات سے ہوا جس نے پاکستان کی مسائل میں گھری معیشت کو مزید مشکلات سے دوچار کر دیا۔ ملک میں گزشتہ تیس برسوں کی اوسط بارش 135mm سے تین گنا زیادہ بارشیں ہوئیں جس کے نتیجے میں انتظامی ڈھانچے کو گھمبیر نقصان پہنچا، فصلوں کا صفایا ہو گیا، مویشی ہلاک ہوئے اور قیمتی جانیں ضائع ہوئیں۔ سیلاب ہماری پہلے سے خستہ حال معیشت پر براہ راست وار کریں گے جو مہنگائی میں اضافے، کرنٹ اکاؤنٹ خسارے (سی اے ڈی) میں مزید بگاڑ، مالیاتی تناؤ، اور عالمی سطح پر مشکلات کے نتیجے میں مجموعی ملکی پیداوار (جی ڈی پی) کی ترقی میں کمی کی صورت میں ظاہر ہوگا۔

سیلابوں سے سب سے زیادہ متاثر ہونے والی فصلیں کپاس اور چاول ہیں۔ کپاس کی درآمد میں 2.5 ملین گانٹھیں اضافہ متوقع ہے جس کا مطلب درآمداتی بل میں تقریباً 1.1 بلین ڈالر اضافہ ہے۔ اسی طرح، چاول کی درآمد میں 20 فیصد کمی متوقع ہے جس کے نتیجے میں برآمدات میں 500 ملین ڈالر کمی آئے گی۔ جسکے باعث خسارہ میں 1.6 بلین ڈالر اضافہ ہوگا۔ مہنگائی میں بھی مختصر میعاد میں اضافہ ہو سکتا ہے کیونکہ زنجیر رسد میں بگاڑ کے نتیجے میں جلد خراب ہو جانے والی اشیائے خورد و نوش کی قیمتیں بڑھ جائیں گی۔

زراعت کا جی ڈی پی میں حصہ تقریباً 22.7 فیصد ہے جس میں مویشیوں کا حصہ 14.0 فیصد اور فصلوں کا حصہ 7.8 فیصد ہے۔ سیلابوں کے باعث مالی سال 2023ء میں ترقی کی شرح 0.4 فیصد کم ہو کر 2.0 فیصد رہ جائے گی۔ مالیاتی جہت میں حکومت کو سیلاب متاثرین کی بحالی کے لیے زیادہ رقم خرچ کرنا ہوگی۔ اس کے نتیجے میں مالیاتی اعتبار سے پھسلنے کا خطرہ بڑھ جائے گا اور مالی سال 2023ء میں 153 بلین روپے (جی ڈی پی کا 0.2 فیصد) پر انٹری بجٹ surplus کا ہمارا ہدف چوک سکتا ہے۔

مالی سال 2023ء کے پہلے دو ماہ میں کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) 1.9 بلین ڈالر تھا، جو گزشتہ سال مماثل مدت میں 2.4 بلین ڈالر کے مقابلے میں 20 فیصد بہتری ہے۔ اس کا اہم ترین سبب تجارتی خسارے میں 11 فیصد کمی ہے جو برآمدات میں 11.2 فیصد اضافے اور درآمدات میں 2.1 فیصد کمی کا مجموعی نتیجہ ہے۔ سی اے ڈی کے علاوہ قرضوں کی ادائیگیوں نے بھی زیر مبادلہ کے ذخائر پر مزید دباؤ ڈالا، جو مزید 1.9 بلین ڈالر کم ہو کر 7.9 بلین ڈالر رہ گئے ہیں، اور یہ 6 ہفتوں کے لیے بھی بمشکل کافی ہوں گے۔ چنانچہ ڈالر کے مقابلے میں روپے کی قدر 11 فیصد گھٹ کر اختتام سہ ماہی پر 227 روپے فی ڈالر رہ گئی۔

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI سے ہوتی ہے، کا اوسط دوران سہ ماہی 25.1 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 8.6 فیصد تھا۔ سیلابوں کے نتیجے میں اشیائے خورد و نوش کی قیمتوں کے ساتھ ساتھ بجلی کے نرخ میں اضافہ اور پٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے اہم ترین اسباب تھے۔ مہنگائی کا دباؤ وسیع پیمانے پر تھا جس کا اظہار core مہنگائی سے ہوتا ہے۔ جنمیں 15.7 فیصد ہوا جو گزشتہ سہ ماہی کے اختتام پر 12.3 فیصد تھا۔ اسٹیٹ بینک آف پاکستان نے پالیسی شرح میں جولائی 2022ء کی مانیٹرنگ پالیسی میں مزید 125 بیسیس پوائنٹس (bps) کا اضافہ کیا جبکہ اکتوبر 2022ء میں منعقدہ تازہ ترین MPS میں سود کی شرحوں کو برقرار رکھا۔ مالیاتی جہت میں فیڈرل بورڈ آف ریونیو کی ٹیکس وصولی میں مالی سال 2023ء کی پہلی سہ ماہی میں 17.1 فیصد اضافہ ہوا اور 1,635 بلین روپے ٹیکس جمع ہوا، جبکہ گزشتہ سال مماثل سہ ماہی میں 1,396 بلین روپے تھے۔ اس طرح ہدف سے 25 بلین روپے زیادہ ٹیکس وصول ہوا۔

ثانوی مارکیٹوں کی پیداوار میں دوران سہ ماہی اضافہ ہوا جس کے اسباب مالیاتی سختی اور بعد از سیلاب مہنگائی کے دباؤ کی نئی لہر ہیں۔ دوران سہ ماہی 3، 6 اور 12 ماہانہ ٹریڈری بلنڈ (ٹی-بلنڈ) کے منافع جات میں بالترتیب 50، 52 اور 44 پی ایس، جبکہ 3 اور 5 سالہ بانڈز کے منافع جات میں بالترتیب 38 اور 19 پی ایس کا اضافہ ہوا۔

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2022

		Un-Audited September 30, 2022	Audited June 30, 2022
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances		928,167	2,432,713
Investments	6	2,797,613	2,869,367
Profit receivable		73,435	81,610
Advances, deposits, prepayments and other receivables		16,474	13,103
<b>Total Assets</b>		<b>3,815,689</b>	<b>5,396,793</b>
<b>LIABILITIES</b>			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company		3,923	6,676
Payable to Central Depository Company of Pakistan Limited - Trustee		250	281
Payable to the Securities and Exchange Commission of Pakistan		174	1,415
Payable against redemption of units		47	47
Payable against purchase of investment		249,694	2,125,509
Accrued expenses and other liabilities	7	11,812	52,840
<b>Total liabilities</b>		<b>265,901</b>	<b>2,186,768</b>
<b>NET ASSETS</b>		<b>3,549,788</b>	<b>3,210,025</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>3,549,788</b>	<b>3,210,025</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
		----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>62,989,959</b>	<b>59,045,019</b>
		----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>		<b>56.3548</b>	<b>54.3657</b>

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

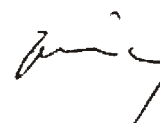
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Note	September 30, 2022 ----- (Rupees in '000) -----	September 30, 2021
<b>INCOME</b>			
Markup / return on Investments		94,956	75,586
Gain / (loss) on sale of investments - net		8,344	(9,957)
Markup on deposits with banks		36,022	60,189
Dividend income		-	27,359
Markup income on margin trading system		-	3,420
Unrealised (diminution) on re-measurement of investments at fair value through profit or loss - net		(4,342)	(99,283)
Income from spread transactions		-	190,470
Other income		142	1,140
<b>Total income</b>		<b>135,122</b>	<b>248,923</b>
<b>EXPENSES</b>			
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company		4,919	24,204
Sindh sales tax on remuneration of the Management Company		639	3,147
Allocated expenses		1,022	2,604
Marketing and selling expenses		2,253	2,329
Remuneration of Central Depository Company of Pakistan Limited - Trustee		654	1,953
Sindh sales tax on remuneration of Trustee		85	254
Annual fee of Securities and Exchange Commission of Pakistan		174	520
Brokerage expense		146	17,037
Legal, professional and other charges		67	769
Settlement and bank charges		261	2,172
Fees and subscription		130	214
Auditors' remuneration		177	153
Printing and related costs		31	25
<b>Total operating expenses</b>		<b>10,558</b>	<b>55,379</b>
Sindh Workers' Welfare Fund		-	18,571
<b>Net income for the period before taxation</b>		<b>124,564</b>	<b>212,115</b>
Taxation	10	-	-
<b>Net income for the period after taxation</b>		<b>124,564</b>	<b>212,115</b>
<b>Allocation of net income for the period</b>			
Net income for the period after taxation		124,564	212,115
Income already paid on units redeemed		(11,557)	(66,993)
		<b>113,007</b>	<b>145,122</b>
<b>Accounting income available for distribution</b>			
Relating to capital gains		3,506	-
Excluding capital gains		109,501	145,122
		<b>113,007</b>	<b>145,122</b>
Earning/ (Loss) per unit	11		

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

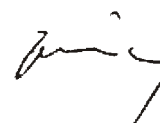
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	September 30, 2022 ----- (Rupees in '000) -----	September 30, 2021 -----
Net income for the period after taxation	124,564	212,115
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>124,564</b>	<b>212,115</b>

The annexed notes 1 to 16 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, 2022

	For the period ended September 30,					
	2022			2021		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	3,087,097	122,928	3,210,025	9,456,517	138,838	9,595,355
Issue of 44,608,049 units (2021: 89,973,213 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,425,149	-	2,425,149	4,883,994	-	4,883,994
- Element of income	50,405	-	50,405	43,421	-	43,421
	2,475,554	-	2,475,554	4,927,415	-	4,927,415
Redemption of 40,663,109 units (2021: 115,780,492 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(2,210,680)	-	(2,210,680)	(6,284,884)	-	(6,284,884)
- Amount paid out of element of income						
- Relating to 'Net income for the period after taxation'	(38,118)	(11,557)	(49,675)	(19,323)	(66,993)	(86,316)
	(2,248,797)	(11,557)	(2,260,355)	(6,304,207)	(66,993)	(6,371,200)
Total comprehensive income for the period	-	124,564	124,564	-	212,115	212,115
	-	124,564	124,564	-	212,115	212,115
Net assets at end of the period	3,313,853	235,935	3,549,788	8,079,725	283,960	8,363,685
Undistributed income brought forward						
- Realised		110,314			61,621	
- Unrealised		12,614			77,217	
		122,928			138,838	
Accounting income available for distribution						
- Relating to capital gains	3,506			-		
- Excluding capital gains	109,501			145,122		
	113,007			145,122		
Distributions during the year	-			-		
Undistributed income carried forward		235,935			283,960	
Undistributed income carried forward						
- Realised		240,277			383,243	
- Unrealised		(4,342)			(99,283)	
		235,935			283,960	
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the period	54.3657			54.2828		
Net assets value per unit at end of the period	56.3548			55.4037		

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

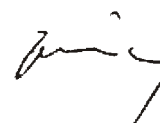
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	September, 2022 ----- (Rupees in '000) -----	September 30, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	124,564	212,115
<b>Adjustments for:</b>		
Unrealised diminution on re-measurement of investments at fair value through profit or loss - net	4,342	99,283
	<b>128,906</b>	<b>311,398</b>
<b>Decrease / (Increase) in assets</b>		
Investments	317,108	1,692,026
Receivable against margin trading system	-	49,779
Receivable against sale of investments	-	(88,189)
Dividend receivables	-	(19,311)
Profit receivable	8,175	11,597
Advances, deposits, prepayments and other receivables	(3,371)	(489,447)
	<b>321,912</b>	<b>1,156,454</b>
<b>(Decrease) / Increase in liabilities</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(2,753)	4,660
Payable to Central Depository Company of Pakistan Limited - Trustee	(31)	(33)
Payable to the Securities and Exchange Commission of Pakistan	(1,241)	(542)
Payable against purchase of investment	(1,875,815)	214,101
Accrued expenses and other liabilities	(41,028)	(13,713)
	<b>(1,920,867)</b>	<b>204,472</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,470,049)</b>	<b>1,672,324</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issuance of units	2,475,554	4,927,415
Amount paid against redemption of units	(2,260,355)	(6,371,200)
<b>Net cash generated / (used in) from financing activities</b>	<b>215,199</b>	<b>(1,443,785)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<b>(1,254,850)</b>	<b>228,539</b>
Cash and cash equivalents at the beginning of the period	2,432,713	4,557,894
<b>Cash and cash equivalents at the end of the period</b>	<b>1,177,863</b>	<b>4,786,433</b>

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

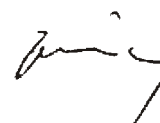
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



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, 2022

### 1. LEGAL STATUS AND NATURE OF BUSINESS

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). 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 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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.

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.

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.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM1 dated October 06, 2022 to the Management Company and "AA-(f)" as stability rating dated September 2, 2022 to the Fund.

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

#### 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 (the Act);
- 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 Regulation) 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.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

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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 2022. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2022 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2022, 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 three months ended 30 September 2021.

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 state of affairs of the Fund.

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

### **3 SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are same as those applied in preparation of financial statements of the Fund as at and for the year ended June 30, 2022.

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, 2022.

### **4 FINANCIAL RISK MANAGEMENT**

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, 2022.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

		<b>Un-Audited September 30, 2022 ----- (Rupees in '000) -----</b>	<b>Audited June 30, 2022 ----- (Rupees in '000) -----</b>
<b>5</b>	<b>BANK BALANCES</b>		
	In savings accounts	5.1 <b>914,012</b>	2,422,745
	In current accounts	5.2 <b>14,154</b>	9,968
		<b>928,167</b>	<b>2,432,713</b>

**5.1** These carry profit at the rates ranging between 12.25% to 16.30% (June 2022: 5.50% to 17.05%) per annum and include Rs 0.08 million (June 2022: Rs 2.82million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 12.25% (June 2022: 12.25%) per annum.

**5.2** This include Rs 14.147 million (2022: Rs 9.96 million) maintained with MCB Bank Limited (a related party).

		<b>Un-Audited September 30, 2022 ----- (Rupees in '000) -----</b>	<b>Audited June 30, 2022 ----- (Rupees in '000) -----</b>
<b>6</b>	<b>INVESTMENTS</b>		
	<b>Financial assets 'at fair value through profit or loss' - net</b>		
	Government securities - Market Treasury Bills & Pakistan		
	Investment Bonds	6.1 <b>2,210,081</b>	2,083,927
	Term finance certificates - listed	6.2 <b>-</b>	-
	Term finance certificates - unlisted	6.3 <b>576,322</b>	772,305
	Sukuks certificates - unlisted	6.4 <b>11,209</b>	13,135
		<b>2,797,613</b>	<b>2,869,367</b>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

## 6.1 Financial assets 'at fair value through profit or loss' - net

### 6.1.1 Government securities - Market Treasury Bills

Particulars	Issue Date	Face value				As at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in '000) -----										
Treasury bills - 3 months	14-Jul-22	-	2,750,000	2,500,000	250,000	249,694	249,696	2	7	9
Treasury bills - 3 months	28-Jul-22	-	1,500,000	1,500,000	-	-	-	-	-	-
Treasury bills - 6 months	27-Jan-22	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 6 months	10-Feb-22	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 6 months	10-Mar-22	-	755,000	755,000	-	-	-	-	-	-
Total as at September 30, 2022 (Un-Audited)						249,694	249,696	2		
Total as at June 30, 2022 (Audited)						-	-	-		

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

Particulars	Issue Date	Face value				As at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2022	Purchased during the period	Sold during the period	As at September 30, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in '000) -----										
Pakistan Investment Bond - 2 years *	05-Nov-20	550,000	550,000	550,000	550,000	549,758	549,175	(583)	15.47	19.63
Pakistan Investment Bond - 2 years *	26-Aug-21	1,250,000	1,250,000	1,250,000	1,250,000	1,245,595	1,242,125	(3,470)	34.99	44.40
Pakistan Investment Bond - 5 years *	06-May-21	175,000	175,000	175,000	175,000	172,435	169,085	(3,350)	4.76	6.04
Total as at September 30, 2022 (Un-Audited)						1,967,788	1,960,385	(7,403)		
Total as at June 30, 2022 (Audited)						1,965,638	1,962,610	(3,028)		

### 6.1.3 Pakistan investment bonds

Particulars	Issue Date	Face value				As at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2022	Purchased during the period	Sold during the period	As at September 30, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in '000) -----										
Pakistan Investment Bond - 3 years *	04-Aug-22	-	550,000	550,000	-	-	-	-	-	-
Pakistan Investment Bond - 3 years *	05-Aug-21	-	250,000	250,000	-	-	-	-	-	-
Pakistan Investment Bond - 5 years *	29-Apr-22	150,000	1,100,000	1,250,000	-	-	-	-	-	-
Total as at September 30, 2022 (Un-Audited)					=			=	=	
Total as at June 30, 2022 (Audited)					121,735			121,317	(418)	

## 6.2 Term finance certificates - listed debt securities

Note		September 30, 2022	June 30, 2022
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
6.2.1	Market value as at June 30	93,553	93,553
6.6	Less: Provision as at July 1		
	- Pace Pakistan Limited	(49,940)	(49,940)
	- Telecard Limited	(24,870)	(24,870)
	- Trust Investment Bank Limited	(18,743)	(18,743)
		(93,553)	(93,553)
		-	-

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

### 6.2.1 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, 2022			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, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022	Carrying value	Market value	Unrealised diminution			
----- (Rupees in '000) -----										
----- ( % ) -----										
Investment Banks / Investment Companies / Securities Companies										
Trust Investment Bank Limited - Due but not received (Note 5.3)	10,000	-	-	10,000	18,743	18,743	-	-	-	-
Miscellaneous										
Pace Pakistan Limited - Due but not received (Note 5.3)	10,000	-	-	10,000	49,940	49,940	-	-	-	-
Technology & Communication										
Telecard Limited - Due but not received (Note 5.3)	19,975	-	-	19,975	24,870	24,870	-	-	-	-
Total as at September 30, 2022 (Un-Audited)					93,553	93,553	-			
Total as at June 30, 2022 (Audited)					93,553	93,553	-			

\* Face value of the certificate is Rs. 100,000.

### 6.3 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 Sepetmber 30, 2022			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, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)			
----- (Rupees in '000) -----										
----- ( % ) -----										
Commercial Banks										
Bank AL Habib Limited	100,000	-	35,000	65,000	334,298	332,342	(1,956)	9.36	11.88	8.31
Askari Bank Limited	30	-	-	30	30,450	30,450	-	0.86	1.09	0.76
The Bank of Punjab	1,730	-	-	1,730	170,630	175,515	4,885	4.94	6.27	4.18
Investment Banks / Investment Companies / Securities Companies										
Jahangir Siddiqui & Company Limited	22,000	-	-	22,000	37,883	38,014	131	1.07	1.36	1.47
Total as at September 30, 2022 (Un-Audited)					573,261	576,322	3,060			
Total as at June 30, 2022 (Audited)					756,934	772,305	15,371			

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

### 6.3.1 Significant terms and conditions of term finance certificates outstanding as at September 30, 2022 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
<b>Commercial Banks</b>				
Askari Bank Limited	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
Bank AL Habib Limited	6 months KIBOR + 0.75%	30-Sep-21	30-Sep-31	AAA
<b>Investment Banks / Investment Companies / Securities Companies</b>				
Jahangir Siddiqui & Company Limited	6 months KIBOR + 1.40%	6-Mar-18	6-Mar-23	AA+

### 6.4 Unlisted debt securities - Sukuk certificates

Certificates have a face value of Rs 100,000 each

Name of investee company	Number of certificates				As at Sepetmber 30, 2022			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, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)			
------(Rupees in '000)----- <div>----- ( % ) -----</div>										
Chemical										
Ghani Gases Limited	480	-	-	480	11,040	11,040	-	0.31	0.39	0.04
Oil and Gas										
Cynergico PK Limited. (Formerly: Byco Petroleum Pakistan Limited)	10	-	-	10	170	169	(1)	-	0.01	0.00
Total as at September 30, 2022 (Un-Audited)					11,210	11,209	(1)			
Total as at June 30, 2022 (Audited)					12,446	13,135	689			

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

### 6.4.1 Significant terms and conditions of Sukuk certificates outstanding as at September 30, 2022 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-24	A
<b>Oil and Gas</b>				
Cynergico PK Limited. (Formerly: Byco Petroleum Pakistan Limited)	3 months KIBOR + 1.05%	18-Jan-17	18-Jan-23	AAA

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

		September 30, 2022 ----- (Rupees in '000) -----	June 30, 2022
<b>7</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Provision for Federal Excise Duty and related tax on		
	- Management fee	7.1      9,210	9,210
	- Sales load	239	239
	Legal and professional charges	27	34
	Withholding tax on capital gains	847	2,671
	Auditors' remuneration	587	409
	Brokerage	115	9
	Others	788	40,268
		<u>11,812</u>	<u>52,840</u>

**7.1 Federal Excise Duty (FED) and related tax payable**

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the audited financial statements of the Fund for the year ended June 30, 2022. Had the said provision for FED not been recorded in this condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2022 would have been higher by Rs. 0.15 per unit (June 30, 2022: Re. 0.16 per unit).

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

### 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2022 and June 30, 2022.

### 9 TOTAL EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 1.23% (September 30, 2021: 2.14%) and this includes 0.12% (September 30, 2021: 0.16%) representing government levy, SECP fee etc.

### 10 TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of 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 capital gains to the unit holders in cash. 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.

### 11 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

		Un-Audited September 30, 2022	Audited June 30, 2022
		----- (Rupees in '000) -----	
Bank balances	5	928,167	2,432,713
Government securities - Treasury bill	6.1.1	249,696	-
		<u>1,177,863</u>	<u>2,432,713</u>

### 13 TRANSACTIONS WITH RELATED PARTY / CONNECTED PERSONS

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 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, 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 to the Management Company and Trustee are determined in accordance with the provisions of the NBFC Regulations and the Trust Deed of the Fund.

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, 2022**

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

For the quarter ended September 30, 2022					
	As at July 1, 2022	Issued for cash	Redeemed	As at September 30, 2022	As at September 30, 2022
	Units				
	(Rupees in '000)				
Adamjee Life Assurance Company Limited	2,940,965	-	-	2,940,965	159,888
D.G.Khan Cement Company Limited - Employees Provident Fund Trust	476,146	-	-	476,146	25,886
Security General Insurance Company Limited Employees Provident Fund Trust	110,576	-	-	110,576	6,012
Directors and key management personnel of the Management Company	7	240,448	240,446	9	-
Mandate under discretionary portfolio services	100,520	23,065	62,256	61,329	5,465
					13,502
					13,512
					3,438
					3,456
For the quarter ended September 30, 2021					
	As at July 01, 2021	Issued for cash	Redeemed	As at September 30, 2021	As at September 30, 2021
	Units				
	(Rupees in '000)				
Adamjee Life Assurance Company Limited - Employees Gratuity Fund	264,275	33,281	297,556	-	14,346
Security General Insurance Company Limited	8,700,207	-	8,700,207	-	472,272
MCB - Arif Habib Savings And Investments Limited	7,152,428	2,113,241	9,265,669	-	388,254
Nishat Mills Limited Employees Provident Fund Trust	1	-	-	1	-
Adamjee Life Assurance Company Limited	-	2,716,884	-	2,716,884	-
Directors and key management personnel of the Management Company	55	16,576	9,145	7,486	3
Mandate under discretionary portfolio services	28,214,949	3,888,738	15,019,056	17,084,631	1,533,926
					213,054
					827,298
					946,552

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

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

	Un-Audited September 30, 2022	Un-Audited September 30, 2021
	----- (Rupees in '000) -----	
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration including indirect taxes	5,559	27,351
Allocated expenses	1,022	2,604
Marketing and selling expense	2,253	2,329
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration including indirect taxes	739	2,206
CDS charges	11	749
<b>MCB Bank Limited - Parent of the Management Company</b>		
Profit on bank balances	1	56
Bank charges	7	10
<b>Arif Habib Limited</b>		
Brokerage expense *	2	47
<b>Aisha Steel Limited</b>		
Purchase of Nil shares (2021: 16,379,000 shares)	-	387,935
Sale of Nil shares (2021: 15,904,500 shares)	-	401,290
<b>D.G. Khan Cement Company Limited</b>		
Purchase of Nil shares (2021: 1,605,500 shares)	-	168,967
Sale of Nil shares (2021: 1,579,000 shares)	-	181,440
<b>Nishat Chunian Limited</b>		
Purchase of Nil shares (2021: 426,500 shares)	-	22,242
Sale of Nil shares (2021: 421,000 shares)	-	22,126
<b>Nishat Mills Limited</b>		
Purchase of Nil shares(2021: 625,500 shares)	-	60,527
Sale of Nil shares (2021: 653,000 shares)	-	63,894
<b>Power Cement Limited</b>		
Purchase of Nil shares (2021: 256,500 shares)	-	2,132
Sale of Nil shares (2021: 654,500 shares)	-	6,281
<b>Pak Elektron Limited</b>		
Purchase of Nil shares (2021: 1,636,500 shares)	-	53,934
Sale of Nil shares (2021: 3,758,500 shares)	-	130,571
<b>Siddiqsons Tin Plate Limited</b>		
Purchase of Nil shares (2021: 2,545,000 shares)	-	43,343
Sale of Nil shares (2021: 2,533,000 shares)	-	43,573

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

13.3	Details of balances with related parties / connected persons as at year end	Un-Audited September 30, 2022	Audited June 30, 2022
		----- (Rupees in '000) -----	
	<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
	Management remuneration payable	1,054	5,433
	Sindh sales tax payable on management remuneration	137	706
	Sales load payable	37	55
	Payable against allocated expenses	442	332
	Payable against marketing and selling expenses	2,253	150
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Trustee remuneration payable	221	249
	Sindh sales tax payable on Trustee remuneration	29	32
	Security deposit	200	200
	<b>MCB Bank Limited - Parent of the Management Company</b>		
	Bank balance	14,231	9,973
	<b>Arif Habib Limited</b>		
	Brokerage payable *	2	47

\* 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**

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 date. 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 (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).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

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**15 CORRESPONDING FIGURES**

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

**15.2** Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. However, no significant rearrangements or reclassifications were made in these condensed interim financial statements to report.

**16 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on October 21, 2022 by the Board of Directors of the Management Company.

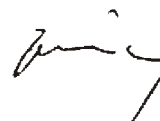
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

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