

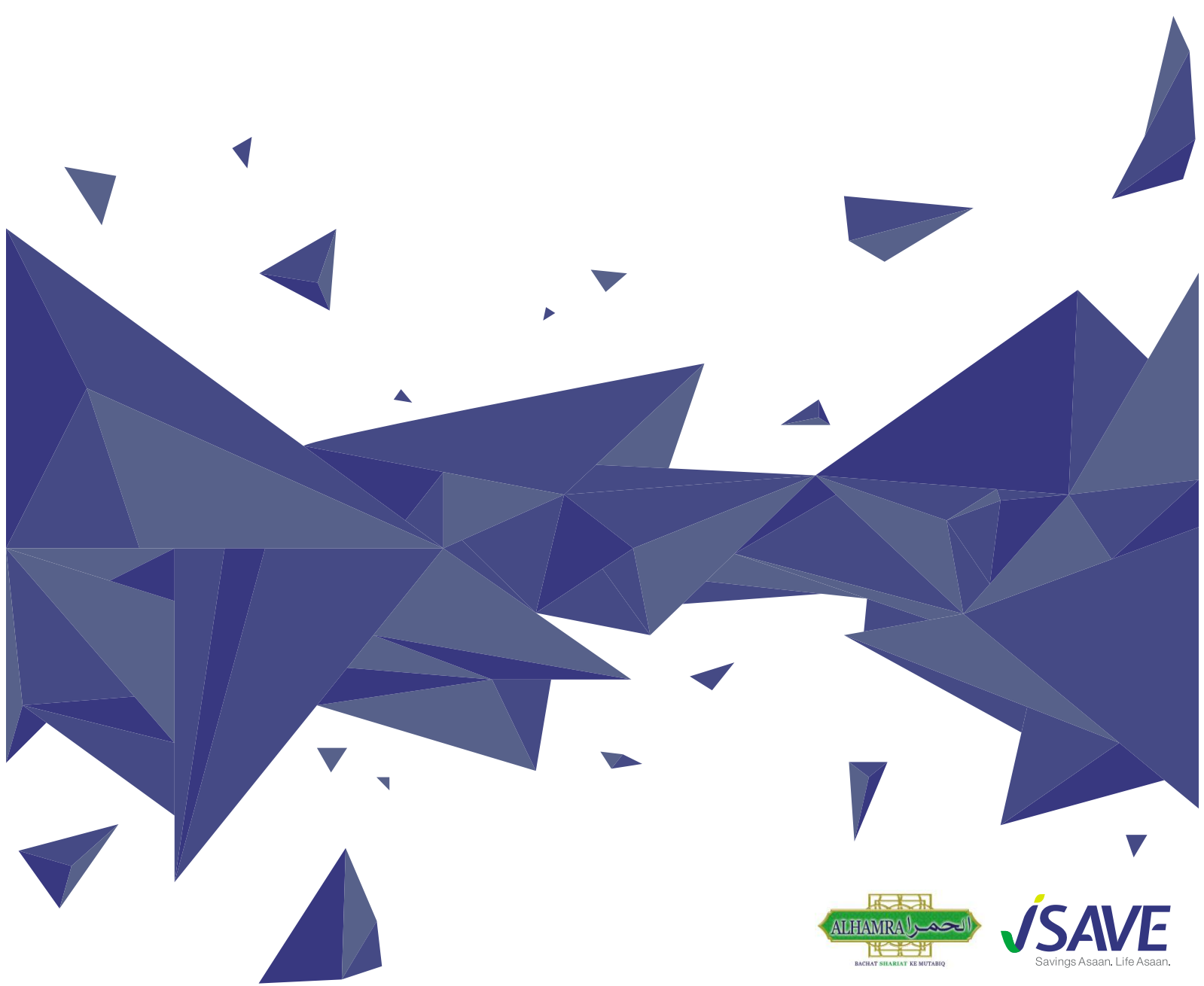


**MCB-ARIF HABIB**  
Savings and Investments Limited

# HALF YEARLY REPORT

DECEMBER  
**2022**  
(UNAUDITED)

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



# **MCB PAKISTAN ASSET ALLOCATION 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>Credit Committee</b>	Mr. Nasim Beg Mr. Ahmed Jahangir	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>	Bank Alfalah Limited Habib Metropolitan Bank Limited MCB Bank Limited United Bank Limited Zarai Taraqiat Bank Limited JS Bank Limited NRSP Microfinance Bank Limited Mobilink Microfinance Bank Limited U Microfinance Bank Limited Khushali Microfinance Bank Limited Tameer Microfinance Bank Limited Finca Microfinance Bank Limited HBL Microfinance Bank Limited National Bank of Pakistan Allied Bank Limited Faysal Bank Limited Bank Al Habib Limited Habib Bank Limited Silk Bank Limited Soneri Bank Limited The Bank of Khyber	
<b>Auditors</b>	<b>Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Pakistan Asset Allocation Fund** accounts review for the half year ended December 31, 2022.

## **ECONOMY AND MONEY MARKET REVIEW**

The macroeconomic landscape continued to remain challenging. The economy was jolted with the worst floods in more than a decade, which caused severe damage to the infrastructure, wiped off crops, devastated livestock and resulted in the loss of precious lives. Earlier, elevated commodity prices due to pent up demand post covid restrictions saw another upward push due to escalation of Russia-Ukraine conflict.

SBP foreign exchange reserves have fallen to critically low levels of USD 3.2 billion (import cover of less than 3 weeks) compared to USD 9.8 billion at the start of the fiscal year. Due to tough impact on vast majority of poor population, government has been reluctant to agree to harsh steps which are pre-condition to IMF loans such as increasing electricity, gas and petrol prices. Unlocking IMF funding however remains critical as the delay in the IMF program is leading to a slowdown in foreign flows from bilateral and multilateral partners.

The country posted a current account deficit (CAD) of USD 3.1 billion in first five months of the fiscal year 2023 (5MFY23) declining by 57% YoY compared to a deficit of USD 7.2 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as a 2.0% decrease in exports coupled with 16.2% drop in imports led to 26% contraction in trade deficit. The government initially kept a lid on imports through administrative measures such as imposing import quotas on selective imports. These import restrictions helped the Rupee gain some strength against the USD, from a low of 240 in July 2022 to PKR 226.4 at December 2022 end.

Headline inflation represented by CPI averaged 25.0% during the half as compared to 9.8% 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 pressures were broad based which is depicted by core inflation increasing to 16.4% compared to 12.3% at the end of last fiscal year. SBP increased the policy rate by a further 100bps to 16.0% in the latest monetary policy held in November 2022. On the fiscal side, FBR tax collection increased by 17.0% in 1HFY23 to PKR 3,428 billion compared to PKR 2,929 billion in the same period last year. This missed the target by 218 billion.

Secondary markets yields increased in the half on account of monetary tightening and an additional bout of inflationary pressures post floods. The 3,6 and 12 Month T-Bills yield increased by 171, 184 and 170 basis points (bps) respectively while 3,5 and 10 Years Bond yields rose by 219,168 and 78bps respectively during 1HFY23.

## **EQUITY MARKET REVIEW**

The KSE-100 index closed in negative territory, declining by 1,120 points (-2.7%) in 1HFY23 to close at 40,420 points. The initial exuberance on the account of the resumption of the IMF program and support from friendly countries soon washed away with catastrophic floods, which further deteriorated the already ailing economic conditions of the country. The period under review was marked with elevated inflation (CPI clocking in at a 47-year high), depleting SBP Reserves (lowest levels since April 2014), and a surprise interest rate hike by 100bps, which kept investors in a grim situation. Moreover, continuous delay in the completion of the 9th review under the IMF Program amid political turbulence in the country further dented investors' sentiments.

Foreigners remained net sellers with an outflow of USD 1 million, while on the local front, Mutual Funds offloaded about USD 64 million, which was largely absorbed by Banks and individuals with net buying of USD 50 million and USD 48 million respectively. During the first half, average trading volumes saw a

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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decline to 219 million shares compared to about 240 million shares during the preceding half. Similarly, the average trading value during the half saw a drop of 23% over the last half to near USD 30 million.

Commercial Banks, Auto Assemblers, Pharmaceuticals and Chemicals sector were the major contributors to the index decline posting -542/-429/-322/-160 points, respectively. Banking sector struggled to foreign selling pressure despite positing healthy earnings growth and strong balance sheets. Automobile Assemblers struggled due to poor volumetric sales thanks to restrictions imposed by SBP. On the flip side, Technology sector added 964 points to the index.

### FUND PERFORMANCE

The fund posted a return of -3.65% during the period under review against the benchmark return of -0.65%. The fund has exposure in equities at 72.20% by the end of December 31, 2022 and at the same time it increased the exposure in cash to 26.70% at the end of December 31, 2022. On the equity side, the fund was mainly invested in Commercial Banks, Oil & Gas Exploration, Fertilizers and Cement.

The Net Assets of the Fund as at December 31, 2022 stood at Rs. 669 million as compared to Rs. 838 million as at June 30, 2022 registering a decrease of -20.167 %.

The Net Asset Value (NAV) per unit as at December 31, 2022 was Rs. 73.3220 as compared to opening NAV of Rs. 76.1026 per unit as at June 30, 2022 registering a decrease of 2.7806 per unit.

### ECONOMY & MARKET – FUTURE OUTLOOK

We expect FY23 GDP growth to decline to 0.6% as monetary tightening, rupee devaluation and the prevailing uncertainty will lead to slowdown in the economy. The loss of cotton and rice crop in the aftermath of floods would trim agriculture growth to 0.4% while industrial growth is expected at clock at -6.8% owing to demand slowdown and shortage of raw materials. The government is taking administrative measures to control imports, which may reduce service sector growth to 3.1%.

We expect the government to keep a tight leash on imports and discourage unnecessary dollar outflows. The imports are expected to decrease by 18% YoY to USD 59 billion as we will witness volumetric compression in several segments of the economy. Thus we expect the CAD to ease to USD 6.8 billion (2.0% of GDP) in FY23, a massive drop, when compared with USD 17.4 billion (4.5% of GDP) in FY22.

The successful resumption of IMF program will unlock funding from bilateral and multilateral sources. The aid commitment by multilateral agencies in the aftermath of floods 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 in the medium term to stave off external concerns.

The rupee has recovered from its recent low due to continuous drain in forex reserves encouraging spreads in Interbank and open market to widen significantly. We believe that restoring a market based exchange rate would bring equilibrium by incentivizing exports and remittances and discouraging imports. Thus we expect USD/PKR to close at 251 by fiscal year end on an assumed REER of 90.

We expect Average FY23 inflation to clock at 24.8% compared to 12.1% in FY22. We foresee the second round impact of the currency devaluation and expected increase in petroleum, electricity and gas prices, which will keep inflation numbers elevated for remainder of the year. SBP has increased the policy rate to 16.0% to cool aggregate demand and deescalate inflationary pressures. Given the significant economic challenges, we do not rule out a scenario where SBP further increases interest rates in the next monetary policy. We expect monetary easing cycle to begin in second half of CY23 where decline in inflation can provide some breather.

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.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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Market cap to GDP ratio has declined to 9.1%, a discount of 55% from its historical average. Similarly, Earning Yield Minus Risk Free Rate are close to 7.1%, compared to historical average of 2.7% 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. However, we do not see this potential translating into gains, unless issues on the external fronts are dealt with. The market is currently trading at PER of 4.8x, while offering a dividend yield of 11.2%.

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 funds industry increased by about 26.1% during 1HFY23 to PKR 1,531 billion. Total money market funds grew by about 34.2% since June 2022. Within the money market sphere, the conventional funds showed a growth of 19.8% to PKR 535 billion while Islamic funds increased by 62.7% to PKR 367 billion. In addition, the total fixed Income funds increased by about 24.1% since June 2022 to PKR 370 billion. Equity and related funds declined by 13.3% as market witnessed a drop in 1HFY23, 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 58.9%, followed by Income funds with 24.2% and Equity and Equity related funds having a share of 13.0% as at the end of 1HFY23.

### 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.

### ACKNOWLEDGEMENT

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

On behalf of Directors,



**Muhammad Saqib Saleem**  
Chief Executive Officer  
February 03, 2023



**Nasim Beg**  
Director / Vice Chairman

## ڈائریکٹرز رپورٹ

اظہارِ تشکر

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

من جانب ڈائریکٹرز



نسیم بیگ  
ڈائریکٹر / وائس چیئرمین



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
03 فروری 2023ء



## ڈائریکٹر رپورٹ

باعث اس بات کا امکان خارج از بحث نہیں ہے کہ ایس بی پی اگلی مانیٹری پالیسی میں شروع سود میں مزید اضافہ کرے۔ ہمیں اُمید ہے کہ مالی سال 2023ء کی دوسری ششماہی میں مالیاتی تسہیل کا دور شروع ہوگا، اور مہنگائی میں کمی سے حالات میں بہتری آئے گی۔

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 کی قدر کا جی ڈی پی کے ساتھ تناسب کم ہو کر 9.1 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 55 فیصد کم ہے۔ اسی طرح، Earning Yield Minus Risk Free Rate تقریباً 7.1 فیصد ہیں، اور ان کے قدیم اوسط 2.7 فیصد سے موازنہ کرنے پر مارکیٹ میں ہونے والی تجارت میں بھرپور کمی کا پتہ چلتا ہے۔ ہم سمجھتے ہیں کہ شعبہ جات اور اسٹاکس کا بہت قریبی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے اُن کمپنیوں پر توجہ مرکوز کی جانی چاہیے جو اپنی اصل قدر کے مقابلے میں بہت کم پر فروخت ہو رہی ہیں۔ تاہم ہمیں لگتا کہ خارجی جہات کے مسائل سے نمٹے بغیر اس استعداد سے منافع حاصل ہوں گے۔ موجودہ حالات پر مارکیٹ میں 4.8x کے PER پر تجارت چل رہی ہے جبکہ ڈیویڈنڈ کی آمدنی 11.2 فیصد پر ہے۔

حاملین قرض کے لیے ہم توقع کرتے ہیں کہ منی مارکیٹ 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

اوپن اینڈ میوچل فنڈ صنعت کے خالص اثاثہ جات مالی سال 2023ء کے نصف اول کے دوران تقریباً 26.1 فیصد بڑھ کر 1,531 بلین روپے ہو گئے۔ مجموعی منی مارکیٹ فنڈز میں جون 2022ء سے اب تک تقریباً 34.2 فیصد اضافہ ہوا ہے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 19.8 فیصد بڑھ کر 535 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 62.7 فیصد بڑھ کر 367 بلین روپے ہو گئے۔ مزید براں، مجموعی فیکسڈ انکم فنڈز جون 2022ء سے اب تک تقریباً 24.1 فیصد بڑھ کر 370 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 13.3 فیصد کم ہو گئے جس کی وجہ مالی سال 2023ء کے نصف اول 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 کے نصف اول کے اختتام پر منی مارکیٹ فنڈز تقریباً 58.9 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم فنڈز تھے جن کا 24.2 فیصد حصہ تھا، اور تیسرے نمبر پر ایکویٹی اور ایکویٹی سے متعلق فنڈز تھے جن کا 13.0 فیصد حصہ تھا۔

### میوچل فنڈ کی صنعت کے مستقبل کا منظر

سود کی موجودہ شرحوں سے منی مارکیٹ فنڈز میں زیادہ آمد و رفت کی حوصلہ افزائی ہوگی کیونکہ یہ مختصر المیعاد 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 المیعاد سرمایہ کاران 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۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے (3.65) فیصد منافع پوسٹ کیا، جبکہ مقررہ معیار کا منافع (0.65) فیصد تھا۔  
فنڈ نے ایکویٹیز میں شمولیت کو بتدریج زیادہ کر کے ستمبر 2022ء کے اختتام تک 72.20 فیصد کر دیا، اور بیک وقت نقد میں شمولیت کو کم کر کے ستمبر 2022ء کے اختتام تک 26.70 فیصد کر دیا۔ ایکویٹی کی جہت میں فنڈ کی زیادہ تر سرمایہ کاری کمرشل بینکوں، تیل اور گیس کی تلاش، کھاد، اور سیمنٹ کے شعبوں میں تھی۔  
31 دسمبر 2022ء کو فنڈ کے خالص اثاثہ جات 669 ملین روپے تھے جو 30 جون 2022ء کی سطح 838 ملین روپے کے مقابلے میں (20.167) فیصد کمی ہے۔  
31 دسمبر 2022ء کو خالص اثاثہ جاتی قدر (NAV) فی یونٹ 73.3220 روپے تھی جو 30 جون 2022ء کو ابتدائی اثاثہ جاتی قدر (NAV) 76.102 روپے فی یونٹ کے مقابلے میں 2.7806 روپے فی یونٹ کی کمی ہے۔

### معیشت اور بازار - مستقبل کے امکانات

مالی سال 2023ء میں جی ڈی پی کی ترقی میں 0.6 فیصد کمی متوقع ہے کیونکہ مالیاتی سختی، روپے کی قدر میں کمی اور موجودہ غیر یقینی صورتحال کے نتیجے میں معیشت سنست روی کا شکار ہو جائے گی۔ سیلاب کی تباہ کاریوں کے ضمن میں کپاس اور چاول کی فصلوں کے ضیاع کے باعث زراعت کی ترقی متاثر ہو کر 0.4 فیصد ہو جائے گی جبکہ صنعتی ترقی 6.8- فیصد متوقع ہے جس کی وجہ مانگ میں سنست روی اور خام مال کی قلت ہیں۔ حکومت درآمدات پر قابو پانے کے لیے انتظامی اقدامات کر رہی ہے جس کے باعث خدمات کے شعبے کی ترقی کم ہو کر 3.1 فیصد ہو جائے گی۔  
ہم حکومت سے توقع کرتے ہیں کہ وہ درآمدات کی لگام مضبوطی سے کھینچ کر رکھے گی اور ڈالر کے غیر ضروری اخراجات کی بہاؤ کی حوصلہ شکنی کرے گی۔ درآمدات متوقع طور پر 18 فیصد YoY کم ہو کر 59 بلین ڈالر ہو جائیں گی کیونکہ معیشت کے متعدد گوشوں کے حجم سکڑ جائیں گے۔ چنانچہ ہمیں توقع ہے کہ مالی سال 2023ء میں کرنٹ اکاؤنٹ خسارہ (CAD) کم ہو کر 6.8 بلین ڈالر (جی ڈی پی کا 2.0 فیصد) ہو جائے گا جو مالی سال 2022ء کے 17.4 بلین ڈالر (جی ڈی پی کے 4.5 فیصد) کے مقابلے میں ایک بڑی کمی ہے۔  
آئی ایم ایف پروگرام کی کامیابی بحالی ایک کلیدی مثبت پیش رفت ہے کیونکہ اس کی بدولت ہم دو جہتی اور کثیر الجہتی ذرائع سے رقم حاصل کر سکیں گے۔ سیلاب کی تباہ کاریوں کے ضمن میں 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 دقت طلب عالمی حالات کے باعث اس بات کا امکان کم ہے کہ ہم بین الاقوامی یورو بانڈ یا سسٹمک جاری کریں۔ ایف ڈی آئی اور آر ڈی اے سے حاصل ہونے والی آمدنیاں بھی موجودہ معاشی مشکلات کے باعث متوقع طور پر رُک رہیں گی۔ چنانچہ ہمیں درمیانی مدت میں قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی خدشات ختم ہو سکیں۔

غیر ملکی زرمبادلہ کے ذخائر میں مسلسل کمی کی وجہ سے روپیہ اپنی حالیہ کم ترین سطح سے بحال ہوا ہے جس سے انٹرنیٹک اور اوپن مارکیٹ میں فرق کو نمایاں طور پر وسیع کرنے کی حوصلہ افزائی ہوئی ہے۔ ہم سمجھتے ہیں کہ مارکیٹ پر مبنی شرح زرمبادلہ سے توازن پیدا ہوگا کیونکہ برآمدات اور ترسیلات زر میں ترغیبات پیدا ہوں گی اور درآمدات کی حوصلہ شکنی ہوگی۔ چنانچہ ہماری توقع ہے کہ 90 کے مفروضہ REER پر مالی سال کے اختتام پر ڈالر/روپیہ تقریباً 251 روپے پر ہوگا۔

مالی سال 2023ء میں اوسط مہنگائی 24.8 فیصد متوقع ہے، بالمقابل مالی سال 2022ء میں 12.1 فیصد کے۔ روپے کی قدر میں کمی کے اثر کا دوسرا دور، اور پٹرول، بجلی اور گیس کی قیمتوں میں اضافہ بھی متوقع ہے، جس کے باعث سال کے بقیہ حصے کے دوران مہنگائی کے عدد بلند سطح پر رہیں گے۔ ایس بی پی نے پالیسی شرح کو بڑھا کر 16.0 فیصد کر دیا ہے تاکہ مجموعی مانگ اور مہنگائی کے دباؤ سے نمٹا جاسکے۔ معیشت میں قابل ذکر سنست روی اور مانگ میں کمی کے

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان ایسیٹ ایلوکیشن فنڈ کے اکاؤنٹس مختتمہ 31 دسمبر 2022ء کا جائزہ پیش خدمت ہے۔

### معیشت اور بازار زر کا جائزہ

ملک کا مجموعی معاشیاتی منظر بدستور ناخوشگوار رہا۔ معیشت گزشتہ دہائی سے زیادہ کے بدترین سیلاب کے باعث شدید متاثر ہوئی جس سے انتظامی ڈھانچے کو گھمبیر نقصان پہنچا، فصلوں کا صفایا ہو گیا، مویشی ہلاک ہوئے اور قیمتی جانیں ضائع ہوئیں۔ اس سے قبل، کووڈ پابندیوں کے بعد اجناس کی بڑھتی ہوئی مانگ کی وجہ سے اشیاء کی قیمتوں میں روس-یوکرین کے تنازع کی وجہ سے مزید اضافہ دیکھا گیا۔

ایس بی پی کے زرمبادلہ کے ذخائر کم ہو کر 3.2 بلین ڈالر ہو گئے ہیں (جو صرف تین ہفتوں کا درآمداتی ادائیگیوں کو پورا کر سکتے ہیں) یا مقابل مالی سال کے آغاز پر جو 9.8 بلین ڈالر تھے۔ غریب آبادی کی اکثریت پر کڑے اثرات کی وجہ سے حکومت سخت اقدامات پر راضی ہونے سے گریزاں ہے جو آئی ایم ایف کے قرضوں کی پیشگی شرط ہیں جیسے بجلی، گیس اور پیٹرول کی قیمتوں میں اضافہ۔ تاہم آئی ایم ایف کی فنڈنگ کو غیر مقفل کرنا بہت اہم ہے کیونکہ آئی ایم ایف پروگرام میں تاخیر دو طرفہ اور کثیر جہتی شراکت داروں سے غیر ملکی بہاؤ میں سست روی کا باعث بن رہی ہے۔

ملک نے مالی سال 2023 کے پہلے پانچ ماہ میں 3.1 بلین ڈالر کرنٹ اکاؤنٹ خسارہ (CAD) پوسٹ کیا جو 57 سال در سال تھا، یا مقابل گزشتہ سال مماثل مدت میں 7.2 بلین ڈالر۔ تجارتی خسارے میں کمی کرنٹ اکاؤنٹ خسارے (CAD) میں بہتری کا اہم ترین سبب تھی کیونکہ برآمدات میں 2 فیصد کمی کے ساتھ ساتھ درآمدات میں 16.2 فیصد کمی کے نتیجے میں تجارتی خسارہ 26 فیصد سنکڑ گیا۔ حکومت نے انتظامی اقدامات مثلاً منتخب اشیاء پر درآمداتی کوٹے عائد کرنے کے ذریعے درآمدات کو قابو میں رکھا۔ ان درآمداتی پابندیوں سے روپے کو بمقابلہ ڈالر کچھ تقویت حاصل ہوئی اور روپے کی قدر جولائی 2022ء میں 240 کی پست سطح سے اٹھ کر دسمبر 2022ء کے اختتام تک 226.4 ہو گئی۔

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط دورانِ ششماہی 25.0 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 9.8 فیصد تھا۔ سیلابوں کے نتیجے میں اشیائے خورد و نوش کی قیمتوں میں اضافے 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 بنیادی افراط زر (core inflation) میں 16.4 فیصد کی سطح تک اضافے سے ہوا جو گزشتہ مالی سال کے اختتام پر 12.3 فیصد تھا۔ ایس بی پی نے نومبر 2022ء کی تازہ ترین ماہی پالیسی میں پالیسی شرح کو مزید 100 بیسیس پوائنٹس (بی پی ایس) بڑھا کر 16.0 فیصد کر دیا۔ مالیاتی جہت میں ایف بی آر کی ٹیکس وصولی میں مالی سال 2023ء کی پہلی ششماہی میں 17.0 فیصد اضافہ ہوا اور 3,428 بلین روپے ٹیکس جمع ہوا، جبکہ گزشتہ سال مماثل مدت میں 2,929 بلین روپے تھا۔ اس طرح ہدف سے 218 بلین روپے کم ٹیکس وصول ہوا۔

ثانوی مارکیٹوں کی پیداوار میں دورانِ ششماہی اضافہ ہوا جس کے اسباب مالیاتی سختی اور بعد از سیلاب مہنگائی کے دباؤ کی نئی لہر ہیں۔ دورانِ ششماہی 3، 6 اور 12 ماہانہ ٹی-بلنز کے منافع جات میں بالترتیب 171، 184 اور 170 بی پی ایس، جبکہ 3، 5 اور 10 سالہ بانڈز کے منافع جات میں بالترتیب 168، 219 اور 78 بی پی ایس کا اضافہ ہوا۔

# TRUSTEE REPORT TO THE UNIT HOLDERS

## CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

### Head Office:

CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shahra-e-Faisal  
Karachi - 74400, Pakistan.  
Tel : (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



## TRUSTEE REPORT TO THE UNIT HOLDERS

### MCB PAKISTAN ASSET ALLOCATION FUND

#### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of MCB Pakistan Asset Allocation Fund (the Fund) are of the opinion that MCB-Arif Habib Savings and Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 20, 2023





# AUDITOR'S REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS



**Yousuf Adil**  
Chartered Accountants

Cavish Court, A-35, Block 7 & 8  
KCHSU, Shahrah-e-Faisal  
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Pakistan

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## INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNIT HOLDERS OF MCB PAKISTAN ASSET ALLOCATION FUND

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **MCB Pakistan Asset Allocation Fund** ("the Fund") as at December 31, 2022, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim statement of cash flow and notes to the condensed interim financial information (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2022. The Board of the Management Company (MCB Arif Habib Savings and Investments Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matters

The figures of the condensed interim financial information for the quarter ended December 31, 2022, have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

The engagement partner on the review resulting in this independent auditor's review report is Hena Sadiq.

  
Chartered Accountants

Place: Karachi  
Dated: February 17, 2023

UDIN: RR202210057VknI8bKfE

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2022

	Note	(Un-audited) December 31, 2022 ----- (Rupees in '000) -----	(Audited) June 30, 2022
<b>ASSETS</b>			
Bank balances	5	197,760	91,513
Investments	6	533,930	829,059
Dividend and profit receivable		2,410	2,506
Receivable from National Clearing Company of Pakistan Limited		1,134	1,134
Advances, deposits, prepayments and other receivables		4,098	4,108
<b>Total assets</b>		<b>739,332</b>	<b>928,320</b>
<b>LIABILITIES</b>			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	7	2,381	2,738
Payable to Central Depository Company of Pakistan Limited - Trustee		141	159
Payable to Securities and Exchange Commission of Pakistan		83	216
Payable against redemption of units		31	31
Payable against purchase of investments		30,834	51,051
Accrued expenses and other liabilities	8	36,638	36,142
<b>Total liabilities</b>		<b>70,108</b>	<b>90,337</b>
<b>NET ASSETS</b>		<b>669,224</b>	<b>837,983</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>669,224</b>	<b>837,983</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
<b>----- (Number of units) -----</b>			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>9,127,203</b>	<b>11,011,225</b>
<b>----- (Rupees) -----</b>			
<b>NET ASSET VALUE PER UNIT</b>		<b>73.3220</b>	<b>76.1026</b>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

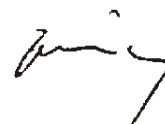
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

		Half year ended		Quarter ended	
		December 31,		December 31,	
Note		2022	2021	2022	2021
----- (Rupees in '000) -----					
<b>INCOME</b>					
		4,705	3,138	3,426	1,937
		(14,533)	(16,007)	(18,345)	(3,474)
		35,875	24,747	15,943	13,034
		7,839	4,088	2,673	2,364
	6.1.6	(41,782)	(24,302)	(27,832)	18,298
		64	27	35	16
		(7,832)	(8,309)	(24,100)	32,175
<b>Total (Loss) / Income</b>					
<b>EXPENSES</b>					
	7.1	13,547	18,102	6,569	9,925
		1,761	2,353	854	1,289
	7.3	411	548	199	300
		817	1,042	395	553
		106	136	50	72
		83	110	40	60
	7.4	-	-	-	-
		1,688	2,654	1,173	1,544
		81	471	81	171
		514	423	284	212
		-	(15,700)	-	-
		90	421	(51)	167
		19,098	10,560	9,594	14,293
		(26,930)	(18,869)	(33,694)	17,882
		(26,930)	(18,869)	(33,694)	17,882
	10	-	-	-	-
		(26,930)	(18,869)	(33,694)	17,882
<b>Allocation of net income for the year</b>					
		-	-	-	-
		-	-	-	-
		-	-	-	-
<b>Accounting income available for distribution</b>					
		-	-	-	-
		-	-	-	-
		-	-	-	-
<b>Earnings per unit</b>					

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

	Half year ended December 31,		Quarter ended December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net income for the period after taxation	(26,930)	(18,869)	(33,694)	17,882
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(26,930)</b>	<b>(18,869)</b>	<b>(33,694)</b>	<b>17,882</b>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

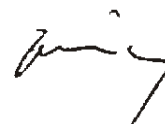
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	For Half Year ended December 31,					
	2022			2021		
	(Rupees in '000)					
	Capital Value	Accumulated Losses	Total	Capital Value	Accumulated Losses	Total
Net assets at beginning of the period	2,024,393	(1,186,410)	837,983	1,967,011	(1,054,948)	912,063
Issue of 189,566 units (2021: 5,682,969 units)						
- Capital value (at net asset value per unit at the beginning of the period)	14,426	-	14,426	492,427	-	492,427
- Element of income / (loss)	177	-	177	(7,769)	-	(7,769)
	14,603	-	14,603	484,658	-	484,658
Redemption of 2,073,588 units (2021: 2,259,433 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(157,805)	-	(157,805)	(195,779)	-	(195,779)
- Element of loss	1,373	-	1,373	3,529	-	3,529
	(156,432)	-	(156,432)	(192,250)	-	(192,250)
Total comprehensive income for the period	-	(26,930)	(26,930)	-	(18,869)	(18,869)
Final Distribution for the year ended June 30, 2021 at the rate of Re. 0.6 per unit.	-	-	-	-	(6,315)	(6,315)
<b>Net assets at end of the period</b>	<b>1,882,564</b>	<b>(1,213,340)</b>	<b>669,224</b>	<b>2,259,419</b>	<b>(1,080,132)</b>	<b>1,179,287</b>
<b>Undistributed loss brought forward</b>						
- Realised		(1,111,834)			(1,095,583)	
- Unrealised		(74,576)			40,635	
		(1,186,410)			(1,054,948)	
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
Net loss for the period after Taxation		(26,930)			(18,869)	
Final distribution during the year ended June 30, 2022 at the rate of Rs 0.6 per unit (Declared on July 01, 2022)		-			(6,315)	
<b>Undistributed loss carried forward</b>		<b>(1,213,340)</b>			<b>(1,080,132)</b>	
<b>Undistributed loss carried forward</b>						
- Realised		(1,171,558)			(1,055,830)	
- Unrealised		(41,782)			(24,302)	
		(1,213,340)			(1,080,132)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		76.1026			86.6497	
Net assets value per unit at end of the period		73.3220			84.5403	

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

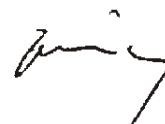
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Half year ended December 31,	
	2022	2021
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income for the period before taxation	(26,930)	(18,869)
<b>Adjustments for non cash and other items:</b>		
Unrealised loss in fair value of investments classified as 'at fair value through profit or loss' - net	41,782	24,302
Reversal of provision against Sindh Workers' Welfare Fund	-	(15,700)
Dividend Income	(35,875)	(24,747)
	<u>(21,023)</u>	<u>(35,014)</u>
<b>Decrease/ (Increase) in assets</b>		
Investments	203,512	(309,892)
Profit receivable	-	(405)
Receivable against sale of investments	-	28,360
Receivable from National Clearing Company of Pakistan Limited	-	-
Advances, deposits, prepayments and other receivables	10	(31)
	<u>203,522</u>	<u>(281,968)</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(357)	1,530
Payable to Central Depository Company of Pakistan Limited - Trustee	(18)	24
Payable to Securities and Exchange Commission of Pakistan	(133)	(139)
Payable against purchase of investments	(20,217)	(9,425)
Accrued expenses and other liabilities	496	(423)
	<u>(20,229)</u>	<u>(8,433)</u>
Dividend received	35,972	25,259
<b>Net cash generated/ (used in) from operating activities</b>	<u>198,241</u>	<u>(300,156)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	14,603	484,658
Payments against redemption of units	(156,432)	(192,250)
Dividend paid during the period	-	(6,315)
<b>Net cash (used in)/ generated from financing activities</b>	<u>(141,829)</u>	<u>286,093</u>
<b>Net increase/ (decrease) in cash and cash equivalents during the period</b>	<u>56,412</u>	<u>(14,063)</u>
Cash and cash equivalents at beginning of the period	141,348	172,930
<b>Cash and cash equivalents at end of the period</b>	<u>197,760</u>	<u>158,867</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

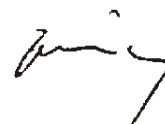
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

## 1. LEGAL STATUS AND NATURE OF BUSINESS

MCB Pakistan Asset Allocation Fund (the Fund) was established under a Trust Deed dated November 22, 2007 executed between MCB Asset Management Company Limited as the Management Company and the Central Depository Company of Pakistan Limited as the Trustee. Pursuant to the merger of MCB Asset Management Limited and Arif Habib Investments Limited, the name of the Management Company was changed from MCB Asset Management Company Limited to MCB-Arif Habib Savings and Investments Limited with effect from June 27, 2011. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 17, 2007 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the 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 categorized as an "Asset Allocation" 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 100 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 Pakistan Credit Rating Agency Limited (PACRA) has assigned Management quality rating of "AM1" on October 06, 2022 to the Management Company.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

## 2. BASIS OF PREPARATION

### Statement of compliance

This condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise 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 Regulation) Rules, 2003, 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 IAS 34, 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 the requirements of the Trust Deed have been followed.

The disclosures made in this condensed interim financial information are limited, based on the requirements of the IAS 34. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2022.

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency and rounded to the nearest thousand rupees, unless otherwise specified.

## 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 condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited financial statements as at and for the year ended June 30, 2022.

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.

## 4. FINANCIAL RISK MANAGEMENT

The Fund's risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2022.

	Note	(Un-audited) December 31, 2022 --- (Rupees in '000) ---	(Audited) June 30, 2022
<b>5. BANK BALANCES</b>			
Savings accounts	5.1	191,805	86,350
Current accounts	5.2	5,955	5,163
		<b>197,760</b>	<b>91,513</b>

**5.1** These carry profit at the rates ranging between 12.25% to 17.50% (June 30, 2022: 5.50% to 17.05%) per annum. It includes balance of Rs. 0.01148 Milion (June 30, 2022 Rs. 0.006 Million) placed with MCB Bank Limited, a related party.

**5.2** This include Rs 5.95 million (June 30, 2022: Rs 5.16 million) maintained with MCB Bank Limited (a related party)

	Note	(Un-audited) December 31, 2022 ----- (Rupees in '000) -----	(Audited) June 30, 2022
<b>6. INVESTMENTS</b>			
<b>Financial assets 'at fair value through profit or loss'</b>			
Ordinary share - Listed	6.1.1	509,010	660,891
Preference share - Listed	6.1.2	24,920	22,700
Market treasury bills	6.1.3	-	145,468
Pakistan Investment bonds	6.1.4	-	-
		<b>533,930</b>	<b>829,059</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**6.1 Financial assets 'at fair value through profit or loss'**

**6.1.1 Ordinary share - Listed**

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of investee company	As at July 1, 2022	Purchased during the period	Bonus / right issue during the period / Dividend in Specie	Sold during the period	As at December 31, 2022	As at December 31, 2022			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised gain / (loss)			
(Number of shares)											
(Rupees in '000)											
Automobile Parts and Accessories											
Agriauto Industries Limited***	54,100	-	13,525	-	67,625	7,249	5,803	(1,446)	0.87%	1.09%	19%
Ghandhara Tyre & Rubber Company Limited	-	92,000	-	92,000	-	-	-	-	-	-	-
Panther Tyres Limited	4,656	-	-	4,656	-	-	-	-	-	-	-
Thal Limited**	27,200	15,000	-	22,900	19,300	4,029	3,730	(299)	0.56%	0.70%	2%
						11,278	9,533	(1,745)			
Cable and Electrical Goods											
Pak Elektron Limited*	350,000	137,500	-	487,500	-	-	-	-	-	-	-
Cement											
Attock Cement Pakistan Limited	-	59,000	-	54,000	5,000	350	283	(67)	-	-	-
D.G. Khan Cement Company Limited*	140,000	200,000	-	340,000	-	-	-	-	-	-	-
Pioneer Cement Limited	-	-	-	-	-	-	-	-	-	-	-
Power Cement Limited	-	-	-	-	-	-	-	-	-	-	-
Lucky Cement Limited	61,003	18,500	-	46,504	32,999	15,103	14,737	(366)	2.20%	3%	0.01%
Fauji Cement Company Limited	2,973,000	687,000	457,500	1,500,000	2,617,500	33,534	31,461	(2,073)	4.70%	6%	11%
Kohat Cement Company Limited	1,600	-	-	1,600	-	-	-	-	-	-	-
Gharibwal Cement limited	200,000	-	-	51,500	148,500	2,896	2,375	(521)	0.35%	-	0.04%
Maple Leaf Cement Factory Limited	590,309	279,500	-	603,000	266,809	7,338	6,022	(1,316)	0.90%	1%	0.02%
						59,221	54,878	(4,343)			
Commercial Banks											
Meezan Bank Limited	369,500	127,170	36,000	204,170	328,500	34,353	32,699	(1,654)	4.89%	6%	0.02%
Bank Alfalah Limited	680,281	484,000	-	554,781	609,500	19,648	18,370	(1,278)	2.74%	3%	0.03%
Faysal Bank Limited	1,732,500	-	-	1,094,000	638,500	14,724	16,492	1,768	2.46%	3%	0.04%
Habib Bank Limited	293,885	240,000	-	236,885	297,000	21,516	18,928	(2,588)	2.83%	4%	0.02%
Habib Metropolitan Bank Limited	340,000	-	-	-	340,000	13,277	11,543	(1,734)	1.72%	2%	0.03%
BankIslami Pakistan limited	1,729,500	255,500	-	285,000	1,700,000	21,031	22,712	1,681	3.39%	4%	0.15%
United Bank Limited	192,000	343,000	-	177,000	358,000	40,496	36,069	(4,427)	5.39%	7%	0.03%
						165,045	156,813	(8,232)			

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

Name of investee company	As at July 1, 2022	Purchased during the period	Bonus / right issue during the period / Dividend in Specie	Sold during the period	As at December 31, 2022	As at December 31, 2022			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised gain / (loss)			
Engineering											
Aisha Steel Limited*	700,000	-	-	700,000	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	145,000	-	-	145,000	-	-	-	-	-	-	-
Fertilizer											
Engro Corporation Limited	65,000	130,000	-	25,000	170,000	46,773	44,542	(2,231)	8.66%	8.34%	0.03%
Engro Fertilizer Limited	60,000	-	-	60,000	-	-	-	-	-	-	-
						46,773	44,542	(2,231)			
Food & Personal Care Products											
Murree Brewery Company Limited	10,650	-	-	-	10,650	4,313	3,874	(439)	0.58%	0.7%	0.04%
Shezan International Limited	5,627	-	-	5,600	26	4	4	-	-	-	-
The Organic Meat Company Limited	360,500	90,000	34,222	215,000	269,722	5,328	5,573	244	0.83%	1.04%	0.2%
						9,645	9,451	(195)			
Glass & Ceramics											
Tariq Glass Industries Limited	86,500	-	-	86,500	-	-	-	-	-	-	-
Oil and Gas Exploration Companies											
Oil & Gas Development Company Limited	-	210,000	-	-	210,000	16,134	16,729	595	2.50%	3.13%	0.00%
Pakistan Oilfields Limited	-	8,000	-	-	8,000	3,162	3,143	(19)	0.47%	0.59%	0.00%
Pakistan Petroleum Limited	-	175,000	-	-	175,000	11,830	11,925	95	1.78%	2.23%	0.01%
Mari Petroleum Company Limited	43,255	-	-	15,328	27,927	48,586	43,202	(5,384)	6.46%	8.09%	0.02%
						79,712	74,999	(4,713)			
Paper And Board											
Packages Limited	42,000	-	-	5,000	37,000	14,758	13,696	(1,062)	2.05%	2.57%	0.04%
						14,758	13,696	(1,062)			
Pharmaceuticals											
Glaxosmithkline Consumer Healthcare Pakistan Limited	85,400	-	-	5,300	80,100	19,090	13,128	(5,962)	1.96%	2.46%	0.07%
Ferozsons Laboratories Limited	-	24,000	4,800	28,800	-	-	-	-	-	-	-
Citi Pharma limited	540,500	-	-	150,000	390,500	12,746	9,431	(3,315)	1.41%	1.77%	0.17%
Highnoon Laboratories Limited	17,285	-	-	17,285	-	-	-	-	-	-	-
Agp Limited	-	25,000	-	25,000	-	-	-	-	-	-	-
						31,836	22,559	(9,277)			
Power Generation and Distribution											
Nishat Chunian Power Limited*	-	-	460,920	460,920	-	-	-	-	-	-	-
						-	-	-	-	-	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

Name of investee company	As at July 1, 2022	Purchased during the period	Bonus / right issue during the period / Dividend in Specie	Sold during the period	As at December 31, 2022	As at December 31, 2022			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised gain / (loss)			
----- (Rupees in '000) -----											
----- (%) -----											
-----											
Refinery											
Attock Refinery Limited	19,000	-	-	19,000	-	-	-	-	-	-	-
-----											
Technology and Communication											
Air link Communication Limited	248,000	-	-	248,000	-	-	-	-	-	-	-
Systems Limited	38,000	63,950	-	32,750	69,200	28,042	33,488	5,446	5.00%	6.27%	0.02%
-----											
Textile Composite											
Nishat (Chunian) Limited*	774,345	70,000	-	844,345	-	-	-	-	-	-	-
Gul Ahmed Textile Mills Limited	352,354	50,000	-	160,000	242,354	8,019	5,972	(2,047)	0.89%	1.12%	4.00%
Nishat Mills Limited*	30,000	210,000	-	240,000	-	-	-	-	-	-	-
Kohinoor Textile Mills Limited	298,000	-	-	500	297,500	14,875	14,057	(818)	2.10%	2.63%	0.10%
Interloop Limited	-	355,608	9,035	140,000	224,643	13,499	12,726	(773)	1.90%	2.38%	0.02%
-----											
Leather & Tanneries											
Bata Pakistan Limited	12,220	-	-	40	12,180	28,988	26,349	(2,639)	3.94%	4.93%	0.16%
Service Industries Limited	1	-	-	1	-	0	0	0	-	-	-
-----											
Chemicals											
Archroma Pakistan Limited	9,100	-	-	-	9,100	4,996	3,964	(1,031)	0.59%	0.74%	0.03%
-----											
Tobacco											
Pakistan Tobacco company limited	-	9,400	-	-	9,400	8,217	9,061	844	1.35%	1.70%	-
-----											
Miscellaneous											
Shifa International Hospital Limited	180,000	8,000	-	30,000	158,000	28,108	16,922	(11,186)	2.53%	3.17%	0.25%
-----											
Total as at December 31, 2022						553,012	509,010	(44,002)			
-----											
Total as at June 30, 2022						735,242	660,891	(74,351)			

\* These denote related parties / connected persons.

\*\* This have a face value of Rs 5 per share.

**6.1.1.1** Investments include shares with market value aggregating to Rs 31,172 million (June 30, 2022: Rs 33,175 million) which have been pledged with the National Clearing Company of Pakistan Limited for guarantying settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

**6.1.1.2** There is no change in the status of matter related to bonus shares as reported in notes to the annual financial statements of the Fund for the year ended June 30, 2022. As at December 31, 2022, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.9956 million (June 30, 2022: 1 million).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**6.1.2 Preference share - Listed**

Name of investee company	As at July 1, 2022	Reclassified from 'Available for sale'	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2022	As at December 31, 2022			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
							Carrying value	Market value	Unrealised gain			
----- (Rupees in '000) -----												
Engro Polymer and Chemicals Limited	2,000,000	-	-	-	-	2,000,000	22,700	24,920	2,220	3.72%	4.67%	0.05%
Total as at December 31, 2022							22,700	24,920	2,220			
Total as at June 30, 2022							22,400	22,700	300			

These shares carry dividend at the rate of 6 months KIBOR + 3.5% per annum on cumulative basis. The rate prevailing on June 30 and December 31 will be considered.

**6.1.3 Government Securities-Market Treasury Bills**

Tenor	Issue date	Face value				As at December 31, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying value	Market value	Unrealised (loss)		
(Rupees in 000)										
Market Treasury bills - 3 months	21-Apr-22	50,000	45,000	95,000	-	-	-	-	-	-
Market Treasury bills - 3 months	19-May-22	-	16,000	16,000	-	-	-	-	-	-
Market Treasury bills - 3 months	28-Jul-22	-	500,000	500,000	-	-	-	-	-	-
Market Treasury bills - 3 months	06-Oct-22	-	500,000	500,000	-	-	-	-	-	-
Market Treasury bills - 3 months	17-Nov-22	-	500,000	500,000	-	-	-	-	-	-
Market Treasury bills - 6 months	27-Jan-22	-	19,000	19,000	-	-	-	-	-	-
Market Treasury bills - 6 months	21-Apr-22	100,000	-	100,000	-	-	-	-	-	-
Market Treasury bills - 6 months	06-Oct-22	-	500,000	500,000	-	-	-	-	-	-



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**6.1.4 Pakistan Investment Bonds**

Particulars	Issue date	Face value				As at December 31, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022	Carrying value	Market value	Unrealised gain / (loss)		
										%
		----- (Rupees in '000) -----								
Pakistan Investment bond - 3 years	04-Aug-22	-	600,000	600,000	-	-	-	-	-	-
Pakistan Investment bond - 3 years	05-Aug-22	-	250,000	250,000	-	-	-	-	-	-
Pakistan Investment bond - 5 years	29-Apr-22	-	300,000	300,000	-	-	-	-	-	-
Pakistan Investment bond - 5 years	13-Oct-22	-	300,000	300,000	-	-	-	-	-	-
<b>As at December 31, 2022</b>						-	-	-		
<b>As at June 30, 2022</b>						-	-	-		

**6.1.6 Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss - net**

	Note	(Un-audited) December 31, 2022	(Un-audited) December 31, 2021
		----- (Rupees in '000) -----	
Market value as at December 31, 2022	6.1.1, 6.1.2, 6.1.3, 6.1.4	533,930	1,050,085
Carrying value as at December 31, 2022	6.1.1, 6.1.2, 6.1.3, 6.1.4	(575,712)	(1,074,387)
		<u>(41,782)</u>	<u>(24,302)</u>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
<b>7. PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>			
Management remuneration payable	7.1	2,052	2,331
Sindh sales tax payable on management remuneration	7.2	267	303
Sales load payable		-	33
Payable against allocated expenses	7.3	62	71
		<b>2,381</b>	<b>2,738</b>

**7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. As per offering document, the Management Company can charge management fee up to 4% per annum of the average annual Net Assets of the Fund calculated on daily basis. The remuneration is payable to the Management Company monthly in arrears.

**7.2** During the year, Sindh Sales Tax on management fee has been charged at 13% (June 2022: 13%).

## **7.3 ALLOCATED EXPENSES**

'In accordance with NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). The Management Company has charged actual expenses related to registrar services, accounting, operations and valuation services to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

## **7.4 SELLING AND MARKETING EXPENSES**

'The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds). The Management Company has charged selling and marketing expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Federal Excise Duty and related tax on	8.1		
- Management fee		19,027	19,027
- Sales load		16,173	16,173
Withholding tax payable (deducted on capital gain)		-	2
Auditors' remuneration payable		460	502
Brokerage payable		712	168
Others		266	270
		<b>36,638</b>	<b>36,142</b>

## **8.1 Federal Excise Duty on remuneration to the Management Company**

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual 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 December 31, 2022 would have been higher by Rs. 3.86 per unit (June 30, 2022: Rs. 3.20 per unit).

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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### 9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2022 (June 30, 2022: Nil).

### 10. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether 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 Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability in respect of income relating to current period as the Management Company intends to distribute in cash the required minimum percentage of the Fund's accounting income for the period ending June 30, 2023 as reduced by capital gains (whether realised or unrealised) to its unitholders in the form of cash.

### 11. EARNINGS PER UNIT

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

### 12. EXPENSE RATIO

The total annualised expense ratio of the Fund from July 1, 2022 to December 31, 2022 is 4.65% as on December 31, 2022 (December 31, 2021: 4.78%) and this includes 0.46% (December 31, 2021: 0.48%) representing government levy.

### 13. TRANSACTIONS WITH RELATED PARTIES / 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

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

	For the half year ended December 31, 2022					(Rupees in '000)				
	As at July 1, 2022	Issued for cash	Redeemed	As at December 31, 2022	As at July 1, 2022	Issued for cash	Redeemed	As at December 31, 2022	As at July 1, 2022	Issued for cash
	<b>Units</b>									
<b>Associated companies / undertakings</b>										
Adamjee Life Assurance Company Limited. IMF	3,878,276	-	-	3,878,276	295,147	-	-	284,363	-	-
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,272	-	-	35,272	2,684	21	-	2,586	-	-
<b>Mandate Under Discretionary Portfolio Services</b>	157,085	190,941	60,278	287,748	11,955	14,000	4,498	21,098	-	-
<b>Unitholders holding 10% or more</b>	951,285	-	-	951,285	72,395	-	-	69,750	-	-
	<b>For the half year ended December 31, 2021</b>									
	As at July 1, 2021	Issued for cash	Redeemed	As at December 31, 2021	As at July 1, 2021	Issued for cash	Redeemed	As at December 31, 2021	As at July 1, 2021	Issued for cash
	<b>Units</b>									
<b>Associated companies / undertakings</b>										
MCB-Arif Habib Savings and Investments Limited - Management Company	-	1,572,494	-	1,572,494	-	135,000	-	132,939	-	-
<b>Associated companies / undertakings</b>										
Adamjee Life Assurance Company Limited (NUIL Fund)	51,887	308	52,195	-	4,496	26	4,602	-	-	-
Adamjee Life Assurance Company Limited. IMF	1,036,747	3,361,879	520,349	3,878,276	89,834	285,529	43,000	327,871	-	-
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,028	244	-	35,272	2,406	21	-	2,982	-	-
<b>Mandate Under Discretionary Portfolio Services</b>	499,824	295,078	329,094	465,808	3,035	25,200	28,550	39,380	-	-
<b>Key management personnel</b>	22,573	142	8	22,706	1,550	12	1	1,920	-	-

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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

	(Un-audited) December 31, 2022	(Un-audited) December 31, 2021
	----- (Rupees in '000) -----	
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration of the Management Company (including indirect taxes)	15,308	20,455
Allocated expenses	411	548
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee (including indirect taxes)	923	1,178
CDC settlement charges	18	94
<b>MCB Bank Limited - holding company of the Management Company</b>		
Purchase of shares NIL (2021: 120,446)	-	18,358
Sale of shares NIL (2021: 34,203)	-	5,269
Profit on bank balances	-	27
Bank charges	2	5
<b>D. G. Khan Cement Company Limited</b>		
Purchase of shares 200,000 (2021: 125,000 )	12,495	9,403
Sale of shares 340,000 (2021: 75,670 )	20,060	6,681
Dividend Income	210	-
<b>Adamjee Insurance Company Limited</b>		
Sale of shares NIL (2021: 14,000)	-	522
Dividend income	-	21
<b>Arif Habib Limited</b>		
Brokerage expense *	30	74
<b>Power Cement Limited</b>		
Sale of shares NIL (2021: 186,000)	-	1,711
<b>Aisha Steel Mills Limited</b>		
Purchase of shares NIL (2021:1,050,000)	-	14,977
Sale of shares 700,000 (2021:NIL)	5,612	-
<b>Lalpir Power Limited</b>		
Sale of shares NIL (2021: 705,000)	-	11,047
Dividend income	-	705
<b>Nishat (Chunian) Limited</b>		
Purchase of shares 70,000 (2021: 420,000 )	2,599	18,704
Sale of shares 844,345 (2021: NIL )	28,071	-
Dividend Income including Specie Dividend	9,070	-
<b>Nishat Chunian Power Limited</b>		
Sale of shares 460,920 (2021: NIL )	8,994	-
Receipt of 460,920 shares (Specie Dividend)	7,402	
Dividend Income	2,517	
<b>Nishat Mills Limited</b>		
Purchase of shares 210,000 (2021: Nil )	15,159	-
Sale of shares 240,000 (2021: NIL )	15,676	-
Dividend Income	620	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees in '000) -----	
<b>13.3 Amount outstanding as at period end / year end</b>		
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Management remuneration payable	2,052	2,331
Sindh sales tax payable on management remuneration	267	303
Sales load payable	-	33
Payable against allocated expenses	62	71
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	124	141
Sindh Sales Tax payable on trustee remuneration	17	18
Security deposits	100	100
<b>MCB Bank Limited - Parent of the Management Company</b>		
Bank balances	5,966	5,165
<b>Arif Habib Limited</b>		
Brokerage payable *	18	40
<b>Aisha Steel Mills Limited</b>		
Shares held NIL (June 2022: 700,000)	-	7,735
<b>D.G. Khan Cement Company Limited - Group Company of Parent Company</b>		
Shares held NIL (June 2022: 140,000)	-	8,750
<b>Nishat (Chunian) Limited</b>		
Shares held NIL (June 2022: 774,345)	-	34,683

\* The amount disclosed represents the amount of brokerage expense or brokerage payable to related parties / 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 related parties / connected persons.

**14 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 data (unobservable inputs).

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

The following table show the carrying amount and fair values of financial assets and financial liabilities including the levels in the fair value hierarchy.

	Half Year Ended December 31, 2022 (Un-audited)							
	Carrying amount				Fair Value			
	Amortised Cost	Fair value through profit or loss	Fair value through other comprehensive income'	Total	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----							
Financial assets measured at fair value								
Listed equity securities - Ordinary Shares	-	509,010	-	509,010	509,010	-	-	509,010
Listed equity securities - Preference Shares	-	24,920	-	24,920	24,920	-	-	24,920
	-	533,930	-	533,930	533,930	-	-	533,930

## Financial assets not measured at fair value

Bank balances	197,760	-	-	197,760
Profit receivable	2,410	-	-	2,410
Receivable from National Clearing Company of Pakistan Limited	1,134	-	-	1,134
Other receivables	2,642	-	-	2,642
	203,946	-	-	203,946

## Financial liabilities not measured at fair value

Payable to the Management Company	2,381	-	-	2,381
Payable to the Trustee	141	-	-	141
Payable against redemption of units	31	-	-	31
Accrued expenses and other liabilities	1,438	-	-	1,438
Payable against purchase of investments	30,834	-	-	30,834
	34,825	-	-	34,825

June 30, 2022 (Audited)							
Carrying amount				Fair Value			
Amortised Cost	Fair value through profit or loss	Fair value through other comprehensive income'	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							

## Financial assets measured at fair value

Listed equity securities	-	660,891	-	660,891	660,891	-	-	660,891
Preference shares	-	22,700	-	22,700	22,700	-	-	22,700
Market treasury bills	-	145,468	-	145,468	-	145,468	-	145,468
	-	829,059	-	829,059	683,591	145,468	-	829,059

## Financial assets not measured at fair value

Bank balances	91,513	-	-	91,513
Dividend and profit receivable	2,506	-	-	2,506
Receivable from National Clearing Company of Pakistan Limited	1,134	-	-	1,134
Deposits and other receivables	2,637	-	-	2,637
	97,790	-	-	97,790

## Financial liabilities not measured at fair value

Payable against purchase of investments	51,051	-	-	51,051
Payable to the Management Company	2,435	-	-	2,435
Payable to the Trustee	141	-	-	141
Payable against redemption of units	31	-	-	31
Accrued expenses and other liabilities	940	-	-	940
	54,598	-	-	54,598

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

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**15 CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

**16. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company in the meeting held on February 03, 2023.

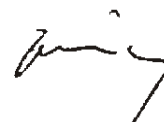
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director



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

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