



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

SEPTEMBER
2020
(UNAUDITED)

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

AM1
Traded by PSCs



ISAVE
Savings Asaan. Life Asaan.

MCB CASH MANAGEMENT OPTIMIZER

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
Human Resource & Remuneration Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating & Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Bank Al Habib Limited Habib Bank Limited National Bank of Pakistan Zarai Taraqati Bank Limited Bank Al Falah Limited Meezan Bank Limited Dubai Islamic Bank Pakistan Limited Bank of Punjab Limited Faysal Bank Limited	
Auditors	A.F. Ferguson & Co Chartered Accountants (Member Firm of PWC Network) State Life Building 1-C, I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Rating	AM1 Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Dear Investor,

On behalf of the Board of Directors, We are pleased to present MCB Cash Management Optimizer accounts review for the quarter ended September 30, 2020.

ECONOMY AND MONEY MARKET OVERVIEW

The start to fiscal year 2021 has been promising as economic activities have started to pick up as lockdowns have been lifted in general across the country. The economic recovery has been sharper than expectations as lagged impact of monetary easing, pent up demand and higher remittances have provided impetus to economic growth. We now expect economic growth to be higher than general estimates. Government had initial expectations of lower industrial growth (targeting a growth of 0.1% YoY) due to Covid-19, which we now believe would be better than expectations as cyclical sectors have seen a reversal in their fortunes.

Cement sector saw an impressive growth in local dispatches as they witnessed a growth of 19% YoY in the first quarter of FY21. Sales of two wheeler units rose at a more impressive rate of 22% YoY reflecting on the vibrancy of middle class economic dynamics. Similarly, the demand of white petroleum products increased by 6% YoY during the quarter implying a broad based recovery in economy. While LSM number of only one month have been released for this fiscal year (up 5% YoY), we expect it to grow at high single digit in the first quarter.

Current account deficit posted a surplus of USD 805 million in the first two months of fiscal year compared to a deficit of USD 1,214 million in the corresponding period of the last year. The improvement came in primarily on the back of higher remittances which grew at a stupendous rate of 31% in the first two months and at a similar rate in the first quarter. Foreign exchange reserves of central bank saw a nominal increase of USD 100 million during the quarter due to improved balance of payment position.

Inflation remained an Achilles heel for the government as rising food prices continued to create challenges for policy makers. Headline inflation represented by CPI averaged 8.8% YoY during the quarter, with food inflation averaging 15.1% YoY during the period. The prices of perishable food items along with the price of wheat continued to advance higher as supply side disruptions and mismanagement caused the prices to soar. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged 6.6% for the period. The MPC committee conducted one monetary policy during the quarter and maintained status quo after successive cuts in previous meetings. While real interest rates remained negative, the central bank was cautious with regards to demand side pressures owing to Covid-19. As the economy started to open up, tax collection also improved and grew by 5% during the quarter, returning to the positive zone after a span of 4 months. FBR collected record 1,004 billion in taxes, surpassing the target by PKR ~40 billion during the quarter.

Yield curve started to slope upward after inflation continued to disappoint investors. The central bank also raised its expectation of inflation as discussed in the minutes of MPC. It now expects it to fall in the upward range of 7-9% compared to earlier expectations of inflation falling in the lower range. 3Y, 5Y and 10Y bonds saw a rise of 76 bps, 102 bps and 106 bps respectively during the period.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 6.39% as against its benchmark return of 6.72%, a difference of -0.33%. WAM of the fund was 1 day at September end.

The fund was 99.6% in cash as of September end. High cash exposure was due to the fact that banks were offering lucrative rates on bank deposits.

The Net Assets of the Fund as at September 30, 2020 increased by 6.39% to Rs. 29,901 million as compared to Rs. 28,106 million as at June 30, 2020.

The Net Asset Value (NAV) per unit as at September 30, 2020 was Rs. 101.0395 as compared to opening NAV of Rs. 100.8561 per unit as at June 30, 2020 registering a decrease of Rs. 0.1834 per unit.

FUTURE OUTLOOK

GDP growth for FY21 is projected at 2.1% by government and various institutions. Pakistan has essentially survived the first wave of pandemic, as number of daily cases (within 1000) have reduced to one-sixth of the peak daily cases (about 6000) witnessed during early June. Generally, economy appears to now operating close to pre-covid levels as cyclical sectors have geared up after record monetary easing. We expect growth to fare better than general expectations as

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2020

industrial growth has revived much earlier than our anticipation. We expect economic growth to recover well above 2.1%. Balance of Payment worries are over for now as current account deficit has adjusted to reasonable level since the policy actions taken by the central government. Global economy has started to recover and the news flow suggests that the exports are gaining momentum. Remittances have also been far above the general expectations and in fact 31% YoY growth in the first quarter has surprised everyone. Even accounting for a 5% decline in remittances from here onwards, the overall situation will remain in comfortable zone. We expect CAD to settle near 1.2% of GDP in the FY21, which can be easily financed via flows from foreign investments and debt flows. Swift continuation of IMF program will be a key prerequisite to keep the financial account in positive zone. With the current scenario, we expect foreign exchange reserves to further increase by USD 2 billion during the next year, which will help alleviate any pressure on currency. Inflation has exceeded our earlier expectations as food prices have sky rocketed. We expect CPI to average 9.1% for FY21, slightly higher than the expected range (7.0-9.0) of central bank. However, the inflation trajectory would remain close to 8% over the next few months and would move near double digits by the end of the fiscal year due to the low base effect. Thus, central bank may consider to adjust the interest rates in the second half of the fiscal year. However, the quantum of adjustment will depend on the balance of payment and economic situation at that time.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds have priced in the anticipated yield curve. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

Mutual Fund Industry Review

The Net Assets of the open end mutual fund industry increased by about 14.3% to PKR 848 billion at the end of 1QFY21 compared to end of 4QFY20. Money market funds and Fixed Income funds experienced an influx of investment as the status quo of interest rates was maintained by the central bank throughout the quarter. Total money market funds grew by about 41% since June 2020. Within the money market sphere, the conventional funds dominated as they grew by about 13% to PKR 233 billion. In addition, the total fixed Income funds increased by about 18% since June 2020, as the shariah compliant funds grew by 15% to near PKR 126 billion. The appetite for risk assets ignited in the post lockdown scenario as the aggregate demand boosted. Equity and related funds surged rapidly by 20% from PKR 224 billion to PKR 268 billion over the quarter. Most of the rise in AUMs can be attributed to a positive uptick in the market that was up 26% YoY owing to favorable investor sentiments.

In terms of the segment share, Money Market funds were the leader with a share of around 41%, followed by Equity and Equity related funds with a share of 32% and Income funds having a share of 26% as at the end of 1QFY21.

Mutual Fund Industry Outlook

Record decline in interest rates have reinstated the confidence in risk asset classes. We expect liquidity to gear up towards equity and related funds. The sustainability of liquidity will however depend on how the economy transitions through this phase of pandemic. Our operations remained seamless and given our competitive edge due to aggressive investment in digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

ACKNOWLEDGMENT

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

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
October 23, 2020



Nasim Beg
Vice Chairman / Director

ڈائریکٹرز رپورٹ

اظہار تشکر

ڈائریکٹرز ہمارے حصص یافتگان کو خراج تحسین پیش کرتے ہیں کہ انہوں نے کمپنی میں مسلسل اعتماد کا اظہار کیا ہے۔ علاوہ ازیں، ہم کمپنی کے ہر ایک فرد کے عزم و اخلاص اور جدت پسندانہ سوچ کو بھی بے حد سراہتے ہیں اور ہمیں یقین ہے کہ وہ مستقبل میں بھی اسی طرح سرگرم عمل رہیں گے۔

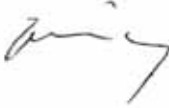
من جانب ڈائریکٹرز،



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

23 اکتوبر 2020ء



نسیم بیگ

ڈائریکٹر / وائس چیئرمین

ڈائریکٹرز رپورٹ

Debt حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر پالیسی شرحوں کی عکاسی بلا رکاوٹ جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز دوران سال پہلے ہی کچھ حد تک متوقع مالیاتی تسہیل میں کردار ادا کر چکے ہیں۔ ہم بانڈز کے منافعوں کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا کے نکات کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ صنعت کا جائزہ

اپن end میوچل فنڈ صنعت کے net اثاثہ جات تقریباً 14.3 فیصد بڑھ کر مالی سال 2021ء کی پہلی سہ ماہی کے اختتام پر تقریباً 848 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز اور فیکسڈ انکم فنڈز میں خطیر سرمایہ کاری ہوئی کیونکہ مرکزی بینک نے سال بھر انٹریسٹ کی شرحوں کی سطح کو برقرار رکھا۔ منی مارکیٹ کے مجموعی فنڈز میں جون 2020ء کے مقابلے میں 41 فیصد اضافہ ہوا۔ زیر جائزہ مدت کے دوران منی مارکیٹ کے دائرے میں روایتی فنڈز حاوی رہے کیونکہ وہ تقریباً 13 فیصد بڑھ کر 233 بلین روپے ہو گئے۔ علاوہ ازیں، مجموعی فیکسڈ انکم فنڈز میں جون 2020ء سے تقریباً 18 فیصد اضافہ ہوا کیونکہ شریعت کی تعمیل والے فنڈز 15 فیصد بڑھ کر تقریباً 126 بلین روپے ہو گئے۔ لاک ڈاؤن ختم ہونے کے بعد مجموعی طلب میں اضافے کے باعث خطرات کے حامل اثاثہ جات کی مانگ میں اضافہ ہوا۔ ایکویٹی اور متعلقہ فنڈز دوران سہ ماہی 20 فیصد بڑھ کر 224 بلین روپے سے 268 بلین روپے ہو گئے۔ AUMs میں اضافے کا بڑا سبب مارکیٹ میں 26 فیصد سال در سال ترقی کو قرار دیا جاسکتا ہے جو سرمایہ کاروں کے پُر جوش رجحان کی بدولت ہوئی۔

مالی سال 2021ء کی پہلی سہ ماہی کے اختتام پر شعبہ جاتی سرمایہ کاری کے اعتبار سے منی مارکیٹ فنڈز تقریباً 41 فیصد کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز تقریباً 32 فیصد، اور انکم فنڈز تقریباً 26 فیصد کے حامل تھے۔

میوچل فنڈ صنعت کا مستقبل کا منظر

انٹریسٹ کی شرحوں میں اب تک کی سب سے زیادہ کمی کی بدولت خطرات کے حامل اثاثہ جات میں اعتماد بحال ہوا ہے۔ ایکویٹی اور متعلقہ فنڈز کے شعبے میں نقدیت میں بہتری متوقع ہے۔ تاہم نقدیت کی پائیداری کا انحصار اس بات پر ہوگا کہ معیشت اس وباء کے مرحلے سے کس طرح گزرتی ہے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکیں گے۔

ڈائریکٹر رپورٹ

پہنچ جائے گا، جبکہ پہلے اس کا نجی سطح میں آنا متوقع تھا۔ دورانِ مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 76، 102 اور 106 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 6.39 فیصد تھا جو مقررہ معیار (6.72 فیصد) کے مقابلے میں 0.33 فیصد کم ہے۔ ستمبر کے اختتام پر فنڈ 99.6 فیصد نقد میں تھا۔ نقد میں زیادہ شمولیت کی وجہ یہ تھی کہ بینکوں نے بینک ڈپازٹس پر پُرکشش شرحیں پیش کی ہوئی تھیں۔ 30 ستمبر 2020ء کو فنڈ کے net اثاثہ جات 29,901 ملین روپے تھے جو 30 جون 2020ء (28,106 ملین روپے) کے مقابلے میں 6.39 فیصد اضافہ ہے۔

30 ستمبر 2020ء کو net اثاثہ جاتی قدر (این اے وی) 101.0395 روپے فی یونٹ تھی جو 30 جون 2020ء کو ابتدائی این اے وی 100.8561 روپے فی یونٹ کے مقابلے میں 0.1834 روپے فی یونٹ کمی ہے۔

معیشت اور بازار - مستقبل کے امکانات

حکومت اور متعدد اداروں کے مطابق مالی سال 2021ء کے لیے مجموعی ملکی پیداوار (جی ڈی پی) میں 2.1 فیصد ترقی متوقع ہے۔ پاکستان کو وڈ 19 کی پہلی لہر سے نبرد آزما ہونے میں کامیابی حاصل کی ہے کیونکہ متاثرہ افراد کی یومیہ تعداد (1000 سے کم) ماہ جون کے آغاز میں منظر عام پر آنے والے تعداد کی بلند ترین سطح (تقریباً 6000) کا چھٹا حصہ رہ گئے ہیں۔ معیشت اب عمومی طور پر قبل از کووڈ سطحوں پر سرگرم عمل ہے کیونکہ گردش شعبوں نے ریکارڈ مالیاتی تسہیل کے بعد رفتار پکڑ لی ہے۔ ہم سمجھتے ہیں کہ عمومی توقعات سے بہتر ترقی ہوگی کیونکہ صنعتی ترقی ہماری اُمید سے جلد بحال ہوگئی ہے۔ ہمارے نزدیک معاشی ترقی 2.1 سے کافی بلند سطح پر بحال ہوگی۔

ادائیگیوں کے توازن کی پریشانیوں فی الوقت ختم ہوگئی ہیں کیونکہ مرکزی حکومت کی جانب سے پالیسی اقدامات کے بعد کرنٹ اکاؤنٹ خسارہ معقول سطح پر آ گیا ہے۔ عالمی معیشت میں بحالی کے عمل کا آغاز ہو گیا ہے اور برآمدات میں بتدریج بہتری کی خبریں گردش میں ہیں۔ ترسیلاتِ زر بھی توقعات سے بہت بلند ہوئی ہیں اور پہلی سہ ماہی میں 31 فیصد سال در سال ترقی نے سب کو حیران کر دیا ہے۔ اگر ترسیلاتِ زر میں یہاں سے 5 فیصد کمی بھی مان لی جائے تب بھی مجموعی صورتحال قابو میں رہے گی۔ ہم سمجھتے ہیں کہ مالی سال 2021ء میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 1.2 فیصد پر ٹھہرے گا، اور اس کے لیے مالیات کی فراہمی باسائی غیر ملکی سرمایہ کاروں اور قرض کے ذریعے ہو سکتی ہے۔ آئی ایم ایف پروگرام پر عمل درآمد کا سبک رفتاری کے ساتھ جاری رہنا مالیاتی گوشوارے کو مثبت حد میں رکھنے کے لیے کلیدی عامل ثابت ہوگا۔ موجودہ صورتحال میں غیر ملکی زرمبادلہ کے ذخائر میں اگلے سال مزید 2 بلین ڈالر کا اضافہ متوقع ہے جس کی بدولت روپے پر کسی قسم کے دباؤ کو کم کرنے میں مدد ملے گی۔

افراطِ زر ہماری سابقہ توقعات سے آگے بڑھ گئی ہے کیونکہ اشیائے خورد و نوش کی قیمتیں آسمان کو چھو رہی ہیں۔ ہمارے نزدیک مالی سال 2021ء کے لیے سی پی آئی کا اوسط 9.1 فیصد ہوگا جو مرکزی بینک کی متوقع حد (7.0 سے 9.0) سے تھوڑا زیادہ ہے۔ تاہم اگلے چند ماہ کے دوران افراطِ زر کی رفتار تقریباً 8 فیصد رہے گی اور مالی سال کے اختتام تک دو عدد تک پہنچے گی جس کی وجہ پست base کی اثر پذیری ہے۔ چنانچہ مرکزی بینک مالی سال کے نصف آخر میں انٹریسٹ کی شرحوں میں ترمیم کرنے کے بارے میں سوچ سکتا ہے۔

ڈائریکٹر رپورٹ

عزیز سرمایہ دار

بورڈ آف ڈائریکٹرز کی طرف سے ایم سی بی کیش مینجمنٹ آپٹیمائزر کے اکاؤنٹس کا جائزہ برائے سہ ماہی مئی 30 2020ء پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

مالی سال 2021ء کا آغاز اُمید افزا رہا کیونکہ ملک بھر میں عمومی طور پر لاک ڈاؤن ختم کیے جانے کے نتیجے میں معاشی سرگرمیوں کی رفتار میں اضافہ ہوا ہے۔ معاشی بحالی توقعات سے بہتر رہی کیونکہ مالیاتی تسہیل کی سست رفتار اثر پذیر رہی، مُقید طلب اور ترسیلات زر میں اضافے کی بدولت معاشی ترقی کو محرک فراہم ہوا۔ ہمیں اُمید ہے کہ اب معاشی ترقی عمومی تخمینوں سے بلند تر ہوگی۔ حکومت کو ابتدائی طور پر پست تر صنعتی ترقی کی توقع تھی (کووڈ ۱۹ کے باعث 0.1 فیصد سال در سال (YoY) کا ہدف)، لیکن ہم سمجھتے ہیں کہ اب یہ توقعات سے بہتر ہوگی کیونکہ گردش شعبوں کے حالات کی کاپلٹ گئی ہے۔

مالی سال 2021ء کی پہلی سہ ماہی میں سیمنٹ کے شعبے نے مقامی ترسیلات میں 19 فیصد سال در سال کی متاثر کن ترقی کی۔ موٹر سائیکلوں کی فروخت میں 22 فیصد قابل ذکر اضافہ ہوا جس سے متوسط طبقے کی معاشی صورتحال میں بہتری کی عکاسی ہوتی ہے۔ اسی طرح سفید پٹرولیم کی مصنوعات کی مانگ میں دوران سہ ماہی 6 فیصد سال در سال اضافہ ہوا جس سے معیشت میں وسیع بنیاد پر بحالی کی طرف اشارہ ہوتا ہے۔ بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) کا اس مالی سال کے لیے صرف ایک عدد ظاہر کیا گیا ہے (5 فیصد سال در سال تک) لیکن ہم سمجھتے ہیں کہ پہلی سہ ماہی کے دوران اس میں بلند یک عددی ترقی ہوگی۔

کرنٹ اکاؤنٹ خسارے میں مالی سال کے پہلے دو ماہ میں 805 ملین ڈالر کی ہوئی جبکہ سال گزشتہ کی مماثل مدت میں خسارہ 1,214 ملین ڈالر تھا۔ اس بہتری کی بنیادی وجہ ترسیلات زر میں پہلے دو ماہ کے دوران اور پہلی سہ ماہی میں بھی 31 فیصد زبردست اضافہ ہے۔ مرکزی بینک کے غیر ملکی زرمبادلہ کے ذخائر میں دوران سہ ماہی 100 ملین ڈالر کا معمولی اضافہ ہوا جس کی وجہ ادائیگیوں کے توازن کی صورتحال میں بہتری ہے۔

افراط زر حکومت کا کمزور پہلو رہا کیونکہ اشیائے خورد و نوش کی قیمتوں میں اضافہ پالیسی ساز افراد کے لیے چیلنج پیش کرتا رہا۔ دوران سہ ماہی ہیڈ لائن افراط زر، جس کی نمائندگی صارفی قیمت کی انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط 8.8 فیصد سال در سال تھا، جبکہ اشیائے خورد و نوش کے افراط زر کا اوسط 15.1 فیصد سال در سال تھا۔ جلد خراب ہو جانے والی اشیائے خورد و نوش بشمول گندم کی قیمت میں اضافہ جاری رہا جس کی وجہ رسد کی جہت میں ہونے والی خرابیاں اور بدانتظامی ہے۔ بہر حال اصل افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے شعبوں کے علاوہ کے ذریعے ہوتی ہے، قابو میں تھی اور اس کا اوسط 6.6 فیصد تھا۔ ایم پی سی کمیٹی نے دوران سہ ماہی ایک مانیٹری پالیسی اجلاس منعقد کیا اور گزشتہ اجلاسوں میں پے در پے کٹوتیوں کے بعد صورتحال کو برقرار رکھا۔ اگرچہ انٹریسٹ کی اصل شرحیں منفی رہیں، مرکزی بینک کووڈ ۱۹ کے باعث طلب کی جہت پر پڑنے والے دباؤ کے حوالے سے محتاط تھا۔

معیشت کے مستحکم ہونے کے ساتھ ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں دوران سہ ماہی 5 فیصد اضافہ ہوا، اور اس طرح چار ماہ بعد یہ عدد منفی سے مثبت ہوا۔ ایف بی آر نے ریکارڈ 1,004 بلین روپے ٹیکس جمع کیا جو مقررہ ہدف سے تقریباً 40 بلین روپے زیادہ ہے۔

افراط زر نے سرمایہ کاروں کو مایوس کرنے کا سلسلہ جاری رہا اور پیداواری خم بلندی کی طرف جانا شروع ہو گیا۔ مرکزی بینک نے بھی افراط زر سے متعلق اپنی توقع کو بڑھایا جیسا کہ مانیٹری پالیسی کمیٹی (ایم پی سی) کے مٹس میں مذکور ہے۔ اب مرکزی بینک کو توقع ہے کہ افراط زر 7 سے 9 فیصد کی اوپری سطح میں

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2020

		September 2020 (Unaudited) ----- (Rupees in '000) -----	June 2020 (Audited)
	Note		
ASSETS			
Balances with banks	6	29,961,219	28,023,622
Investments	7	-	33,582
Receivable against sale of investments		-	3,360,717
Advances, deposits, prepayments and other receivable		112,435	210,500
Total assets		30,073,654	31,628,421
LIABILITIES			
Payable to the Management Company	9	12,154	17,305
Payable to Central Depository Company of Pakistan Limited - Trustee		1,844	1,607
Payable to Securities and Exchange Commission of Pakistan		1,472	3,874
Payable against Purchase of investment		-	3,352,541
Accrued expenses and other liabilities	8	157,067	147,308
Total liabilities		172,537	3,522,635
NET ASSETS		<u>29,901,117</u>	<u>28,105,786</u>
Unit holders' fund (as per statement attached)		<u>29,901,117</u>	<u>28,105,786</u>
Contingencies and Commitments	10		
		(Number of units)	
NUMBER OF UNITS IN ISSUE		<u>295,934,963</u>	<u>278,672,060</u>
		(Rupees)	
NET ASSETS VALUE PER UNIT		<u>101.0395</u>	<u>100.8561</u>

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

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 2020	September 2019
Note	(Rupees in '000)	
INCOME		
Capital gain on sale of investments - net	(10,262)	5,790
Profit on letter of placement	1,985	57,377
Profit on bank deposits	213,790	253,831
Income from government securities	318,067	133,178
Income from commercial papers	-	19,141
	523,579	469,316
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	7.1.1 -	204
Total income	523,579	469,520
EXPENSES		
Remuneration of Management Company	25,957	18,104
Sindh Sales tax on Management fee	3,374	2,353
Remuneration of Central Depository Company of Pakistan Limited - Trustee	4,798	2,207
Sindh Sales tax on remuneration of Central Depository Company of Pakistan Limited- Trustee	624	287
Annual fee of Securities and Exchange Commission of Pakistan	1,472	678
Allocated expenses	7,381	3,394
Marketing And Selling Expense	-	6,492
Legal and professional	34	46
Brokerage expenses	64	125
Auditor's remuneration	248	225
Other expenses	277	309
Total operating expenses	44,230	34,222
Net income from operating activities	479,350	435,298
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1 (9,587)	(8,706)
Net income for the period before taxation	469,763	426,592
Taxation	11 -	-
Net income for the period after taxation	469,763	426,592
Allocation of net income for the period:		
Net income for the period	469,763	426,592
Income already paid on units redeemed	(36,183)	(25,831)
	433,580	400,761
Accounting income available for distribution		
- Relating to capital gains	-	5,579
- Excluding capital gains	433,580	395,182
	433,580	400,761

Earnings per unit

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

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	September 2020	September 2019
	----- (Rupees in '000) -----	
Net income for the period after taxation	469,763	426,592
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>469,763</u>	<u>426,592</u>

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

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30			September 30		
	2020			2019		
	(Rupees in '000)					
Note	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	27,987,813	117,973	28,105,786	13,846,006	56,611	13,902,616
Issue of 333,731,129 units - including additional units (2019:96,862,645 units)						
- Capital value (at net asset value per unit at the beginning of the period)	33,658,831	-	33,658,831	9,748,479		9,748,479
- Element of income	34,865	-	34,865	21,356		21,356
	33,693,696	-	33,693,696	9,769,835	-	9,769,835
Redemption of 316,468,225 units (2019: 102,476,684 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(31,917,761)	-	(31,917,761)	(10,313,489)		(10,313,489)
- Element of income	(2,948)	(36,183)	(39,131)	(1,965)	(25,831)	(27,796)
	(31,920,709)	(36,183)	(31,956,892)	(10,315,454)	(25,831)	(10,341,285)
Total comprehensive income for the period	-	469,763	469,763	-	426,592	426,592
Interim distribution during the period	(30,811)	(380,425)	(411,236)	(18,709)	(362,940)	(381,649)
	(30,811)	89,338	58,527	(18,709)	63,652	44,943
Net assets at end of the period	93,571,407	171,128	29,901,117	13,281,678	94,432	13,376,109
Undistributed income brought forward comprising of:						
- Realised		117,891			56,611	
- Unrealised (loss) / gain		82			-	
		117,973			56,611	
Accounting income available for distribution						
- Relating to capital gains		-			5,579	
- Excluding capital gains		433,580			395,182	
		433,580			400,761	
Cash distribution during the period		380,425			362,940	
Undistributed income carried forward		171,128			94,432	
Undistributed income carried forward						
- Realised		171,128			94,432	
- Unrealised					-	
		171,128			94,432	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		100.8561			100.6423	
Net assets value per unit at end of the period		101.0395			100.9329	

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

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 2020	September 2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	469,763	426,592
Adjustments for non cash and other items:		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'at fair value through profit or loss'	-	(204)
Capital gain / (loss) on sale on investments - net	10,262	(5,790)
	10,262	(5,994)
	480,025	420,802
Decrease in assets		
Investments	23,320	1,606,227
Receivable against sale of investments	3,360,717	
Prepayments and profit receivable	98,065	(10,533)
	3,482,102	1,595,694
(Decrease) / Increase in liabilities		
Payable to Management Company	(5,151)	(640)
Payable to Central Depository Company of Pakistan Limited - Trustee	237	(201)
Payable to Securities and Exchange Commission of Pakistan	(2,402)	(9,811)
Payable Against Purchase Of Investment - money market	(3,352,541)	480,424
Accrued expenses and other liabilities	9,759	9,668
	(3,350,098)	479,440
Net cash generated operating activities	612,029	2,495,732
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issuance and conversion of units (excluding additional units)	33,662,884	9,751,126
Payment against redemption and conversion of units	(31,956,892)	(10,341,285)
Distributions made during the period	(380,425)	(362,940)
Net cash generated from / (used in) financing activities	1,325,568	(953,099)
Net increase in cash and cash equivalents	1,937,597	1,542,633
Cash and cash equivalents at beginning of the period	28,023,622	10,112,614
Cash and cash equivalents at end of the period	29,961,219	11,655,247

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

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** MCB Cash Management Optimizer (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited), as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated July 09, 2009 consequent to which the trust deed was executed on July 10, 2009, in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3** The Fund is an open-end mutual fund and has been categorised as 'Money Market Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by the SECP, and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. Unit holders are divided into plan 'A' and plan 'B'. The unit holders under plan "A" are entitled for bonus units as well as cash dividend, whereas unit holders under plan "B" are entitled for cash dividend only. The units are listed on Pakistan Stock Exchange Limited (PSX).
- 1.4** The Fund primarily invests in a mix of short term corporate debt and government securities, repurchase agreements, term deposit and money market placements with scheduled banks.
- 1.5** Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2020 to the Management Company and a stability rating of 'AA+(f)' dated October 19, 2020 to the Fund.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2 BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (The NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) and requirement of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC rules, the NBFC Regulations and requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.1.2** This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2020.
- 2.1.3** The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2020 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2020, whereas the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders'

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

funds are stated from unaudited condensed interim financial information for the quarter ended 30 September 2019.

2.1.4 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.

2.1.5 In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the Fund.

2.2 Basis of Measurement

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

2.3 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended June 30, 2019.

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

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

4 Estimates and Judgements

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2020.

5 Financial Risk Management

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2020.

6 BALANCES WITH BANKS

		September 2020 (Unaudited)	June 2020 (Audited)
		------(Rupees in '000)-----	
In current accounts	6.1	38,510	519,995
In saving accounts	6.2	29,922,709	27,503,627
		<u>29,961,219</u>	<u>28,023,622</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

6.1 This represents balance maintained with MCB Bank Limited.

6.2 These carry profit at the rates ranging between 5.5% to 8.85 % (2020: 5.5% to 14.45) per annum and include Rs.22.32 million maintained with MCB Bank Limited (2019: 43.089 million), (a related party) which carries profit at the rate of 5.5% per annum.

7 INVESTMENTS

7.1 Investments at fair value through profit or loss'

		September 2020 (Unaudited)	June 2020 (Audited)
	Note	------(Rupees in '000)-----	
Market Treasury Bills	7.1.1	-	33,582
		-	33,582

7.1.1 Market treasury bills

		Face value				As at 30 September 2020			Market value	
Name of Security	Issue Date	As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at Sep 30, 2020	Carrying value	Market value	Unrealized gain / (loss)	As a percentage of net assets	As a percentage of total investments
----- (Rupees in '000) -----										
<u>Market treasury</u>										
<u>bills - 3 months</u>										
Market treasury bills	July 16, 2020	-	18,025,000,000	18,025,000,000	-	-	-	-	0.00%	#DIV/0!
Market treasury bills	July 2, 2020	-	375,000,000	375,000,000	-	-	-	-	0.00%	#DIV/0!
Market treasury bills	May 7, 2020	-	3,000,000,000	3,000,000,000	-	-	-	-	0.00%	#DIV/0!
Market treasury bills	May 21, 2020	-	1,600,000,000	1,600,000,000	-	-	-	-	0.00%	#DIV/0!
<u>Market treasury</u>										
<u>bills - 6 months</u>										
Market treasury bills	July 16, 2020	-	13,150,000,000	13,150,000,000	-	-	-	-	0.00%	#DIV/0!
Market treasury bills	April 23, 2020	-	5,145,000,000	5,145,000,000	-	-	-	-	0.00%	#DIV/0!
Market treasury bills	April 9, 2020	-	1,375,000,000	1,375,000,000	-	-	-	-	0.00%	#DIV/0!
Market treasury bills	May 7, 2020	15,000,000		15,000,000	-	-	-	-	0.00%	#DIV/0!
Market treasury bills	March 26, 2020		7,345,000,000	7,345,000,000	-	-	-	-	0.00%	#DIV/0!
Market treasury bills	July 2, 2020		450,000,000	450,000,000	-	-	-	-	0.00%	#DIV/0!
Market treasury bills	June 18, 2020		4,400,000,000	4,400,000,000	-	-	-	-	0.00%	#DIV/0!
<u>Market treasury</u>										
<u>bills - 12 months</u>										
Market treasury bills	November 7, 2019	10,335,000		10,335,000	-	-	-	-	0.00%	#DIV/0!
Market treasury bills	December 19, 2019	-	12,925,000,000	12,925,000,000	-	-	-	-	0.00%	#DIV/0!
Market treasury bills	September 26, 2019	9,000,000	5,254,745,000	5,263,745,000	-		-	-	0.00%	#DIV/0!
Market treasury bills	October 24, 2019		625,000,000	625,000,000	-	-	-	-	0.00%	#DIV/0!
Market treasury bills	September 12, 2019		3,800,000,000	3,800,000,000	-	-	-	-	0.00%	#DIV/0!
Market treasury bills	October 10, 2019		13,100,000,000	13,100,000,000	-		-	-	0.00%	#DIV/0!
Market treasury bills	August 16, 2019		900,000,000	900,000,000	-	-	-	-	0.00%	#DIV/0!
Market treasury bills	August 29, 2019		1,450,000,000	1,450,000,000	-	-	-	-	0.00%	#DIV/0!
Total as at September 30, 2020						-	-	-		
Total as at June 30, 2020						33,500	33,582	82		

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Note	September 30 2020 (Unaudited) (Rupees in '000)	June 30 2020 (Audited)
8 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	8.1	99,492	89,905
Provision for Federal Excise Duty and related taxes on:	8.2		
-Management fee		54,267	54,267
-Sales load		19	19
Brokerage payable		49	101
Withholding Tax Payable		1,795	1,807
Auditor's remuneration		901	653
Printing and related expenditure		25	40
Others		519	516
		157,067	147,308

8.1 Provision for Sindh Workers' Welfare Fund

There is no change in the status of the SWWF as reported in the annual financial statements of the Fund for the year ended June 30, 2019. Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2020 would have been higher by Re.0.3362 per unit (June 30, 2020 Re.0.3226 per unit).

8.2 Federal Excise Duty 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 annual financial statements of the Fund for the year ended June 30, 2019. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2020 would have been higher by Re. 0.1834 per unit (June 30, 2020: Re. 0.1948 per unit).

	September 30 2020 (Unaudited) (Rupees in '000)	June 30 2020 (Audited)
9 PAYABLE TO MCB-ARIF HABIB SAVINGS & INVESTMENTS LIMITED - MANAGEMENT COMPANY		
Management fee payable	8,538	9,263
Sindh sales tax on management fee	1,109	1,203
Payable against allocated expenses	2,508	2,185
Marketing and Selling Expense	-	4,654
	12,154	17,305

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2020 and June 30, 2020.

11 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The management intends to distribute at least 90% of income to be earned during current year to the unit holders, therefore, no provision for taxation has been recorded in this condensed interim financial information.

12 EARNINGS PER UNIT

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the holding company of the Management Company, the Trustee, directors and key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund..

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Constitutive documents of the Fund.

The transactions with connected persons / related parties are in the normal course of business and are carried out on agreed terms at contracted rates.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	September 30,	
	2020	2019
	(Unaudited)	
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited		
Remuneration of the Management Company (including indirect taxes)	29,332	20,457
Allocated expenses	7,381	3,394
Marketing and selling expense	-	6,492
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	5,422	2,495
MCB Bank Limited		
Profit on bank deposits	236	2,412
Bank Charges	64	35
Arif Habib Limited - Brokerage House		
Brokerage expense	3	-

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

	September 2020 (Unaudited)	June 2020 (Audited)
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited		
Management fee payable	8,538	9,263
Sindh sales tax payable on management fee	1,109	1,203
Allocated expenses payable	2,508	2,185
Marketing and Selling payable	-	4,654
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,632	1,422
Sindh sales tax payable on trustee fee	212	185

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 2020 (Unaudited) ----- (Rupees in '000) -----	June 2020 (Audited)
MCB Bank Limited		
Bank deposits	60,835	43,089
Profit receivable on bank deposits	405	4,641
Arif Habib Limited - Brokerage House		
Brokerage payable*	-	44

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

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

	For quarter ended September 30, 2020 (Unaudited)							
	As at July 01, 2020	Issued for cash	Redeemed	As at September 30, 2020	As at July 01, 2020	Issued for cash	Redeemed	As at September 30, 2020
	Units				(Rupees in '000)			
Associated Companies								
MCB - Arif Habib Savings and Investments Limited - Management Company	5,469,446	22,151,628	23,208,371	4,412,704	551,627	2,234,573	2,343,044	445,857
Hyundai Nishat Motor Private Limited Employees Provident Fund	22,187	317	-	22,504	2,238	32	-	2,274
Adamjee Life Assurance Company Ltd	-	494,952	-	494,952	-	50,000	-	50,010
MCB Financial Services Limited	834,417	10,114	-	844,531	84,156	1,020	-	85,331
D.G Khan Cement Company Limited	3	-	-	3	1	-	-	1
Nishat Power Limited Employees Provident Fund Trust	103,985	1,484	-	105,469	10,488	150	-	10,657
Adamjee Insurance Co.Ltd.	267,294	3,453	77,571	193,175	26,958	348	7,828	19,518
Employees Gratuity Fund	534,504	6,901	155,376	386,029	53,908	696	15,679	39,004
Security General Insurance Co. Ltd.	4,517,331	46,677	3,962,680	601,329	455,601	4,708	400,000	60,758
Sayyed Engineers Limited	5,654	69	-	5,723	570	7	-	578
IT Minds	-	129,114	129,114	-	-	13,022	13,041	-
Asghari Beg MemorialL. Trust	-	4,991	2,475	2,516	-	503	250	254
Key management personnel	16,131,058	383,874	235,244	16,279,688	1,626,916	38,727	23,770	1,644,891
Mandate Under Discretionary Portfolio Services	20,805,826	96,240,964	108,535,942	8,510,848	2,098,395	9,708,443	10,964,475	859,932
Unit holders holding 10% or more units**	60,365,689	101,800,416	81,598,252	80,567,853	6,088,250	10,267,193	8,233,859	8,140,535

**These persons became connected persons / related parties during the period due to acquiring unit holding of more than 10% of net assets of the Fund.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

For quarter ended September 30, 2019 (Unaudited)								
	As at July 01, 2019	Issued for cash	Redeemed	As at September 30, 2019	As at July 01, 2019	Issued for cash	Redeemed	As at September 30, 2019
	Units				(Rupees in '000)			
Associated Companies								
MCB - Arif Habib Savings and Investments Limited - Management Company	2,108,504	18,055,537	18,313,676	1,850,365	212,205	290,823	321,973	186,763
Nasim Beg	237	3,090	3,226	101	24	311	325	10
Ahmed Jahangir	52	1	-	53	5	1	-	5
Raza Mansha		3,022,763	-	3,022,763	-	304,217	-	305,096
Adamjee Insurance Company Limited	25,705	1,012,506	-	1,038,211	2,587	101,901	-	104,790
Nishat Mills Limited Employees Provident Fund Trust	141,826	2,919,472	-	3,061,298	14,274	293,822	-	308,986
D.G Khan Cement Company Limited	2	-	-	2	1	-	-	1
Adamjee Insurance Co Limited								
Employees Provident Fund	489,204	14,238	-	503,443	49,235	1,433	-	50,814
MCB Financial Services Limited	730,103	18,032	-	748,134	73,479	1,815	-	75,511
Nishat Power Limited Employees Provident Fund Trust	110,634	3,220	-	113,854	11,134	324	-	11,492
Security General Insurance Co. Ltd.	46,298	1,347	-	47,645	4,659	136	-	4,809
Employees Provident Fund Trust								
Adamjee Insurance Co.Ltd.								
Employees Gratuity Fund	244,831	7,126	-	251,957	24,640	717	-	25,431
Hyundai Nishat Motor Private Limited Employees Provident Fund	-	20,302	-	20,302	-	2,043	-	2,049
Key management personnel	123,782	151,053	215,454	59,381	12,458	15,218	21,762	5,993
Mandate Under Discretionary Portfolio Services	11,871,391	13,347,214	15,707,277	9,511,329	1,194,765	1,343,521	1,585,367	960,006
Unit holders holding 10% or more units**	28,579,957	8,688,879	4,893,562	32,375,273	2,876,353	877,137	493,000	3,267,730

**These persons became connected persons / related parties during the period due to acquiring unit holding of more than 10% of net assets of the Fund.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

14 TOTAL EXPENSE RATIO

The total expense ratio of the Fund from July 1, 2019 to September, 2020 is 0.18%. (June 30, 2020: 1.19%) The total expense ratio includes 0.05% (June 30, 2020: 0.34%) representing government levy and SECP fee. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme for a collective investment scheme categorized as Money Market Scheme.

15. INTERIM DISTRIBUTION DURING THE PERIOD

-----September 30, 2020-----				
----- (Unaudited)-----				
	Rate per unit	Declaration date	— Refund of Capital — -- (Rupees in '000) ---	Distribution of Income
For the period ended 10 July 2020	Re 0.2642	July 13, 2020	3,167	65,679
For the period ended 17 July 2020	Re 0.14	July 20, 2020	844	37,644
For the period ended 11 Aug 2020	Re 0.3082	August 12, 2020	9,581	83,076
For the period ended 21 Aug 2020	Re 0.2357	August 24, 2020	3,716	65,176
For the period ended 04 Sep 2020	Re 0.229	September 7, 2020	11,703	55,995
For the period ended 18 Sep 2020	Re 0.2539	September 21, 2020	1,801	72,854
			-	
			30,811	380,425

16. GENERAL

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

16.2 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.

17. DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on October 23, 2020 by the Board of Directors of the Management Company.

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



Chief Executive Officer



Chief Financial Officer



Director

MCB Arif Habib Savings and Investments Limited

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