



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.

PAKISTAN CAPITAL MARKET FUND

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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 JS Bank Limited Standard Chartered Bank Limited Zarai Traqiati Bank Limited Bank Al Falah 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 **Pakistan Capital Market Fund's** accounts review for the quarter ended September 30, 2020.

Economy and Money Market Review

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.

Equity Market Review

The benchmark KSE-100 index started off the fiscal year 2021 with flying colors as it closed the first quarter as the best performing equity index in the world exhibiting a massive surge of ~17.9%. With record low interest rates, stock market remained exuberant as flows from local investors kept the index roaring. Foreigners continued to offload as they sold stocks worth of near USD 106 million, while on the local front Individuals and Mutual Funds added about USD 108/26 million respectively to their positions. During the quarter, average trading volumes saw a massive rise to 500 million shares compared to about 205 million shares during the preceding quarter. Similarly, average trading value during the quarter saw an exorbitant uptick of 133% QoQ to near PKR 17.5 billion.

Cement, Chemical and Automobile were the major outperformers as they posted returns of 35%/26%/25% respectively. Record cement dispatches along with rising cement prices continued to provide traction to cement stocks. The announcements related to the Naya Pakistan housing project also acted as stimuli to the positive sentiments in the cement sector. Similarly, chemical sector also remained in limelight owing to rising construction activities, along with a recovery in textile sector. Moreover, Autos garnered attention as renewed demand of passenger cars and two wheelers brought life in the sector.

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

FUND PERFORMANCE

During the period under review, the fund posted a return of 11.63% compared to the return of 14.37% posted by the benchmark.

On the equities front, the overall allocation stood at 66.3%. The exposure was mainly held in Commercial Banks, Cement and Oil & Gas Exploration Companies.

On the fixed income side, the fund maintained its exposure towards cash to benefit from attractive rates offered by banks. The Net Assets of the Fund as at September 30, 2020 stood at Rs. 471 million as compared to Rs. 415 million as at June 30, 2020 registering an increase of 13.49%.

The Net Asset Value (NAV) per unit as at September 30, 2020 was Rs. 11.33 as compared to opening NAV of Rs. 10.15 per unit as at June 30, 2020 showing an increase of Rs.1.18 per unit.

Economy & Market - 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 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. From capital market perspective, particularly equities, we are getting a much clearer picture now. As covid curve continues to flatten out, the valuations are catching up with historical norms. Barring a second wave of the virus, we think equities have a lot to offer to the investors. Market cap to GDP ratio is at 17.5%, still at a discount of 33% from its historical average. Similarly, risk premiums are close to 3.4%, compared to historical average of 0.9% signifying decent upside for long term investors. We believe a micro view of sectors and stock will remain more important this year and investment selection should focus on companies which trade at a deep discount to their intrinsic value. Similarly, focus should also revert back to companies that are expected to exhibit stellar earnings growth over the medium term.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds 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.

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

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

ڈائریکٹر رپورٹ

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 پلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکے۔

اظہار تشکر

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۔

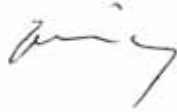
من جانب ڈائریکٹرز،



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

23 اکتوبر 2020ء



نسیم بیگ

ڈائریکٹر / وائس چیئرمین

ڈائریکٹر رپورٹ

ادائیگیوں کے توازن کی پریشانیوں فی الوقت ختم ہو گئی 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۔ ترسیلات 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 ترسیلات زر میں یہاں سے 5 فیصد کی 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۔

افراط 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 افراط 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۔ تاہم ترمیم کے حجم کا انحصار اس وقت کی ادائیگیوں کے توازن اور معاشی صورتحال پر ہوگا۔

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

اوپن 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 شرح 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۔

ڈائریکٹر رپورٹ

ایکویٹی مارکیٹ کا جائزہ

بچ مارک KSE-100 انڈیکس نے مالی سال 2021ء کا بہترین آغاز کیا کیونکہ یہ پہلی سہ ماہی کے اختتام پر تقریباً 17.9 فیصد ترقی کر کے دنیا بھر میں بہترین کارکردگی کا مظاہرہ کرنے والا انڈیکس تھا۔ انڈیکس کی کم ترین شرحوں کی بدولت اسٹاک مارکیٹ میں خوشحالی رہی کیونکہ سرمایہ کاروں کی طرف سے آمدات سے انڈیکس بڑھتا رہا۔ غرملکیوں نے بوجھ اتارنے کا سلسلہ جاری رکھا اور تقریباً 106 ملین ڈالر مالیت کے اسٹاکس فروخت کیے، جبکہ مقامی سطح پر افراد اور میوچل فنڈز نے اپنی بساط میں بالترتیب تقریباً 108 ملین اور 26 ملین ڈالر کا اضافہ کیا۔ دوران سہ ماہی اوسط تجارتی حجم میں بڑا اضافہ ہوا اور یہ 500 ملین ڈالر ہو گئے جبکہ گزشتہ سہ ماہی میں 205 ملین ڈالر تھے۔ اوسط تجارتی قدر میں بھی 133 فیصد سہ ماہی درسہ ماہی (QoQ) خطیر اضافہ ہوا اور یہ تقریباً 17.5 ملین روپے تک پہنچ گئی۔

سیمنٹ، کیمیکل اور گاڑیوں کے شعبوں نے بہترین کارکردگی کا مظاہرہ کرتے ہوئے بالترتیب 35، 26 اور 25 فیصد منافع حاصل کیا۔ سیمنٹ کی ریکارڈ ترسیلات بمع بڑھتی ہوئی قیمتوں نے سیمنٹ کے اسٹاکس کو محرک فراہم کرنے کا سلسلہ جاری رکھا۔ 'نیا پاکستان ہاؤسنگ پراجیکٹ' سے متعلق اعلانات بھی سیمنٹ کے شعبے کے لیے خوش آئند ثابت ہوئے۔ اسی طرح کیمیکلز کے شعبے نے بھی بڑھتی ہوئی تعمیراتی سرگرمیوں اور ٹیکسٹائل کے شعبے میں بحالی کی بدولت بھرپور ترقی کی۔ علاوہ ازیں، گاڑیوں کا شعبہ توجہ کا مرکز بنا کیونکہ مسافر گاڑیوں اور موٹر سائیکلوں کی مانگ میں اضافے نے اس شعبے میں نئی روح بھونک دی۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 11.63 فیصد منافع پوسٹ کیا جبکہ مقررہ معیار 14.37 فیصد تھا۔ ایکویٹیز میں مجموعی اختصاص 66.3 فیصد تھا۔ زیادہ تر شمولیت کمرشل بینکوں، سیمنٹ اور آئل اور گیس ایکسپلوریشن کمپنیوں میں تھی۔ مقررہ آمدنی کی جہت میں فنڈ نے نقد میں اپنی شمولیت کو برقرار رکھا تا کہ بینکوں کی پیش کردہ پُرکشش شرحوں سے فائدہ اٹھایا جائے۔ 30 ستمبر 2020ء کو فنڈ کے net اثاثہ جات 471 ملین روپے تھے جو 30 جون 2020ء (415 ملین روپے) کے مقابلے میں 13.49 فیصد اضافہ ہے۔

30 ستمبر 2020ء کو net اثاثہ جاتی قدر (این اے وی) 11.33 روپے فی یونٹ تھی جو 30 جون 2020ء کو ابتدائی این اے وی 10.15 روپے فی یونٹ کے مقابلے میں 1.18 روپے فی یونٹ اضافہ 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 ۱۹ 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 گزشتہ 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۔

ڈائریکٹر ز رپورٹ

عزیز سرمایہ دار

بورڈ آف ڈائریکٹرز کی طرف سے پاکستان کیپیٹل مارکیٹ فنڈ کے اکاؤنٹس کا جائزہ برائے سہ ماہی مُختتمہ 30 ستمبر 2020ء پیش خدمت ہے۔

معیشت اور بازار ز کا جائزہ

مالی سال 2021ء کا آغاز اُمید افزا رہا کیونکہ مُلک 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، مُقتید طلب اور ترسیلات ز 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 بلندیک 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 ز 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 ز حکومت کا کمزور پہلور ہا کیونکہ اشیائے خورد و نوش کی قیمتوں میں اضافہ پالیسی ساز افراد کے لیے چیلنج پیش کرتا رہا۔ دوران سہ ماہی ہیڈ لائن افراط ز، 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 ز 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 ز، 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 ز 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 ز سے متعلق اپنی توقع کو بڑھایا جیسا کہ مانیٹری پالیسی کمیٹی (ایم پی سی) کے منٹس میں مذکور ہے۔ اب مرکزی بینک کو توقع ہے کہ افراط ز 7 سے 9 فیصد کی اوپری سطح میں پہنچ جائے گا، جبکہ پہلے اس کا نچلی سطح میں آنا متوقع تھا۔ دوران مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 76، 102 اور 106 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

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

		(Un-Audited) September 30, 2020 ----- (Rupees in '000) -----	(Audited) June 30, 2020
	Note		
ASSETS			
Balances with banks	6	154,726	99,855
Investments	7	328,414	374,107
Dividend and profit receivables		734	2,077
Advances, deposits and prepayments		6,480	5,073
Receivable against sale of investments		3,924	4,238
Total assets		494,278	485,350
LIABILITIES			
Payable to the Management Company	9	2,544	2,266
Payable to the Central Depository Company of Pakistan Limited - Trustee		91	79
Payable to the Securities and Exchange Commission of Pakistan		23	93
Payable against purchase of investment		4,710	53,999
Payable against redemption of units		216	216
Accrued expenses and other liabilities	8.	15,534	14,118
Total liabilities		23,119	70,771
NET ASSETS		471,159	414,579
Unit holders' fund (as per statement attached)		471,159	414,579
Contingencies and commitments	10.		
		(Number of units)	
NUMBER OF UNITS IN ISSUE		41,577,253	40,862,716
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		11.33	10.15

The annexed notes from 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 QUARTER ENDED SEPTEMBER 30, 2020

		September 30,	
		2020	2019
	Note	----- (Rupees in '000) -----	
INCOME			
Dividend income		515	5,793
Income from government securities		1,215	736
Profit on bank deposits		1,525	4,657
Income from term finance certificate		11	31
Capital (loss) / gain on sale of investments - net		24,447	(580)
Income on NCCPL deposit against exposure margin		26	17
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'at fair value through profit or loss' - net	7.4	27,973	(17,679)
Total income		55,712	(7,025)
EXPENSES			
Remuneration of the Management Company		2,343	2,324
Sindh Sales Tax on remuneration of the Management Company.		305	302
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		234	232
Sales Tax on remuneration of the trustee		30	30
Securities and Exchange Commission of Pakistan - fee		23	23
Allocated expense		117	116
Marketing and selling expense		1,582	717
Securities transaction cost		868	251
Settlement, bank charges		154	148
Fees and subscription		7	19
Auditors' remuneration		145	132
Printing and related cost		2	25
Legal and professional charges		34	46
Total expenses		5,845	4,365
Net income / (loss) from operating activities		49,867	(11,391)
Provision for Workers' Welfare Fund		(997)	-
Net income / (loss) for the period before taxation		48,870	(11,391)
Taxation	12	-	-
Net income / (loss) for the period		48,870	(11,391)
Allocation of net income / (loss) for the period:			
Net income for the period		48,870	-
Income already paid on units redeemed		(2,059)	-
		46,811	-
Accounting income available for distribution:			
- Relating to capital gains		46,811	-
- Excluding capital gains		-	-
Accounting income available for distribution		46,811	-
Earning per unit			
13.			
The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.			

The annexed notes from 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 QUARTER ENDED SEPTEMBER 30, 2020**

	<u>September 30,</u>	
	2020	2019
	----- (Rupees in '000) -----	
Net income / (Loss) for the period after taxation	48,870	(11,391)
Other comprehensive Income for the period	-	-
Total comprehensive income / (Loss) for the period	48,870	(11,391)

The annexed notes from 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 QUARTER ENDED SEPTEMBER 30, 2020

	September 30,						
	2020	2019					
	(Rupees in '000)						
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
Net assets at beginning of the period	422,186	(7,607)	414,579	512,914	(9,278)	-	503,636
Issuance of 3,338,818 units (2019: 636,722 units)							
- Capital value (at net asset value per unit at the beginning of the period)	33,888	-	33,888	6,438	-	-	6,438
- Element of income	3,413	-	3,413	(225)	-	-	(225)
Total proceeds on issuance of units	37,301	-	37,301	6,214			6,214
Redemption of 2,624,281 units (2019: 4,692,646units)							
- Capital value (at net asset value per unit at the beginning of the period)	26,636		26,636	47,443			47,443
- Element of loss	896	2,059	2,955	(2,379)	-	-	(2,379)
Total payments on redemption of units	27,532	2,059	29,591	45,063	-	-	45,063
Total comprehensive income / (Loss) for the period	-	48,870	48,870	-	(11,391)	-	(11,391)
Net Income / (loss) for the period	-	48,870	48,870	-	(11,390)	-	(11,391)
Net assets at end of the period	431,955	39,204	471,159	474,064	(20,668)	-	453,396
Undistributed income brought forward							
- Realised		19,862			50,729		
- Unrealised		(27,469)			(60,007)		
		(7,607)			(9,278)		
Accounting income available for distribution							
- Relating to capital gains	46,811			-			
- Excluding capital gains	-			-			
	46,811			-			
Net loss for the period after taxation		-			(11,391)		
Undistributed income carried forward		39,204			(20,669)		
Undistributed income carried forward							
- Realised		11,231			(2,989)		
- Unrealised		27,973			(17,679)		
		39,204			(20,669)		
			(Rupees)		(Rupees)		
Net assets value per unit at beginning of the period		10.15			10.11		
Net assets value per unit at end of the period		11.33			9.91		

The annexed notes from 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 CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

September 30,
2020 2019
----- (Rupees in '000) -----

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period	48,870	(11,391)
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Adjustments for:

Unrealised diminution in value of investments classified as at fair value through profit or loss - net

(27,973)	17,679
(27,973)	17,679

Decrease / (Increase) in assets

Investments	73,666	(4,874)
Dividend and profit receivables	1,343	(3,015)
Advances, deposits and prepayments	(1,407)	(58)
Receivable against sale of investments	314	(8,746)
	73,916	(16,693)

(Decrease) in liabilities

Payable to the Management Company	276	118
Payable to the Central Depository Company of Pakistan Limited - Trustee	12	(12)
Payable to the Securities and Exchange Commission of Pakistan	(70)	(467)
Payable against purchase of investment	(49,289)	-
Accrued expenses and other liabilities	1,416	(48)
	(47,654)	(409)

Net cash generated from / (used in) operating activities	47,159	(10,813)
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CASH FLOWS FROM FINANCING ACTIVITIES

Cash received from units sold	37,302	6,214
Cash paid on units redeemed	(29,591)	(45,063)

Net cash generated from / (used in) financing activities	7,712	(38,849)
--	-------	----------

Net increase in cash and cash equivalents during the period	54,871	(49,662)
---	--------	----------

Cash and cash equivalents at beginning of the period	99,855	192,760
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Cash and cash equivalents at end of the period	154,726	143,098
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The annexed notes from 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 FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Pakistan Capital Market Fund (the Fund) was established under 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). The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 30, 2003 consequent to which the Trust Deed was executed on October 27, 2003 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** Pakistan Capital Market Fund as a closed-end scheme was authorized by SECP on November 5, 2003. During the year 2005, the Fund was converted from a closed-end scheme to an open-end scheme. The Fund has been categorised as "Balanced Scheme" and offers units for public subscription on continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on Pakistan Stock Exchange Limited.
- 1.4** The Fund primarily invests in a mix of listed equity and debt securities, unlisted government securities and secured debt securities, money market transactions and reverse repurchase transactions.
- 1.5** Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2020 to the Management Company.
- 1.6** Title to the assets of the Fund is held in the name of the 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 2019.
- 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' funds are stated from unaudited condensed interim financial information for the quarter ended 30 September 2019.

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

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.

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, 2020.

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.

		(Unaudited) September 30, 2020	(Audited) June 30, 2020
		---- (Rupees in '000) ----	
6	BALANCES WITH BANKS		
	Current accounts	6.1 2,795	11,530
	Savings accounts	6.2 151,931	88,325
		<u>154,726</u>	<u>99,855</u>

6.1 These include Rs.0.008 million (2020: Rs 9.838 million) maintained with MCB Bank Limited, a connected person / related party

6.2 These carry profit at the rates ranging between 5.5% to 7.83% (2020: 5.50% to 14.45%) per annum and include Rs. 0.465 million maintained with MCB Bank Limited, (a related party) which carries profit at the rate of 5.5% per annum

		(Unaudited) September 30, 2020	(Audited) June 30, 2020
		---- (Rupees in '000) ----	
7	INVESTMENTS		
	<i>At fair value through profit or loss</i>		
	Listed equity securities	7.1 327,831	288,361
	Government securities	7.2 -	85,162
	Unlisted debt security	7.3 583	584
		<u>328,414</u>	<u>374,107</u>

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

7.1 Listed Equity Securities - 'At fair value through profit or loss'

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / Right Issue during the period	Sales during the period	As at September 30, 2020	As at September 30, 2020				Market value as a percentage of net assets	Market value as a percentage of total investments	Market value as a percentage of total paid up capital of the investee company
						Carrying Value	Market Value	Appreciation / (diminution)				
Number of Shares												
Rupees In '000												

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

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / Right Issue during the period	Sales during the period	As at September 30, 2020	As at September 30, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments	Market value as a percentage of total paid up capital of the investee company
						Carrying Value	Market Value	Appreciation / (diminution)			
Rupees In '000											
Engineering											
Aisha Steel Limited	-	350,000	-	350,000	-	-	-	-	0.00%	0.00%	0.00%
Fertilizer											
Fauji Fertilizer Bin Qasim Limited	260,000	-	-	260,000	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Company Limited	142,700	40,000	-	182,677	23	3	2	(0)	0.00%	0.00%	0.00%
						3	2	(0)	0.00%	0.00%	0.00%
Food & Personal Care Products											
Al-Shaheer Corporation	805	-	-	-	805	9	15	6	0.00%	0.00%	0.00%
Al-Tahur Limited	270,000	-	-	-	270,000	4,652	5,711	1,058	1.21%	1.74%	0.02%
Murree Brewery Company	-	8,500	-	1,800	6,700	3,920	3,983	64	0.85%	1.21%	0.00%
National Foods Limited	2,640	-	-	2,640	-	-	-	-	0.00%	0.00%	0.00%
Shezan International Limited	2,860	-	-	-	2,860	640	870	229	0.18%	0.26%	0.00%
						9,221	10,579	1,358	2.25%	3.22%	0.02%
Insurance											
Adamjee Insurance Co. Limited	250,000	-	-	95,000	155,000	5,132	6,216	1,083	1.32%	1.89%	0.00%
						5,132	6,216	1,083	1.32%	1.89%	0.00%
Leather & Tanneries											
Service Industries	5,787	-	1,446	5,787	1,446	944	1,094	150	0.23%	0.33%	0.00%
						944	1,094	150	0.23%	0.33%	0.00%
Miscellaneous											
Synthetic Products Limited	-	110,000	-	-	110,000	4,620	4,902	282	1.04%	1.49%	0.01%
Tri-Pak Films	-	15,000	-	-	15,000	2,235	2,532	297	0.54%	0.77%	0.00%
						6,855	7,433	579	2%	2.26%	0.02%

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

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / Right Issue during the period	Sales during the period	As at September 30, 2020	As at September 30, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments	Market value as a percentage of total paid up capital of the investee company
						Carrying Value	Market Value	Appreciation / (diminution)			
Oil & Gas Exploration Companies											
Man Petroleum Company Limited	2,066	-	-	2,066	-	-	-	-	0.00%	0.00%	0.00%
Oil & Gas Development Company Limited**	268,500	-	-	93,300	175,200	19,097	18,151	(946)	3.85%	5.53%	0.00%
Pakistan Oilfields Limited	30,500	-	-	30,500	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	166,054	65,000	-	6,000	225,054	20,575	20,718	144	4.40%	6.31%	0.00%
						39,671	38,869	(802)	0	11.84%	0.00%
Oil And Gas Marketing Companies											
Pakistan State Oil Company Limited.	-	99,000	-	25,000	74,000	14,664	14,815	151	3.14%	4.51%	0.00%
Sui Northern Gas Pipelines Limited	150,000	-	-	150,000	-	-	-	-	0.00%	0.00%	0.00%
						14,664	14,815	151	3%	4.51%	0.00%
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	25,500	-	-	7,300	18,200	12,067	13,953	1,886	2.96%	4.25%	0.00%
Glaxosmithkline Pakistan	-	21,000	-	-	21,000	4,226	3,856	(369)	0.82%	1.17%	0.00%
Highnoon Laboratories Limited	8,500	-	-	8,500	-	-	-	-	0.00%	0.00%	0.00%
The Searle Company Limited	211	38,000	-	20,000	18,211	4,756	4,668	(88)	0.99%	1.42%	0.00%
						21,048	22,477	1,429	4.77%	6.84%	0.00%
Power Generation & Distribution											
Hub Power Company Limited**	230,500	295,000	-	237,000	288,500	21,543	22,636	1,093	4.80%	6.89%	0.00%
K-Electric Limited*	1,100,000	-	-	-	1,100,000	3,311	4,631	1,320	0.98%	1.41%	0.00%
Kot Addu Power Co. Limited	80,000	-	-	80,000	-	-	-	-	0.00%	0.00%	0.00%
						24,854	27,267	2,413	5.79%	8.30%	0.00%
REAL ESTATE INVESTMENT TRUST											
Dolmen City REIT	423,500	-	-	-	423,500	4,612	4,574	(38)	0.97%	1.39%	0.00%
						4,612	4,574	(38)	0.97%	1.39%	0.00%

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

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / Right Issue during the period	Sales during the period	As at September 30, 2020	As at September 30, 2020			Market value as a percentage of total investments	Market value as a percentage of total paid up capital of the investee company
						Carrying Value	Market Value	Appreciation / (diminution)		

Rupees In '000

%

Technology & Communications

Avanceon Limited	-	250,000	-	210,000	40,000	2,365	2,689	324	0.57%	0.82%
						2,365	2,689	324	0.57%	0.82%

Textile Composite

Interloop Limited	-	144,500	-	-	144,500	8,693	9,689	996	2.06%	2.95%
Kohinoor Textile Mills Limited	41	-	-	-	41	1	2	1	0.00%	0.00%
						8,694	9,691	997	2.06%	2.95%

Vanaspatti & Allied Industries

Unity Foods Limited	-	115,000	-	115,000	-	-	-	-	0.00%	0.00%
						-	-	-	0.00%	0.00%

Total as September 30, 2020 (Unaudited)

Total as June 30, 2020 (Audited)

*These have face value of Rs 3.5 per share.

The above include shares with a market value aggregating to Rs. 11,78 million (June 30 2020: 14,525 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

Government securities - 'at fair value through profit or loss'

Issue Date	Tenor	Number of certificates				As at September 30, 2020				Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchased during the period	Disposed during the period	Matured during the period	As at September 30, 2020	Carrying value	Market value	Appreciation / (Diminution)		

(Rupees in '000)

%

Treasury Bills

3-Months

July 02, 2020	3-Months	-	75,000	75,000	-	-	-	-	-	-	-
July 16, 2020	3-Months	-	75,000	75,000	-	-	-	-	-	-	-
April 23, 2020	3-Months	50,000	50,000	50,000	50,000	-	-	-	-	-	-

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

Issue Date	Tenor	Number of certificates						As at September 30, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments	
		As at July 1, 2020	Purchased during the period	Disposed during the period	Matured during the period	As at September 30, 2020	Carrying value	Market value	Appreciation / (Diminution)				
***** (Rupees in '000)													
***** (Rupees in '000)													
Treasury Bills													
6-Months													
July 16, 2020	6-Months		75,000	75,000		-	-	-	-	-	-		
February 13, 2020	6-Months		50,000		50,000	-	-	-	-	-	-		
March 12, 2020	6-Months		50,000	50,000	-	-	-	-	-	-	-		
July 02, 2020	6-Months		525,000	525,000	-	-	-	-	-	-	-		
Treasury Bills													
12-Months													
August 16, 2019	12-Months	-	125,000	125,000	-	-	-	-	-	-	-		
Total as at September 30, 2020 (Un-audited)													
Total as at June 30, 2020 (Audited)													
							49,849	49,864	15				

Pakistan Investment Bonds

Issue Date	Tenor	Number of certificates					As at September 30, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchased during the period	Disposed during the period	Matured during the period	As at September 30, 2020	Carrying value	Market value	Appreciation / (Diminution)		
IN RUPEES IN ('000)											
June 18, 2020	3-Year		125,000	125,000	-	-	-	-	-	-	-
August 22, 2019	10-Year	35,000		35,000	-	-	-	-	-	-	-
September 19, 2019	3-Year		50,000	50,000	-	-	-	-	-	-	-
September 19, 2019	5-Year		200,000	200,000	-	-	-	-	-	-	-
IN US DOLLARS IN ('000)											
IN EURO IN ('000)											
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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

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Issue Date	Tenor	Number of certificates				As at September 30, 2020		Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchased during the period	Disposed during the period	Matured during the period	As at September 30, 2020	Carrying value		
29 July, 2020	5 Years	-	62,500	62,500	-	-	-	-	-
Total as at September 30, 2020 (Un-audited)									
		-	-	-	-	-	-	-	-
Total as at June 30, 2020 (Audited)									
		-	-	-	-	-	-	-	-

7.3 Unlisted debt security - 'at fair value through profit or loss'

Certificates have a face value of Rs 100,000 each

Name of investee company	As at July 1, 2020	Number of certificates				As at September 30, 2020		Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 1, 2020	Purchased during the period	Matured during the period	Disposed during the period	As at September 30, 2020	Carrying value		
Refinery									
Byco Petroleum Pakistan Limited (18-01-2017 issue)	10	-	-	-	-	10	585	584	(1)
Total as at September 30, 2020 (Un-audited)									
		-	-	-	-	-	585	584	(1)
Total as at June 30, 2020 (Audited)									
		-	-	-	-	-	577	584	7

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

	Note	(Unaudited) September 30, 2019 ---- (Rupees in '000) ----	(Audited) June 30, 2020
7.4 Unrealised appreciation / (diminution) in value of investments at fair value through profit or loss - net			
Market value of investments	7.1, 7.2, 7.3	328,415	374,108
Carrying value of investments	7.1, 7.2, 7.3	300,441	401,577
		27,973	(27,469)

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for Sindh Workers' Welfare Fund	8.1	5,329	4,331
Provision for Federal Excise Duty and related tax			
- On management fee	8.2	5,872	5,872
- Sales load		393	393
Legal and professional charges		15	12
Withholding tax payable		30	1
Dividend payable		2,783	2,784
Auditors' remuneration		550	405
Brokerage		538	280
Other		24	40
		15,534	14,118

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 period ended June 30, 2020. 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. 0.13 per unit (June 30, 2020 Re. 0.11 per unit).

8.2 Provision for Federal Excise Duty and related tax

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the period ended June 30, 2020. 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.0.14 per unit (June 30, 2020: Re. 0.15 per unit).

	(Unaudited) September 30, 2020 (Rupees in '000)	(Audited) June 30, 2020
9 PAYABLE TO THE MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY		
Management fee payable	802	700
Sindh sales tax on management fee	104	91
Payable against allocated expenses	40	35
Selling and marketing expenses payable	1,581	1,439
Sale load payable	16	1
	2,544	2,266

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 as at September 30, 2020 and June 30, 2020.

11. EXPENSE RATIO

The total expense ratio of the Fund from July 1, 2020 to September 30, 2020 is 1.47% (June 30, 2020: 4.61%) and this includes 0.29% (June 30, 2020: 0.41%) representing government levy, Sindh Worker's Welfare Fund, SECP fee etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorized as Balanced Scheme.

12. 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.

13. Earnings / (Loss) per unit

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

14. TRANSACTIONS WITH CONNECTED PERSONS

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.

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

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:

14.1 Details of transactions with connected persons are as follows:

	(Unaudited) For the Quarter Ended September 30,	
	2020	2019
	----- (Rupees in '000) -----	-----
MCB-Arif Habib Savings and Investment		
- Management Company		
Remuneration for the period including indirect taxes	2,648	2,626
Allocated expense	117	116
Marketing and selling Expense	1,582	717
 Arif Habib Limited - Brokerage house		
Brokerage*	15	5
 MCB Bank Limited		
Bank charges	4	1
Dividend income	-	438
Mark-up income	6	14
Purchase of 27,038 (2019: Nil) shares	4,656	-
Sale of 83,000 (2019: 78,900) shares	13,846	13,401
 Nishat Mills Limited		
Sale of Nil (2019: 600) shares	-	45
 Adamjee Insurance Company Limited		
Sale of 95,000 (2019: Nil) shares	3,999	-
 D.G Khan Cement Company Limited		
Purchase of 132,000 (2019: Nil) shares	14,155	-
Sale of 45,000 (2019: Nil) shares	4,869	-
 Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	265	263
CDS charges	23	9

* The amount disclosed represents the amount of brokerage paid / payable 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.

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

(Unaudited)
September 30,
2020
----(Rupees in '000)----

(Audited)
June 30,
2020

14.2 Amounts outstanding as at period / year end:

MCB-Arif Habib Savings and Investment - Management Company

Remuneration payable	802	700
Sales tax payable on management fee	104	91
Sales load payable	16	35
Allocated expense payable	40	1,439
Marketing and selling payable	1,581	1

Central Depository Company of Pakistan Limited - Trustee

Security deposit	300	300
Remuneration payable	80	70
Sales tax payable on trustee fee	10	9

MCB Bank Limited

Bank balance	6,040	9,838
Profit receivable on bank deposits	35	35
27,038 shares (2020: 83,000 shares) held	4,699	13,452

Arif Habib Limited - Brokerage House

Brokerage payable	13	44
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Next Capital Private Limited - Brokerage House

Brokerage payable	-	23
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Adamjee Insurance Company Limited

155,000 (2020: 250,000) shares	6,216	8,278
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D.G Khan Cement Company Limited

87,000 (2020: Nil) shares held	8,970	-
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14.3 Unit Holders' Fund

September 30, 2020 (Un-Audited)

	As at July 01, 2020	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at September 30, 2020	As at July 01, 2020	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at September 30, 2020
	----- (Units) -----			----- (Rupees in '000) -----				
Associated Companies								
Asghari Beg Memorial Trust	26,988	-	-	26,988	274	-	-	306
Directors and executives of the Management Company	4,312	-	4,280	32	44	-	50	1
Mandate Under Discretionary Portfolio	-	21	21	-	-	1	1	-

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

September 30, 2019 (Un-Audited)

	As at July 01, 2019	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at September 30, 2019	As at July 01, 2019	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at September 30, 2019
	----- (Units) -----				----- (Rupees in '000) -----			
Associated Companies								
Syed Savail Meekal Hussain	4,070	-	-	4,070	41	-	-	46
Asghari Beg Memorial Trust	26,988	-	-	26,988	273	-	-	306
Directors and executives of the Management Company	85	-	-	85	1	-	-	1
Mandate Under Discretionary Portfolio	-	33,548	33,548	-	-	331	327	-

15 GENERAL

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

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

16 DATE OF AUTHORISATION FOR ISSUE

16.1 This condensed interim financial information was authorised 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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