



MCB-ARIF HABIB
Savings and Investments Limited

AM1
by PACRA

HALF YEARLY REPORT

DECEMBER
2020
(UNAUDITED)

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

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Savings Asaan. Life Asaan.



MCB PAKISTAN STOCK 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 Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Faisal Ahmad	
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 Silk Bank Limited Bank Al Habib Limited Habib Bank Limited Allied Bank Limited Bank Alfalah Limited Habib Metropolitan Bank Limited Standard Chartered Bank Limited United Bank Limited JS Bank Limited National Bank Of Pakistan	
Auditors	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, Sindh-75530, Pakistan.	
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 HALF YEAR ENDED DECEMBER 31, 2020

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **MCB Pakistan Stock Market Fund** accounts review for the half year ended December 31, 2020.

Economy and Money Market Review

The first half of fiscal year 2021 has been promising, as economic activities have swung up in full throttle though challenges from Covid may continue to remain in the near term. 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. Covid-19 has not been as detrimental as initially expected and perhaps local demographics and a successful strategy by the government has been able to wither the storm. We therefore expect economic growth to be better than general estimates. Government had initial expectations of lower industrial growth (targeting a growth of 0.1% over last year) due to Covid-19, which we now believe would be better than expectations as cyclical sectors have exhibited strong demand and volumetric growth.

Cement sector saw an impressive growth in local dispatches as they witnessed a growth of ~17% over last year in the first half of FY21. Sales of 2 and 3 wheeler units rose at a more impressive rate of ~19% over last year reflecting on the vibrancy of middle class economic dynamics. Similarly, the demand of white petroleum products increased by near 10% over last year during the half implying a broad based recovery in economy. Overall, Large Scale Manufacturing Index (LSM) has grown by ~7.4% in first five months of the current fiscal year led by the cyclical sectors.

Current account posted a surplus of USD 997 million in the first half of fiscal year compared to a deficit of USD 2,032 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 25% during the period. Foreign exchange reserves of central bank saw an increase of ~USD 1.3 billion during the half 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 ~8.6% over last year during the first six months, with food inflation averaging ~13% 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 ~5.9% for the period. Monetary Policy Committee 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 first half of the fiscal year and almost met the desired target for the period. Fiscal deficit for the first five months of the period clocked in at 1.8% of GDP, compared to 1.6% of GDP last year. Primary balance was even better at a surplus of 0.5% of GDP compared to last year surplus of 0.3% of GDP.

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. 3, 5 and 10 Year bonds saw a rise of 74 bps, 114 bps and 129 bps respectively during the period.

Equity Market Review

The benchmark KSE-100 Index continued on towards its positive trajectory during the second quarter of this fiscal year, after posting an incredible return of 17.9% in the first quarter. The index posted a return of 7.9% during the second quarter, taking the cumulative return of first half to 27.1%. Individual and Corporate Companies were the major buyers during the period, taking an exposure of USD 159 / 91 million in equities, while commercial banks turned out to be net sellers reducing their exposure by USD 69 million.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2020

On the other end, Foreigners continued to offload as they sold stocks worth USD 247million. Trading activity at the bourse increased compared to the previous half as the average volumes and value traded amounted to near 448 million shares (up 116%) and about PKR 17 billion (up 109%) respectively.

Tech, Steel and Refineries were the major outperformers as they posted returns of 134% / 86% / 75% respectively during the first half of the fiscal year. Tech companies saw a massive re-rating in their valuations as investor cherished the changing landscape of tech companies post Covid. Steel sector gained traction during period after a sharp increase in construction demand and prices sent their stocks soaring. Moreover, rumors of a guaranteed rate of return for refineries drove sector returns during the period. On the other side, Oil and Gas exploration remained the major underperformer posting nominal returns of 7% only, as volatile crude oil prices along with rising circular debt kept investors at bay.

FUND PERFORMANCE

During the period, PSM generated a return of 26.59% as compared to a return of 27.11% witnessed by the KSE100 Index. Overall equity exposure stood at 97% on December 31, 2020. The fund remained vigilant of the external factors and the investment strategy was maneuvered considering the fundamental developments. The allocation was mainly held in Commercial Banks, Cement and Oil & Gas Exploration Companies.

The Net Assets of the fund as at December 31, 2020 stood at Rs.11,872 million as compared to Rs.8,804 million as at June 30, 2020 registering an increase of 34.85%.

The Net Asset Value (NAV) per unit as at December 31, 2020 was Rs. 98.0108 as compared to opening NAV of Rs. 77.4230 per unit as at June 30, 2020 registering an increase of 20.5878 per unit.

Economy & Market – Future Outlook

GDP growth for FY21 is projected at 2.1% by government and various institutions. Despite the reemergence of Covid cases in the winter season, Pakistan has resiliently kept the growth momentum going. 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 have subsided for the near term 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 reported data and news flow suggests that the exports are gaining momentum. Remittances have also been far above the general expectations and in fact near 25% growth over last year reported in the first half has surprised everyone. We expect Current Account Deficit to settle near 1% of GDP in the FY21, which can be easily financed via flows from foreign investments and debt flows. However, the recent spike in commodity prices from oil to iron ore, coal, etc. pose downside risks to our favorable stance. With Real Effective Rate for Nov-2020 at 99.4, any significant movement in commodities may cause relative inflation and balance of payment to weaken further and thus can cause currency to weaken swiftly. 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 about USD 550 million from current levels, 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 near 9.1% for FY21, slightly higher than the expected range (7.0-9.0) of central bank. For the next fiscal year, we expect CPI to average close to 8.5%, slightly lesser than current run rate. Central bank for the first time has provided guidance on interest rates in the short term which will perhaps bring more certainty in investor expectations. The central authority has vowed to keep interest rates stable in the short run and bring in mildly positive interest rates over the medium term. Given the guidance by central bank, we now expect interest rates to adjust by 100-150 bps over the next fiscal year.

From capital market perspective, particularly equities, we are getting a much clearer picture now. As growth momentum continues, the valuations are catching up with historical norms. Barring any external

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2020

shock, we think equities have potential to provide decent returns to investors. Given that low interest rate environment is likely to continue for the short to medium term, we believe equities will continue to attract flows. Risk premiums vis a vis 10-year bonds is right now at 1.9%, compared to historical average of 1.0% suggesting some upside due to re-rating would be possible. Alongside, earnings growth will be a key driver for the next few years as they have lagged behind nominal GDP growth during the last couple of years. 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 24.0% to PKR 920 billion at the end of the first half of the fiscal year. Money market funds and Fixed Income funds experienced an influx of investment as corporate liquidity swiftly moving towards mutual funds. Total money market funds grew by about 30% during the period to PKR 410 billion. Within the money market sphere, the conventional funds dominated as they grew by about 37% to PKR 281 billion. Equity and related funds surged rapidly by 24% from PKR 224 billion to PKR 278 billion over the quarter. Most of the rise in equity and equity linked fund assets 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 44%, followed by Equity and Equity related funds with a share of 30% and Income funds having a share of 24% as at the end of the calendar year.

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.

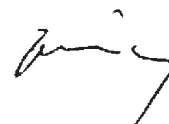
ACKNOWLEDGMENT

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
February 08, 2021



Nasim Beg
Director / Vice Chairman

میوچل فنڈ صنعت کے مستقبل کے امکانات

سود کی شرحوں میں اب تک کی سب سے زیادہ کمی کی بدولت خطرات کے حامل اثاثہ جات میں اعتماد بحال ہوا ہے۔ ہمیں اُمید ہے کہ ایکویٹی اور متعلقہ فنڈز کے شعبے میں نقدیت کی صورتحال بہتر ہوگی۔ 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 سکے۔

اظہار تشکر

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

من جانب ڈائریکٹرز



نسیم یگ
ڈائریکٹر / وائس چیئرمین



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
08 فروری 2021ء

تاہم تیل سے لے کر خام لوہے اور کونکے تک اشیاء کی قیمتوں میں حالیہ اضافہ ہماری خوش آئند صورتحال کے لیے خطرہ ثابت ہو سکتا ہے۔ نومبر 2020ء کا ریٹیل اینڈیکس ریٹ 99.4 فیصد تھا، اور اشیاء میں کسی بھی قابل ذکر حرکت کے باعث افراط زر اور ادائیگیوں کے توازن کی نسبتاً صورتحال مزید خراب ہو سکتی ہے اور اس کے نتیجے میں روپے کی قدر تیزی سے گر 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 کی موجودہ سطحوں میں مزید 550 ملین 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 نکل گئی ہے کیونکہ اشیاء خورد و نوش کی قیمتیں آسمان سے باتیں کر 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۔ اگلے مالی سال کے لیے افراط زر کا اوسط تقریباً 8.5 فیصد رہے گا جو موجودہ سطح سے کچھ کم ہے۔ مرکزی بینک نے پہلی مرتبہ قریب المیاد میں سود کی شرحوں سے متعلق راہنمائی فراہم کی ہے جس کی بدولت سرمایہ کاروں کی توقعات میں مزید یقینی صورتحال پیدا ہوگی۔ مرکزی مختار ادارے نے سود کی شرحوں کو مختصر مدت میں مستحکم رکھنے اور درمیانی مدت میں کچھ مثبت کرنے کا عزم کیا ہے۔ اب مرکزی بینک کی راہنمائی کے پیش نظر ہمیں اُمید ہے کہ سود کی شرحوں میں اگلے مالی سال کے دوران 100 سے 150 بیسیس پوائنٹس تک ترمیم ہوگی۔

کیپیٹل مارکیٹ کے نقطہ نظر سے، خصوصاً ایکویٹیز کے تناظر میں ہمیں اب کافی واضح صورتحال نظر آرہی ہے۔ ترقی کی رفتار تیز تر ہونے کے ساتھ valuations بتدریج پرانے رجحانات کے ساتھ ہم آہنگ ہو رہی ہیں۔ ہمارے مطابق کوئی خارجی دھچکہ نہ لگے تو ایکویٹیز میں سرمایہ کاروں کو اچھا منافع دینے کی استعداد موجود ہے۔ اگر سود کی پست شرحوں کا ماحول مختصر اور درمیانی مدت کے دوران قائم رہے تو ہم سمجھتے ہیں کہ ایکویٹیز کا آمدات کو مائل کرنے کا سلسلہ جاری رہے گا۔ دس سالہ بانڈز سے متعلق خطرات کے پریکٹسٹم فی الوقت 1.9 فیصد پر ہیں، اور قدیم اوسط 1.0 فیصد کے ساتھ تقابل سے پتہ چلتا ہے کہ ری ریٹنگ کی بدولت کچھ فائدہ متوقع ہے۔ ساتھ ساتھ آمدنیوں میں اضافہ اگلے کچھ برسوں کے لیے کلیدی محرک ہوگا کیونکہ گزشتہ کچھ برسوں کے دوران یہ معمولی جی ڈی پی سے پیچھے رہی ہیں۔ ہم سمجھتے ہیں کہ سیکٹرز اور اسٹاک کی خورد تصویر اس سال زیادہ اہم رہے گی اور سرمایہ کاری کے انتخاب کا انحصار ایسی کمپنیوں پر ہونا چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ اسی طرح ایسی کمپنیوں کی طرف بھی توجہ دوبارہ مرکوز ہونی چاہیے جن کی درمیانی مدت کی آمدنی میں زبردست ترقی متوقع ہے۔

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز متوقع پیداواری خم میں شامل ہو 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۔

میں چل فنڈ صنعت کا جائزہ

اوپن end میں چل فنڈ صنعت کے net اثاثہ جات مالی سال 2021ء کے نصف اول کے اختتام پر تقریباً 24.0 فیصد بڑھ کر 920 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز اور فیکسڈ انکم فنڈز میں خطیر سرمایہ کاری ہوئی کیونکہ کارپوریٹ نقدیت تیزی سے میں چل فنڈز کی جانب بڑھ رہی ہے۔ منی مارکیٹ کے مجموعی فنڈز دوران مدت تقریباً 30 فیصد بڑھ کر 410 بلین روپے ہو گئے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور تقریباً 37 فیصد بڑھ کر 281 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں دوران سہ ماہی 24 فیصد کا بھرپور اضافہ ہوا اور وہ 224 بلین روپے سے 278 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز کے اثاثہ جات میں اضافے کا بڑا سبب سرمایہ کاروں کے مثبت جذبات کی بدولت مارکیٹ میں 26 فیصد سال در سال ترقی کو قرار دیا جاسکتا ہے۔

کیلنڈر سال کے اختتام پر شعبہ جاتی سرمایہ کاری کے اعتبار سے منی مارکیٹ فنڈز تقریباً 44 فیصد کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز تقریباً 30 فیصد، اور انکم فنڈز تقریباً 24 فیصد کے حامل تھے۔

ایکویٹی مارکیٹ کا جائزہ

بمقام KSE-100 انڈیکس نے موجودہ مالی سال کی پہلی سہ ماہی میں 17.9 فیصد زبردست منافع حاصل کرنے کے بعد دوسری سہ ماہی کے دوران اپنی مثبت رفتار جاری رکھی۔ انڈیکس نے دوسری سہ ماہی کے دوران 7.9 فیصد منافع پوسٹ کیا جس کی بدولت نصف اوّل کا مجموعی منافع 27.1 فیصد تک پہنچ گیا۔ افراد اور کارپوریٹ کمپنیاں دورانِ مدت سب سے بڑے خریدار تھے جنہوں نے 159/91 ملین ڈالر سرمایہ کاری کی، جبکہ کمرشل بینک net فروخت کا ر ثابت ہوئے جنہوں نے اپنی سرمایہ کاری میں 69 ملین ڈالر کی کمی کی۔ دوسری جانب غیر ملکیوں نے اپنے حصّے میں کمی کرنے کا سلسلہ جاری رکھا اور 247 ملین ڈالر مالیت کے اسٹاکس فروخت کیے۔ اسٹاک مارکیٹ کی تجارتی سرگرمی میں گزشتہ ششماہی کے مقابلے میں اضافہ ہوا کیونکہ اوسط حجم تقریباً 448 ملین حصص، یعنی 116 فیصد زیادہ، اور تجارت شدہ قدر تقریباً 17 بلین روپے، یعنی 109 فیصد زیادہ تھی۔

ٹیکنالوجی، اسٹیل اور ریٹائرمنٹ ہدف سے بہتر کارکردگی کا مظاہرہ کرنے والے بڑے شعبے تھے جنہوں نے مالی سال کے نصف اوّل کے دوران بالترتیب 134 فیصد، 86 فیصد اور 75 فیصد منافع پوسٹ کیا۔ ٹیکنالوجی کمپنیوں کی قدر کی بڑے پیمانے پر تشکیل ہوئی کیونکہ سرمایہ کاروں نے ٹیکنالوجی کمپنیوں کی بدلتی ہوئی صورتحال بعد از کووڈ کا خیر مقدم کیا۔ اسٹیل کے شعبے نے رفتار پکڑی کیونکہ تعمیراتی مانگ اور قیمتوں میں تیزی سے اضافے کے بعد ان کے اسٹاکس نے بھرپور ترقی کی۔ علاوہ ازیں، ریٹائرمنٹ کے لیے یقینی شرح منافع کی افواہوں نے دورانِ مدت اس شعبے کے منافع کو محرک فراہم کیا۔ دوسری جانب تیل اور گیس کی دریافت کا شعبہ ہدف سے کم کارکردگی کا مظاہرہ کرنے والا بلاشبہ شعبہ تھا جس نے صرف 7 فیصد معمولی منافع پوسٹ کیا کیونکہ خام تیل کی غیر مستحکم قیمتوں اور بڑھتے ہوئے گردش قرضوں سے سرمایہ کاروں کی حوصلہ شکنی ہوئی۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 26.59 فیصد منافع پوسٹ کیا جبکہ KSE-100 انڈیکس کا منافع 27.11 فیصد تھا۔ 31 دسمبر 2020ء کو ایکویٹیز میں مجموعی سرمایہ کاری 97 فیصد تھی۔ فنڈ خارجی عوامل سے جو کتنا ہار اور بنیادی تبدیلیوں کے پیش نظر سرمایہ کاری کی حکمت عملی میں ترمیم کی گئی۔ زیادہ تر سرمایہ کاری کمرشل بینکوں، سینٹ، اور تیل اور گیس کی دریافت کی کمپنیوں میں تھی۔

31 دسمبر 2020ء کو فنڈ کے net اثاثہ جات 11,872 ملین روپے تھے جو 30 جون 2020ء (8,804 ملین روپے) کے مقابلے میں 34.85 فیصد اضافہ ہے۔

31 دسمبر 2020ء کو فنڈ کی net اثاثہ جاتی قدر (این اے وی) فی یونٹ 98.0108 روپے تھی جو 30 جون 2020ء کو ابتدائی این اے وی 77.4230 روپے فی یونٹ روپے کے مقابلے میں 20.5878 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۔ موسم سرما میں کووڈ کے دوبارہ ظہور پذیر ہونے کے باوجود پاکستان نے لچک کا مظاہرہ کرتے ہوئے ترقی کی رفتار برقرار رکھی۔ 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 ترقی عمومی توقعات سے بہتر ہوگی کیونکہ صنعتی ترقی ہماری اُمید سے جلد بحال ہوگئی ہے۔ ہمیں اُمید ہے کہ 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 آگیا ہے۔ عالمی معیشت میں بحالی کے عمل کا آغاز ہوگیا ہے اور برآمدات میں بتدریج بہتری کی خبریں گردش میں ہیں۔ ترسیلات زر بھی توقعات سے بہت بلند ہوئی ہیں اور نصف اوّل میں سال گزشتہ کے مقابلے میں 25 فیصد ترقی نے سب کو حیران کر دیا ہے۔ ہم سمجھتے ہیں کہ مالی سال 2021ء میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 1 فیصد پر ٹھہرے گا، اور اس کے لیے مالیات کی فراہمی آسانی غیر ملکی سرمایہ کاروں اور قرض کے ذریعے ہو سکتی ہے۔

ایم سی بی پاکستان اسٹاک مارکیٹ فنڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2020ء کو اختتام پذیر ہونے والی ششماہی کے گوشواروں کا جائزہ پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

مالی سال 2021ء کا نصف اول اُمید افزا رہا کیونکہ معاشی سرگرمیوں نے پوری قوت کے ساتھ سر اُٹھایا ہے اگرچہ کووڈ کے باعث پیدا ہونے والی مشکلات قریب المیعا میں برقرار رہیں گی۔ معاشی بحالی توقعات سے تیز تر رہی ہے کیونکہ مالیاتی تسہیل، طلب کی محدودیت اور بہتر ترسیلات نے معاشی ترقی کو محسوس کرا دیا۔ کووڈ-19 اتنا نقصان دہ ثابت نہیں ہوا جتنا اس بارے میں ابتدائی امکانات تھے، اور شاید مقامی آبادی کے اعداد و شمار اور حکومت کے کامیاب لائحہ عمل کی بدولت یہ طوفان پسپا ہو گیا۔ چنانچہ ہم سمجھتے ہیں کہ معاشی ترقی عمومی تخمینوں کے مقابلے میں بہتر رہے گی۔ حکومت کی ابتدائی توقعات کے مطابق صنعتی ترقی (جس کا ہدف سال گزشتہ کے مقابلے میں 0.1 فیصد ترقی تھا) کووڈ-19 کے باعث پست تر ہوگی، لیکن اب ہم سمجھتے ہیں کہ یہ توقعات سے بہتر ہوگی کیونکہ گردش شعبوں میں بھرپور طلب اور حجم کے اعتبار سے ترقی کا مظاہرہ ہوا ہے۔

مالی سال 2021ء کی پہلی ششماہی میں سیمنٹ کے شعبے میں مقامی فروخت میں متاثر کن ترقی ہوئی جو سال گزشتہ سے 17 فیصد زیادہ تھی۔ 2 اور 3 پہیوں والے یونٹس کی فروخت میں مزید متاثر کن ترقی ہوئی جو سال گزشتہ سے 19 فیصد زیادہ تھی جس سے متوسط طبقے کی محرک مالی صورتحال کی عکاسی ہوتی ہے۔ اسی طرح سفید پٹرولیم مصنوعات کی طلب میں سال گزشتہ کے مقابلے میں تقریباً 10 فیصد اضافہ ہوا جس سے معیشت میں وسیع البندیا بحالی کی ترجمانی ہوتی ہے۔ مجموعی طور پر بڑے پیمانے پر ہونے والی مینیفیکچرنگ (ایل ایس ایم) کے انڈیکس میں موجودہ مالی سال کے پہلے پانچ ماہ میں 7.4 فیصد ترقی ہوئی ہے۔

مالی سال کے نصف اول میں کرنٹ اکاؤنٹ میں 997 ملین ڈالر منافع ہوا جبکہ اس کے بالمقابل سال گزشتہ کی مماثل مدت میں 2,032 ملین ڈالر خسارہ ہوا تھا۔ اس بہتری کی بنیادی وجہ ترسیلات میں اضافہ تھا جن میں دوران مدت 25 فیصد ترقی ہوئی۔ سینٹرل بینک کے زرمبادلہ کے ذخائر میں 1.3 بلین ڈالر اضافہ ہوا جس کی وجہ ادائیگی کے توازن کی صورتحال میں بہتری ہے۔

افراط زر حکومت کی دھکتی رگ بنی رہی کیونکہ اشیائے خورد و نوش کی بڑھتی ہوئی قیمتوں کے باعث پالیسی ساز افراد مشکلات کا شکار رہے۔ مجموعی افراط زر، جس کی ترجمانی صارفی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط پہلے چھ ماہ کے دوران 8.6 فیصد تھا، جبکہ اشیائے خورد و نوش کے افراط زر کا اوسط دوران مدت 13 فیصد تھا۔ رسد کی جہت میں مسائل اور بدانتظامی کے باعث گندم اور جلد خراب ہو جانے والی اشیائے خورد و نوش کی قیمتوں میں اضافہ جاری رہا۔ بہر حال بنیادی افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، قابو میں تھی اور اس کا اوسط برائے مدت 5.9 فیصد تھا۔ مانیٹری پالیسی کمیٹی (ایم پی سی) نے گزشتہ اجلاسوں میں پے درپے کٹوتیوں کے بعد صورتحال کو برقرار رکھا۔ اگرچہ حقیقی سود کی شرح منفی رہی، مرکزی بینک کووڈ-19 کے باعث طلب کی جہت پر پڑنے والے دباؤ کے حوالے سے محتاط تھا۔

معیشت کے مستحکم ہونے کے آغاز کے ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں مالی سال کے نصف اول کے دوران 5 فیصد اضافہ ہوا جو ہدف برائے مدت کے تقریباً قریب تھا۔ پہلے پانچ ماہ کا مالیاتی خسارہ مجموعی ملکی پیداوار (جی ڈی پی) کا 1.8 فیصد تھا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 1.6 فیصد تھا۔ بنیادی توازن جی ڈی پی (GDP) کے 0.5 فیصد کے ساتھ مزید بہتر رہا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 0.3 فیصد تھا۔

افراط زر نے سرمایہ کاروں کو مایوس کرنے کا سلسلہ جاری رہا جس کے باعث پیداواری خم بلندی کی طرف جانا شروع ہو گیا۔ مرکزی بینک نے بھی افراط زر سے متعلق اپنی توقع کو بڑھایا جیسا کہ ایم پی سی کے منٹس میں مذکور ہے۔ اب مرکزی بینک کو توقع ہے کہ افراط زر 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 74، 114 اور 129 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

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



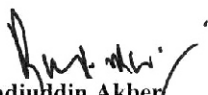
TRUSTEE REPORT TO THE UNIT HOLDERS

MCB PAKISTAN STOCK MARKET FUND

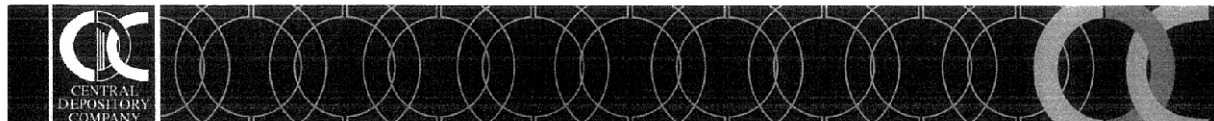
Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of MCB Pakistan Stock Market Fund (the Fund) are of the opinion that MCB-Arif Habib Savings and Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 11, 2021



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



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INDEPENDENT AUDITORS' REVIEW REPORT

To the Unit holders of MCB Pakistan Stock Market Fund

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of MCB Pakistan Stock Market Fund (the Fund) as at 31 December 2020, the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Statement of Cash Flows, condensed interim Statement of Movement in Unit Holders' Fund, and notes to the accounts for the six month period then ended (here-in-after referred to as "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2020.

Scope of Review

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

Conclusion

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

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



~: 2 ~:

The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 18 February 2021

Karachi

A member firm of Ernst & Young Global Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2020

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	176,769	351,866
Investments	5	11,892,710	8,666,891
Receivable against sale of investments		114,209	27,085
Dividend and profit receivables		13,554	18,647
Advances, deposits and other receivables		66,311	14,272
Total assets		12,263,553	9,078,761
LIABILITIES			
Payable to Management Company		61,155	45,048
Payable to Trustee		1,211	888
Payable to the Securities and Exchange Commission of Pakistan	6	1,113	1,770
Payable against purchase of investments		127,840	91,477
Accrued expenses and other liabilities	7	200,123	135,295
Payable against redemption of units		386	386
Total liabilities		391,828	274,864
NET ASSETS		11,871,725	8,803,897
Unit holders' fund (as per statement attached)		11,871,725	8,803,897
Contingencies and Commitments	8		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		121,126,732	113,711,578
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		98.0108	77.4230

The annexed notes 1 to 17 form an integral part of these 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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

		Half year ended		Quarter ended	
		December 31,		December 31,	
		2020	2019	2020	2019
Note		----- (Rupees in '000) -----			
INCOME					
		1,101,358	246,898	646,662	337,775
		136,970	273,231	109,937	129,620
		1,380	27,451	193	15,297
		8,803	26,060	2,863	12,611
		1,468,199	842,661	232,555	1,225,039
		57	7	34	7
		2,716,767	1,416,308	992,244	1,720,349
EXPENSES					
		111,315	86,121	57,260	44,865
		14,471	11,196	7,444	5,833
		6,071	4,809	3,116	2,495
		789	625	405	324
		1,113	861	572	448
	9	5,566	4,306	2,863	2,243
	10	72,354	40,830	37,218	28,057
		444	479	198	271
		41,525	15,927	21,044	11,863
		1,980	1,166	1,060	488
		68	92	34	46
		26	26	19	7
		49,221	24,997	17,220	24,997
		304,943	191,435	148,453	121,937
Net income for the period before taxation					
		2,411,824	1,224,873	843,791	1,598,412
	11	-	-	-	-
Net income for the period					
		2,411,824	1,224,873	843,791	1,598,412
Earnings per unit					
	12				
Allocation of net income for the period after taxation					
		2,411,824	1,224,873		
		(236,862)	(89,802)		
		2,174,962	1,135,071		
Accounting income available for distribution:					
		2,174,962	998,675		
		-	136,396		
		2,174,962	1,135,071		

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

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020**

	<u>Half year ended</u> <u>December 31,</u>		<u>Quarter ended</u> <u>December 31,</u>	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	2,411,824	1,224,873	843,791	1,598,412
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>2,411,824</u>	<u>1,224,873</u>	<u>843,791</u>	<u>1,598,412</u>

The annexed notes 1 to 17 form an integral part of these 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 HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended December 31, 2020			Half year ended December 31, 2019		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income	Total
(Rupees in '000)						
Net assets at the beginning of the period	5,894,800	2,909,097	8,803,897	6,482,505	3,073,329	9,555,834
Issuance of 58,977,573 (2019: 29,985,224) units:						
- Capital value (at net asset value per unit at the beginning of the period) at Rs.77.4230	4,566,224	-	4,566,224	2,377,847	-	2,377,847
- Element of income	763,234	-	763,234	91,936	-	91,936
	5,329,458	-	5,329,458	2,469,783	-	2,469,783
Redemption of 51,562,420 (2019: 46,143,657) units:						
- Capital value (at net asset value per unit at the beginning of the period) at Rs.77.4230	3,992,120	-	3,992,120	3,659,221	-	3,659,221
- Element of (loss) / income	918,196	(236,862)	681,334	(72,599)	89,802	17,203
	4,910,316	(236,862)	4,673,454	3,586,622	89,802	3,676,424
Total comprehensive income for the period	-	2,411,824	2,411,824	-	1,224,873	1,224,873
Distributions during the period	-	-	-	-	-	-
Net income for the period less distribution	-	2,411,824	2,411,824	-	1,224,873	1,224,873
Net assets as at the end of the period	6,313,942	5,084,059	11,871,725	5,365,666	4,208,400	9,574,066
Undistributed income brought forward comprising of:						
- Realised	3,417,678			4,858,310		
- Unrealised	(508,581)			(1,784,981)		
	2,909,097			3,073,329		
Accounting income available for distribution:						
- Relating to capital gains	2,174,962			998,675		
- Excluding capital gains	-			136,396		
	2,174,962			1,135,071		
Undistributed income carried forward	5,084,059			4,208,400		
Undistributed income carried forward comprising of:						
- Realised	3,615,860			3,975,842		
- Unrealised	1,468,199			232,558		
	5,084,059			4,208,400		
	(Rupees)			(Rupees)		
Net assets value per unit as at beginning of the period	77.4230			79.3006		
Net assets value per unit as at end of the period	98.0108			91.7558		

The annexed notes 1 to 17 form an integral part of these 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 HALF YEAR ENDED DECEMBER 31, 2020

		Half year ended	
		December 31,	
		2020	2019
Note	----- (Rupees in '000) -----		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		2,411,824	1,224,873
Adjustments for non cash and other items:			
Unrealised gain on revaluation of investments classified as 'at fair value through profit or loss' - net		(1,468,199)	(842,661)
		<u>943,625</u>	<u>382,212</u>
(Increase) / decrease in assets			
Investments - net		(1,757,620)	3,213
Receivable against sale of investments		(87,124)	163,621
Dividend and profit receivable		5,093	23,594
Advances, deposits and receivables		(52,039)	(2,136)
		<u>(1,891,690)</u>	<u>188,292</u>
Increase in liabilities			
Payable to Management Company		16,107	17,890
Payable to Trustee		323	(13)
Payable to the Securities and Exchange Commission of Pakistan		(657)	(9,718)
Payable against purchase of investments		36,363	314,273
Accrued expenses and other liabilities		64,828	29,932
Payable against redemption of units		-	4,500
		<u>116,964</u>	<u>356,864</u>
Net cash (used) in / generated from operating activities		<u>(831,101)</u>	<u>927,368</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issuance of units		5,329,458	2,469,783
Amount paid on redemption of units		(4,673,454)	(3,676,424)
Net cash generated from / (used) in financing activities		<u>656,004</u>	<u>(1,206,641)</u>
Net decrease in cash and cash equivalents during the period		<u>(175,097)</u>	<u>(279,273)</u>
Cash and cash equivalents at the beginning of the period		351,866	929,080
Cash and cash equivalents at the end of the period	4	<u>176,769</u>	<u>649,807</u>

The annexed notes 1 to 17 form an integral part of these 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 (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Pakistan Stock Market Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as "Management Company" and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October 23, 2001 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by 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 has been categorised as equity scheme and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The units are listed on the Pakistan Stock Exchange. The Fund primarily invests in listed equity securities. However, it also invests in cash instruments and treasury bills not exceeding 90 days in maturities.
- 1.4 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 06, 2020 to the Management Company.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.6 During the current period, The Trust Act, 1882 has been repealed due to promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirement under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards comprise of:
- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984;
 - The NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed of 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 IAS 34 Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.2 The disclosures made in these condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published audited financial statements of the Fund for the year ended June 30, 2020.
- 2.3 In compliance with schedule V of the NBFC Regulations, the Directors of the Management Company, hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2020.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

2.4 These condensed interim financial statements are presented in Pakistani Rupee, which is the functional and presentation currency of the Fund.

3. ACCOUNTING POLICIES AND ESTIMATES

3.1 The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2020.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following standards and amendment to IFRSs which became effective for the current period:

IFRS 3 – Amendments to Definition of a Business

IFRS 9 – Interest Rate Benchmark Reform

IAS 1 – Definition of Material

IFRS 16 – COVID-19 Rent Related Concessions

The Conceptual Framework for Financial Reporting

The adoption of the above amendments to accounting standards and interpretations did not have any effect on these condensed interim financial statements.

3.3 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2020.

		(Un-audited) December 31 2020	(Audited) June 30 2020
	Note	----- (Rupees in '000) -----	
4. BALANCES WITH BANKS			
In current accounts	4.1	18,830	22,057
In savings accounts	4.2	157,939	329,809
		<u>176,769</u>	<u>351,866</u>

4.1 These include a balance of Rs.9.380 (June 30, 2020: Rs.12.609) million maintained with MCB Bank Limited, a related party.

4.2 These carry profits at the rates ranging from 5.50% to 7.60% (June 30, 2020: 5.50% to 8.83%) per annum and include Rs.51.928 (June 30, 2020: Rs.63.120) million maintained with MCB Bank Limited, a related party which carries profit at the rate of 5.50% (June 30, 2020: 5.50% to 8.83%) per annum.

5. INVESTMENTS

At fair value through profit or loss

Listed equity securities	5.1	11,892,710	8,666,891
Government securities	5.2	-	-
		<u>11,892,710</u>	<u>8,666,891</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

5.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	No. of shares				Balance as at December 31, 2020			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2020	Carrying Value	Market value as at December 31, 2020		
							Unrealised gain / (loss)		
							(Rupees in '000)	(%)	
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise									
Automobile assembler									
Indus Motors Company Limited	-	262,320	-	24,450	237,870	289,919	284,959	(4,960)	2.40%
Millat Tractors Limited	136,750	10,850	-	35,250	112,350	80,901	122,921	42,020	0.23%
Pak Suzuki Motors Company Limited	-	285,100	-	-	285,100	67,921	68,980	1,059	1.04%
						438,741	476,860	38,119	0.58%
									0.35%
									0.88%
Automobile parts and accessories									
Thal Limited *	714,800	51,800	-	18,700	747,900	245,590	353,517	107,927	2.98%
									0.92%
Cable and electrical goods									
Pak Elektron Limited	900,000	8,653,000	-	3,402,000	6,151,000	224,134	246,840	22,705	2.08%
									1.24%
Cement									
Cherat Cement Company Limited	-	1,705,000	-	496,000	1,209,000	165,573	176,744	11,170	1.49%
Fauji Cement Company Limited	13,638,500	7,673,000	-	18,811,500	2,500,000	54,057	54,175	118	0.46%
Kohat Cement Limited	434,670	360,700	-	59,100	736,270	114,163	161,420	47,257	1.36%
Lucky Cement Limited	1,531,600	287,575	-	807,069	1,012,106	511,997	704,517	192,520	5.93%
Mople Leaf Cement Factory Limited	2,500,000	13,140,000	-	7,310,348	8,329,652	312,494	374,918	62,423	3.16%
Pioneer Cement Limited	-	3,816,500	-	2,582,500	1,234,000	96,504	127,472	30,968	1.07%
Power Cement Limited	-	3,454,000	-	1,909,500	1,544,500	15,810	15,260	(550)	0.13%
						1,270,598	1,614,506	343,906	13.60%
									2.93%
Chemical									
Archroma Pakistan Limited	30,850	74,000	-	-	104,850	59,583	58,538	(1,046)	0.49%
Engro Polymer and Chemicals Limited	11,356,655	3,100,000	-	10,241,500	4,215,155	111,834	200,262	88,428	1.69%
Ghani Global Holding	-	875,000	-	-	875,000	14,015	14,263	248	0.12%
ICI Pakistan Limited	-	213,200	-	-	213,200	159,647	162,051	2,405	1.37%
Lotte Chemical Pakistan Limited	-	4,664,000	-	-	4,664,000	73,188	70,240	(2,949)	0.59%
						418,267	505,354	87,086	4.26%
									1.88%
Commercial banks									
Allied Bank Limited	1,869,100	-	-	678,500	1,190,600	91,176	101,642	10,465	0.86%
Bank Al Falah Limited	408,981	14,872,579	-	8,241,072	7,040,488	262,438	248,740	(13,697)	2.10%
Bank Al Habib Limited	7,055,277	1,733,254	-	3,361,046	5,427,485	311,215	377,753	66,538	3.18%
Faysal Bank Limited	103,225	3,300,000	-	860,725	2,542,500	44,634	43,934	(700)	0.37%
Habib Bank Limited	4,798,309	4,271,897	-	3,024,515	6,045,691	683,025	799,724	116,699	6.74%
Habib Metropolitan Bank Limited	2,699,500	-	-	153,000	2,546,500	70,818	99,288	28,470	0.84%
MCB Bank Limited	2,831,142	1,969,357	-	3,544,634	1,255,865	232,687	17,852	(21,835)	0.11%
Meezan Bank Limited	-	809,999	-	-	809,999	77,285	84,596	7,311	0.71%
United Bank Limited	4,885,508	5,904,787	-	5,161,412	5,628,883	648,241	708,451	60,210	5.97%
The Bank Of Punjab Limited	11,629,500	17,629,000	-	29,258,500	-	-	-	-	0.00%
						2,403,667	2,696,815	293,148	22.72%
									2.44%
Engineering									
Agha Steel Ind. Ltd	-	4,100,000	-	797,500	3,302,500	114,222	130,152	15,930	1.10%
Aisha Steel Limited	-	15,523,500	-	8,917,000	6,606,500	91,566	153,931	62,365	1.30%
Mughal Iron & Steel Industries Limited	11,760	2,586,500	-	91,760	2,506,500	176,753	189,817	13,064	1.60%
International Industries Limited	63,880	-	-	63,880	-	-	-	-	0.00%
						382,541	473,900	91,359	3.99%
									2.36%

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

Name of the investee company	No. of shares				Balance as at December 31, 2020			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2020	Market value as at December 31, 2020			
						Carrying Value	Unrealised gain / (loss)		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise									
Fertilizer									
Engro Corporation Limited	1,383,947	879,697	-	1,063,654	1,199,990	366,399	368,829	2,430	3.11%
Fauji Fertilizer Company Limited	3,473,180	3,474,840	-	4,047,180	2,900,840	308,638	314,741	6,103	2.65%
Engro Fertilizer Limited	2,393	-	-	2,393	-	-	-	-	0.00%
Fatima Fertilizer Company Limited	4,141,500	-	-	4,141,500	-	-	-	-	0.00%
						675,037	683,570	8,533	5.76%
Food and personal care products									
Murree Brewery Company	-	202,000	-	-	202,000	119,170	126,739	8,569	1.07%
Nestle Pakistan Limited	3,033	-	-	-	3,033	20,427	20,215	(212)	0.17%
Al Shaheer Corporation Limited	10,455	-	-	10,455	-	-	-	-	0.00%
AT-Tahur Limited	1,712,000	-	162,300	1,874,300	-	-	-	-	0.00%
National Foods Limited	495,500	-	62,625	558,125	-	-	-	-	0.00%
						138,597	146,954	8,357	1.24%
Glass and ceramics									
Ghani Global Glass Limited	-	1,529,000	-	-	1,529,000	27,818	27,889	71	0.23%
Shabbir Tiles & Ceramics Limited *	-	4,983,000	-	235,000	4,748,000	74,112	100,895	26,783	0.85%
Tariq Glass Industries Limited	1,740,300	-	-	1,740,300	-	-	-	-	0.00%
						101,930	128,784	26,854	1.08%
Insurance									
Pakistan Reinsurance Company Limited	2,146,000	-	-	2,146,000	-	-	-	-	0.00%
Adamjee Insurance Co. Limited	3,755,000	-	-	973,500	2,781,500	92,095	109,369	17,273	0.92%
						92,095	109,369	17,273	0.92%
Leather and tanneries									
Service Industries Limited	86,443	-	21,610	74,550	33,503	21,864	27,947	6,083	0.24%
Miscellaneous									
Synthetic Products Limited	510,140	-	13,911	506,000	18,051	617	785	168	0.01%
Siddiqsons Tin Plate Limited	-	4,004,000	-	2,089,000	1,915,000	27,184	39,392	12,208	0.33%
Tri-Pak Films	-	688,000	-	1,000	687,000	110,232	111,816	1,584	0.94%
Shifa International Hospitals Limited	133,000	-	-	133,000	-	-	-	-	0.00%
						138,033	151,993	13,960	1.28%
Oil and gas exploration companies									
Mari Petroleum Company Limited	253,020	113,200	-	600	365,620	466,854	489,865	23,011	4.13%
Oil & Gas Development Company Limited	5,898,610	2,875,145	-	5,429,310	3,344,445	349,564	347,053	(2,511)	2.923%
Pakistan Oilfields Limited	687,093	816,133	-	730,054	773,172	290,971	305,720	14,749	2.575%
Pakistan Petroleum Limited	4,475,434	4,508,357	-	5,289,804	3,693,987	335,186	333,678	(1,508)	2.811%
						1,442,575	1,476,316	33,741	12.44%
Oil and gas marketing companies									
Attock Petroleum Limited	207,000	186,300	-	5,100	388,200	125,758	129,903	4,145	1.09%
Pakistan State Oil Company limited	-	2,430,653	-	837,150	1,593,503	308,966	343,081	34,115	2.89%
Hi-Tech Lubricants Limited	100	-	-	100	-	-	-	-	0.00%
Shell Pakistan Limited	327,600	-	-	327,600	-	-	-	-	0.00%
Sui Northern Gas Pipelines Limited	4,184,300	-	-	4,184,300	-	-	-	-	0.00%
						434,724	472,984	38,260	3.98%
									0.73%

Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

Name of the investee company	No. of shares				Balance as at December 31, 2020			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2020	Carrying Value	Market value as at December 31, 2020		
						Unrealised gain / (loss)			
(Rupees in '000)									
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise									
Pharmaceuticals									
Abbott Laboratories (Pakistan) Limited	676,700	-	-	222,550	454,150	301,101	343,051	41,950	2.89%
Agp Limited	940,000	426,500	-	823,000	543,500	60,233	61,894	1,661	0.52%
Glaxosmithkline Pakistan	-	395,200	-	19,400	375,800	70,968	72,090	1,121	0.61%
The Searle Company Limited	5,849	1,249,800	68,900	990,649	333,900	80,198	83,218	3,020	0.70%
						512,500	560,253	47,752	4.72%
									0.93%
Power generation and distribution									
Altern Energy Limited	327,000	-	-	-	327,000	7,930	8,047	118	0.07%
Hub Power Company Limited	5,867,729	3,255,000	-	3,388,189	5,734,540	428,854	454,921	26,067	3.83%
Kot Addu Power Co. Limited	187,500	1,700,000	-	-	1,887,500	51,708	51,340	(368)	0.43%
K-Electric Limited ***	10,142,000	18,500,000	-	6,954,000	21,688,000	78,445	84,800	6,355	0.71%
Lalpur Power Limited	4,100,000	7,200,000	-	3,265,500	8,034,500	103,655	103,002	(653)	0.87%
						670,592	702,110	31,519	5.91%
									2.94%
Paper and Board									
Packages Limited	-	467,500	-	52,700	414,800	182,871	247,602	64,731	2.09%
									0.46%
Technology and communication									
Hum Network Limited **	-	5,000,000	-	-	5,000,000	30,000	27,200	(2,800)	0.53%
Pakistan Telecommunication Company Limited	-	8,855,000	-	1,071,000	7,784,000	89,947	70,834	(19,113)	0.60%
Trig Pakistan	-	5,800,000	-	2,620,000	3,180,000	187,903	290,684	102,780	2.45%
Avanaceon Limited	20,000	5,325,000	-	5,345,000	-	-	-	-	0.00%
						307,850	388,718	80,867	3.27%
									1.32%
Textile composite									
Gul Ahmed Textile Mills Limited	4,894,880	670,500	-	5,565,000	380	11	14	3	0.00%
Interloop Limited	2,890,610	3,041,500	-	1,914,500	4,017,610	222,692	273,479	50,787	2.30%
Kohinoor Textile Mills Limited	1,836,718	-	-	197,500	1,639,218	58,209	111,827	53,619	0.94%
Nishat Mills Limited	-	2,131,000	-	1,708,500	422,500	41,387	42,998	1,610	0.4%
						322,299	428,318	106,019	3.61%
						10,424,505	11,892,710	1,468,199	1.13%
Total as at December 31, 2020 (Un-audited)									
Total as at June 30, 2020 (Audited)						9,175,473	8,666,891	(508,581)	

* These have a face value of Rs.5 per share.

** These have a face value of Rs.1 per share.

*** These have a face value of Rs.3.5 per share.

5.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) security against settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP:

	(Un-audited) December 31, 2020	(Audited) June 30, 2020	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	----- (Rupees in '000) -----			
	----- (Number of shares) -----			
Oil & Gas Development Company Limited	1,000,000	1,000,000	103,770	109,000
Sui Northern Gas Pipelines Limited	-	200,000	-	10,920
The Hub Power Company Limited	2,000,000	2,000,000	158,660	145,000
	3,000,000	3,200,000	262,430	264,920

5.1.2 There is no change in the status of matter related to bonus shares as reported in note 6.1.2 to the annual financial statements of the Fund for the year ended June 30, 2020. As at December 31, 2020, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.4.085 million (June 30, 2020: Rs.3.18 million).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

5.2 Government securities - at fair value through profit or loss

Name of security	Issue date	Face value			Balances as at December 31, 2020		
		As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Carrying Value	Market Value Unrealised (loss) / gain
(Rupees in '000)							
Treasury Bills							
Market Treasury Bills - 3 months	16-Aug-2019	-	1,200,000	1,200,000	-	-	-
	16-Aug-2019	-	425,000	425,000	-	-	-
	29-Aug-2019	-	500,000	500,000	-	-	-
	12-Sep-2019	-	1,000,000	1,000,000	-	-	-
	26-Sep-2019	-	1,679,745	1,679,745	-	-	-
	26-Sep-2019	-	1,679,745	1,679,745	-	-	-
	26-Sep-2019	-	1,679,745	1,679,745	-	-	-
	10-Oct-2019	-	2,000,000	2,000,000	-	-	-
	5-Dec-2019	-	1,000,000	1,000,000	-	-	-
	19-Dec-2019	-	1,000,000	1,000,000	-	-	-
	9-Apr-2020	-	150,000	150,000	-	-	-
	9-Apr-2020	-	1,375,000	1,375,000	-	-	-
	23-Apr-2020	-	2,500,000	2,500,000	-	-	-
	23-Apr-2020	-	750,000	750,000	-	-	-
	2-Jul-2020	-	75,000	75,000	-	-	-
	2-Jul-2020	-	300,000	300,000	-	-	-
	16-Jul-2020	-	75,000	75,000	-	-	-
	16-Jul-2020	-	1,000,000	1,000,000	-	-	-
	16-Jul-2020	-	2,900,000	2,900,000	-	-	-
	16-Jul-2020	-	3,625,000	3,625,000	-	-	-
	27-Aug-2020	-	1,000,000	1,000,000	-	-	-
	27-Aug-2020	-	200,000	200,000	-	-	-
	10-Sep-2020	-	1,000,000	1,000,000	-	-	-
	10-Sep-2020	-	1,000,000	1,000,000	-	-	-
	8-Oct-2020	-	2,500,000	2,500,000	-	-	-
	5-Nov-2020	-	250,000	250,000	-	-	-
	19-Nov-2020	-	1,700,000	1,700,000	-	-	-
Total as at December 31, 2020 (Un-audited)							
					-	-	-
Total as at June 30, 2020 (Audited)							
					-	-	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

6. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

This represents annual fee payable to SECP in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.02% (June 30, 2020: 0.02%) of the average daily net assets of the Fund.

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
Note	----- (Rupees in '000) -----	
	107,096	57,875
	54,774	54,774
	3,933	3,933
	9,722	9,722
	21,521	5,783
	527	681
	2,378	2,177
	30	39
	135	119
	7	192
	200,123	135,295

7. ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for Sindh Workers' Welfare Fund	7.1	57,875
Federal Excise Duty payable on management remuneration	7.2	54,774
Federal Excise Duty payable on sales load		3,933
Unclaimed dividends		9,722
Brokerage payable		5,783
Auditors' remuneration		681
Withholding tax payable		2,177
Printing and related charges payable		39
Payable to legal advisor		119
Others		192

7.1 There is no change in the status of the SWWF as reported in note 12.1 to the annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2020 would have been higher by Re.0.88 (2018: Re.0.51) per unit.

7.2 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 note 12.2 to the annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2020 would have been higher by Re.0.45 (2019: Re.0.48) per unit.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at the December 31, 2020 (June 30, 2020: Nil).

9. ALLOCATED EXPENSES

The Management Company has charged actual expenses related to registrar services, accounting, operations and valuation services to the CIS as per SECP vide SRO 639 dated June 20, 2019.

10. SELLING AND MARKETING EXPENSES

The Management Company has charged actual expenses to the extent as it has think expedient as per SECP circular 11 dated July 05, 2019.

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 realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability in respect of income relating to current period as the Management Company intends to distribute in cash the required minimum percentage of the Fund's accounting income for the period ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unitholders in the form of cash.

12. EARNINGS PER UNIT

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

13. TRANSACTIONS WITH RELATED PARTIES / 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, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

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

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:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

For the half year ended December 31, 2020 (Un-audited)

As at July 01, 2020	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at December 31, 2020	As at July 01, 2020	Issued for cash / conversion in transferred	Redeemed / conversion out / transfer out	As at December 31, 2020
(Number of units)				(Rupees in '000)			

13.1 Unit Holder's Fund

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

Group / associated companies / undertakings

Adamjee Insurance Company Limited - Employees Gratuity Fund
Adamjee Life Assurance Company Limited - IMF
Adamjee Life Assurance Company Limited - NUIL
Adamjee Insurance Company Limited - Employees Provident Fund Trust
D.G. Khan Cement Company Limited - Employees Provident Fund Trust
Asghari Beg Memorial Trust

Directors And Key Management Personnel

Mandate under discretionary portfolio services

Unit holders holding 10% or more

For the half year ended December 31, 2019 (Un-audited)

As at July 01, 2020	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at December 31, 2020	As at July 01, 2020	Issued for cash / conversion in transferred	Redeemed / conversion out / transfer out	As at December 31, 2020
(Number of units)				(Rupees in '000)			

**MCB-Arif Habib Savings and Investment Limited -
Management Company**

Group / associated companies / undertakings

Adamjee Insurance Company Limited - Employees Gratuity Fund
Adamjee Life Assurance Company Limited - IMF
Adamjee Life Assurance Company Limited - NUIL
Adamjee Insurance Company Limited - Employees Provident Fund Trust
D.G. Khan Cement Company Limited - Employees Provident Fund Trust
Nishat Mills Limited - Employees Provident Fund Trust
Asghari Beg Memorial Trust

Directors And Key Management Personnel

Mandate under discretionary portfolio services

Unit holders holding 10% or more

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Half year ended	
	December 31,	
	2020	2019
	----- (Rupees in '000) -----	
13.2 Transactions during the period:		
MCB - Arif Habib Savings and Investments Limited - Management Company		
Remuneration of the Management Company including indirect taxes	111,315	97,317
Marketing and Selling expense	72,354	40,830
Allocated Expenses	5,566	4,306
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	6,860	5,434
Central Depository Service charges	709	245
Arif Habib Capital Limited - Brokerage House		
Brokerage expense*	2,118	1,094
Next Capital Limited - Brokerage House		
Brokerage expense*	723	402
MCB Bank Limited		
Bank charges	76	46
Profit on balances with banks	4,842	5,349
Dividend income	-	8,422
Sale of securities having face value of Rs Nil (2019: 850 million)	-	845,432
Purchase of 1,969,357 (2019: Nil) shares	340,759	-
Sale of 3,544,634 (2019: 2,771,900) shares	629,482	485,593
D.G. Khan Cement Company Limited		
Purchase of 3,838,000 (2019: Nil) shares	401,200	-
Sale of 3,838,000 (2019: Nil) shares	417,649	-
Nishat Mills Limited		
Dividend Income	5,844	-
Purchase of 2,131,000 (2019: Nil) shares	208,947	-
Sale of 1,708,500 (2019: 1,221,600) shares	172,034	82,582
Fatima Fertilizer Company Limited		
Purchase of Nil (2019: Nil) shares	-	-
Sale of 4,141,500 (2019: 66,500) shares	117,015	1,845
Adamjee Insurance Company Limited		
Dividend Income	4,694	-
Sale of 973,500 (2019: Nil) shares	36,880	-
Aisha Steel Mills Limited		
Purchase of 15,523,500 (2019: Nil) shares	215,155	-
Sale of 8,917,000 (2019: 275,500) shares	162,805	-
Power Cement Limited		
Purchase of 3,454,000 (2019: Nil) shares	35,356	-
Sale of 1,909,500 (2019: 275,500) shares	18,725	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

13.3 Balances outstanding at period end:

	(Un-audited) December 31, 2020 ----- (Rupees in '000) -----	(Audited) June 30, 2020
MCB - Arif Habib Savings and Investment Limited - Management Company		
Remuneration payable	19,727	14,075
Sindh sales tax payable on remuneration	2,565	1,830
Sales load payable including related taxes	658	169
Payable against allocated expense	986	704
Payable against marketing and selling expenses	37,219	28,270
 Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,072	786
Sindh sales tax payable on remuneration	139	102
Security deposit	500	500
 Group / associated companies		
MCB Bank Limited		
Bank balance	61,308	75,729
Profit receivable on bank balances	318	921
Sales load payable	2	13
 MCB Bank Limited		
1,255,865 shares (2020: 2,831,142 shares)	232,687	458,843
 Aisha Steel Limited		
6,606,500 shares (2020: Nil shares)	153,931	-
 Fatima Fertilizer Company Limited		
Nil shares (2020: 4,141,500 shares)	-	110,702
 Power Cement Limited		
1,544,500 shares (2020: Nil shares)	15,260	-
 Nishat Mills Limited		
422,500 shares (2020: Nil shares)	42,998	-
 Next Capital Limited - Brokerage House		
Brokerage payable *	369	12
 Arif Habib Limited - Brokerage House		
Brokerage payable *	1,537	538
 Adamjee Insurance Co. Limited		
2,781,500 shares (2020: 3,755,000 shares)	109,369	124,328

* 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

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

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

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2020 and June 30, 2020, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
December 31, 2020 (Un-audited)				
At fair value through profit or loss				
Listed Equity Securities	11,892,710	-	-	11,892,710
June 30, 2020 (Audited)				
At fair value through profit or loss				
Listed Equity Securities	8,666,891	-	-	8,666,891

During the period ended December 31, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

The Fund has not disclosed the fair values of other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

15. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 5.48% as on December 31, 2020 (December 31, 2019: 4.44%) and this includes 1.17% (December 31, 2019: 0.87%) representing Government Levy, Sindh Workers' Welfare Fund (SWWF) and SECP fee.

16. GENERAL

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

17. DATE OF AUTHORISATION FOR ISSUE

These interim financial statement were authorised for issue by the Board of Directors of the Management Company in the meeting held on February 08, 2021.

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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