



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

# QUARTERLY REPORT

MARCH  
**2021**  
(UNAUDITED)

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



# **PAKISTAN CAPITAL MARKET FUND**

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## FUND'S INFORMATION

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

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

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## Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Pakistan Capital Market Fund's** accounts review for the nine months ended March 31, 2021.

## Economy and Money Market Review

The first nine months of fiscal year 2021 have been relatively stronger as economic activities resumed to a large extent though challenges from Covid continue to pose risks in the near term. The economic recovery has been better than expectations as stable interest rates and supportive financing schemes from SBP, amnesty to encourage construction sector, resumption in demand and continued strong inflow of remittances have supported economic growth. We therefore expect economic growth to be higher than estimates shared by multilateral agencies. 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 also 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 about 18% over last year in the first nine months of FY21. Sales of 2 and 3 wheeler units also rose at an impressive rate of near 17% over last year in the first eight months of FY21 reflecting on the resilience of economy. Similarly, the demand of petrol and diesel also increased by about 9.5% and 17% respectively over last year during the first nine months indicating a broader recovery in economy. Overall, Large Scale Manufacturing Index (LSM) has grown by about 7.9% in first seven months of the current fiscal year led by the cyclical sectors.

Current account posted a surplus of USD 881 million in the first eight months of fiscal year compared to a deficit of USD 2,741 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 about 24% during the first eight months of this fiscal year. Foreign exchange reserves of central bank saw an increase of about USD 2.2 billion during the first eight months due to improved balance of payment position. Subsequently, the PKR/USD appreciated by about 9% during the period.

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 8.4% over last year during the first nine months, with food inflation averaging about 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 6.1% for the period. Monetary Policy Committee maintained status quo throughout the year 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 well as comfort drawn from better external position.

As the economy started to open up, tax collection also improved and grew by about 10% during the first nine months of the fiscal year which exceeded the target by PKR 100 bn. Fiscal deficit for the first seven months of the period clocked in at 2.9% of GDP, compared to 3.2% of GDP last year. Primary balance was even better at a surplus of 0.9% 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 182 bps, 175 bps and 173 bps respectively during the period.

## Equity Market Review

After showing strong positive momentum during the first half of this fiscal year, market performance could not display the same riveting momentum and remained dull during the third quarter of this fiscal year. The index posted a return of 1.9% during the third quarter of this fiscal year, taking the cumulative return of nine months to 29.5%. Local investors absorbed foreign investors selling of about USD 290mn. Trading activity at the bourse increased on a YoY basis as the average volumes and value traded amounted to near 483 Million shares (up 149%) and about PKR 19 Billion (up 165%) respectively.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

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Tech, Refineries and Steel were the major outperformers as they posted returns of 326%/145%/97% respectively during the nine months 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 flip side, Fertilizer remained the major underperformer posting nominal returns of 8% only.

### FUND PERFORMANCE

During the period under review, the fund posted a return of 18.52% compared to the return of 24.37% posted by the benchmark.

On the equities front, the overall allocation stood at 65.6%. The exposure was mainly held in Commercial Banks, Cement and Oil & Gas Exploration Companies.

On the fixed income side, the fund increased its exposure towards cash to benefit from attractive rates offered by banks.

The Net Assets of the Fund as at March 31, 2021 stood at Rs. 457 million as compared to Rs. 415 million as at June 30, 2020 registering an increase of 10.12%.

The Net Asset Value (NAV) per unit as at March 31, 2021 was Rs. 12.03 as compared to opening NAV of Rs. 10.15 per unit as at June 30, 2020 showing an increase of Rs.1.88 per unit.

### Economy & Market – Future Outlook

GDP growth for FY21 is now projected at around 3% by central bank. We expect GDP growth to be better than general consensus of government and institutions as industrial growth has revived much earlier than our anticipation. Generally, economy appears to be operating close to pre-covid levels gauged by LSM growth, cement sales, auto sales, etc.

Balance of Payment worries are at bay for the near term with current account deficit expected to be about USD 1.1 bn for this fiscal year. We expect Current Account Deficit to settle near 0.4% of GDP in FY21 which could be easily financed from foreign investments and debt flows. However, the recent surge in commodity prices and growth momentum would require better financial management to fund the current account deficit over next year. Any reversal in trend of remittances would also be a concern for Balance of Payment management next year. With Real Effective Rate for Feb-2021 at 97.1 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 the IMF program is a good omen which would allow better financial flows from various institutions allowing better financial management. We expect foreign exchange reserves to further increase by about USD 2.7 bn from current levels by year end.

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 9.1%. 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 vowed to keep the existing accommodative monetary policy stance to support recovery while keeping inflation expectations well anchored. 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, markets are watchful of the 3rd wave of Covid cases which do pose risks in the near term. As growth momentum continues, the valuations are catching up with historical norms. Barring any external 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 3.3%, compared to historical average of 1.3% 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.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

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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 28.6% to PKR 954 billion at the end of the first nine months 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 33% during the period to PKR 418 billion. Within the money market sphere, the conventional funds dominated as they grew by about 31% to PKR 271 billion. Equity and related funds surged rapidly by 27% from PKR 224 billion to PKR 284 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 ~29% 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 26% 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**

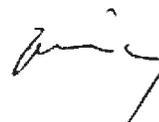
The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



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Muhammad Saqib Saleem  
Chief Executive Officer  
April 16, 2021



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Nasim Beg  
Director/Vice Chairman

## ڈائریکٹرز رپورٹ

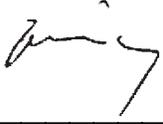
میوچل فنڈ صنعت کے مستقبل کے امکانات

سوڈ 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 سکتے۔

اظہارِ تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز 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 بیگ  
ڈائریکٹر / وائس چیئرمین



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر

16 اپریل 2021

## ڈائریکٹرز رپورٹ

متعدد اداروں سے بہتر مالیاتی آمدات ممکن ہوگی اور اس کے نتیجے میں بہتر مالیاتی انتظام ممکن ہوگا۔ غیر ملکی زرمبادلہ کے ذخائر میں اختتام مدت تک موجودہ سطحوں کے مقابلے میں تقریباً 2.7 بلین ڈالر کا مزید اضافہ متوقع ہے۔

افراط زر ہماری سابقہ توقعات سے آگے نکل گئی ہے کیونکہ اشیائے 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 9.1 فیصد متوقع ہے۔ مرکزی بینک نے پہلی مرتبہ قریب المیعاد 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 گنجائش پیدا کرنے والی موجودہ مالیاتی پالیسی کا موقف برقرار رکھنے کا عزم کیا تاکہ وصولی کے لیے معاونت فراہم ہو، جبکہ افراط زر کی توقعات کو قابو میں رکھا۔ مرکزی بینک کی راہنمائی کے پیش نظر اب 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، مارکیٹس کو وڈ کی تیسری لہر کے حوالے سے گہری نظر رکھے ہوئے ہیں کیونکہ اس سے قریبی مدت میں خطرات لاحق ہیں۔ 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 آمدات کو مائل کرنے کا سلسلہ جاری رکھیں گی۔ دس سالہ بانڈز سے متعلق خطرات کے پری میٹیم فی الوقت 3.3 فیصد پر ہیں، اور قدیم اوسط 1.3 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 آمدنیاں جی ڈی پی کی معمولی ترقی سے بھی پیچھے رہی ہیں۔ ہم سمجھتے ہیں کہ شعبہ جات 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 بلار کاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز متوقع پیداواری ختم 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۔

### میوچل فنڈ صنعت کا جائزہ

اپن end میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2021ء کے ابتدائی نو ماہ کے اختتام پر تقریباً 28.6 فیصد بڑھ کر 954 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز اور فکسڈ انکم فنڈز میں خطیر سرمایہ کاری ہوئی کیونکہ کارپوریٹ نقدیت تیزی سے میوچل فنڈز کی جانب بڑھ رہی ہے۔ منی مارکیٹ کے مجموعی فنڈز دوران مدت تقریباً 33 فیصد بڑھ کر 418 بلین روپے ہو گئے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور تقریباً 31 فیصد بڑھ کر 271 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں دوران سہ ماہی 27 فیصد کا بھرپور اضافہ ہوا اور وہ 224 بلین روپے سے 284 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 29 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 26 فیصد کے حامل تھے۔

### ایکویٹی مارکیٹ کا جائزہ

موجودہ مالی سال کی تیسری سہ ماہی کے دوران مارکیٹ کی کارکردگی وہ مستحکم اور مثبت رفتار جاری نہیں رکھ سکی جس کا مظاہرہ مالی سال کے نصف اوّل کے دوران ہوا تھا۔ انڈیکس نے تیسری سہ ماہی کے دوران 1.9 فیصد منافع پوسٹ کیا جس کے بعد نو ماہ کا مجموعی منافع 29.5 فیصد تک پہنچ گیا۔ مقامی سرمایہ کاروں نے غیر ملکی سرمایہ کاروں کی تقریباً 290 ملین ڈالر کی فروخت کو جذب کر لیا۔ اسٹاک مارکیٹ کی تجارتی سرگرمی میں سال در سال (YoY) بنیاد پر اضافہ ہوا کیونکہ تجارت کردہ اوسط حجم تقریباً 483 ملین حصص (149 فیصد زیادہ) اور تجارت کردہ اوسط قدر تقریباً 19 بلین روپے (165 فیصد زیادہ) تھی۔

ٹیکنالوجی، اسٹیل اور ریفرنسز ہدف سے بہتر کارکردگی کا مظاہرہ کرنے والے بڑے شعبے تھے جنہوں نے مالی سال کے نو ماہ کے دوران بالترتیب 326 فیصد، 145 فیصد اور 97 فیصد منافع پوسٹ کیا۔ ٹیکنالوجی کمپنیوں کی قدر کی بڑے پیمانے پر تشکیل نسو ہوئی کیونکہ سرمایہ کاروں نے ٹیکنالوجی کمپنیوں کی بعد از کووڈ بدلتی ہوئی صورتحال 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، ریفرنسز کے لیے یقینی شرح منافع کی افواہوں نے دوران مدت اس شعبے کے منافع کو محض فراہم کیا۔ دوسری جانب، کھاد کا شعبہ ہدف سے کم کارکردگی کا مظاہرہ کرنے والا بڑا شعبہ تھا جس نے صرف 8 فیصد منافع پوسٹ کیا۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 18.52 فیصد منافع حاصل کیا جبکہ اس کے بالمقابل مقررہ معیار 24.37 فیصد تھا۔ ایکویٹی کی جہت میں مجموعی اختصاص 65.6 فیصد تھا۔ زیادہ تر شمولیت کمرشل بینکوں، سیمنٹ، اور تیل اور گیس کی دریافت کی کمپنیوں میں تھی۔ مقررہ آمدنی کی جہت میں فنڈ کی نقد میں شمولیت میں اضافہ کیا گیا تاکہ بینکوں کی طرف سے پیش کردہ پُرکشش شرحوں سے فائدہ اٹھایا جاسکے۔ 31 مارچ 2021ء کو فنڈ کے net اثاثہ جات 457 ملین روپے تھے جبکہ 30 جون 2020ء کو 415 ملین روپے تھے (یعنی net اثاثہ جات میں 10.12 فیصد اضافہ ہوا)۔ 31 مارچ 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 12.03 روپے تھی جو 30 جون 2020ء کو ابتدائی این اے وی، جو کہ 10.15 روپے فی یونٹ تھی، کے مقابلے میں 1.88 روپے فی یونٹ اضافہ ہے۔

### معیشت اور بازار - مستقبل کے امکانات

مرکزی بینک کے مطابق مالی سال 2021ء کے لیے مجموعی ملکی پیداوار (جی ڈی پی) میں 3 فیصد ترقی متوقع ہے۔ ہمیں اُمید ہے کہ جی ڈی پی کی ترقی حکومت اور اداروں کے عمومی اتفاق رائے سے بہتر ہوگی کیونکہ صنعتی ترقی ہماری توقعات سے کافی قبل بحال ہوگئی ہے۔ معیشت اب عمومی طور پر قبل از کووڈ سطحوں کے قریب سرگرم عمل ہے جس کا اندازہ ایل ایس ایم کی ترقی اور سیمنٹ اور آٹوموبائل کے شعبے کی فروخت کے ذریعے لگایا جاسکتا ہے۔ ادائیگیوں کے توازن کی پریشانیوں قریب المیعا میں ختم ہوگئی ہیں کیونکہ موجودہ مالی سال کے لیے کرنٹ اکاؤنٹ کا متوقع خسارہ تقریباً 1.1 بلین ڈالر ہے۔ ہم سمجھتے ہیں کہ مالی سال 2021ء میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 0.4 فیصد پر ٹھہرے گا، اور اس کے لیے مالیات کی فراہمی باسانی غیر ملکی سرمایہ کاروں اور قرض کے ذریعے ہو سکتی ہے۔ تاہم ایشیاء کی قیمتوں اور ترقی کی رفتار میں حالیہ اضافے کے باعث اگلے سال کے دوران کرنٹ اکاؤنٹ خسارے کے لیے مالیات کی فراہمی کے لیے بہتر مالیاتی انتظام درکار ہے۔ ترسیلات زر کے رجحان میں ذرا بھی واپسی کے باعث اگلے سال ادائیگی کے توازن کے انتظام میں رکاوٹ حائل ہو سکتی ہے۔

فروری 2021ء کاربنل ایفیکٹیو ریٹ 97.1 فیصد تھا، اور ایشیاء میں کسی بھی قابل ذکر حرکت کے باعث افراط زر اور ادائیگیوں کے توازن کی نسبتاً

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان کیپٹل مارکیٹ فنڈ کے اکاؤنٹس کا جائزہ برائے نو ماہ مختتمہ 31 مارچ 2021ء پیش خدمت ہے۔

### معیشت اور بازار زر کا جائزہ

مالی سال 2021ء کے ابتدائی نو ماہ مستحکم رہے کیونکہ معاشی سرگرمیاں کافی حد تک بحال ہوئیں اگرچہ قریب المیاد میں کووڈ کے باعث پیدا ہونے والی مشکلات کے باعث خطرات ابھی بھی لاحق ہیں۔ معاشی بحالی توقعات سے بہتر رہی کیونکہ سود کی مستحکم شرحوں اور اسٹیٹ بینک آف پاکستان (ایس بی پی) کی معاونتی مالیاتی اسکیموں، تعمیرات کے شعبے کی حوصلہ افزائی کے لیے رعایات، مانگ میں بحالی، اور ترسیلات زر کی مسلسل آمد سے معاشی ترقی کو سہارا ملا ہے۔ چنانچہ ہمیں اُمید ہے کہ معاشی ترقی کثیر الجہتی ایجنسیوں کے پیش کردہ تمہینوں سے بلند تر ہوگی۔ حکومت کی ابتدائی توقعات کے مطابق صنعتی ترقی (جس کا ہدف سال گزشتہ کے مقابلے میں 0.1 فیصد ترقی تھا) کو وڈ-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۔

سیمنٹ کے شعبے میں مقامی فروخت میں متاثر کن ترقی ہوئی جو مالی سال 2021ء کے ابتدائی نو ماہ میں سال گزشتہ سے 18 فیصد زیادہ تھی۔ 2 اور 3 پہیوں والے یونٹس کی فروخت میں بھی مزید متاثر کن ترقی ہوئی جو مالی سال 2021ء کے ابتدائی آٹھ ماہ میں سال گزشتہ سے تقریباً 17 فیصد زیادہ تھی جس سے معیشت کی چمک کی عکاسی ہوتی ہے۔ اسی طرح ابتدائی نو ماہ کے دوران پٹرول اور ڈیزل کی طلب میں بھی سال گزشتہ کے مقابلے میں بالترتیب تقریباً 9.5 فیصد اور 17 فیصد اضافہ ہوا جس سے معیشت میں وسیع تر بحالی کی ترجمانی ہوتی ہے۔ مجموعی طور پر بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) میں موجودہ مالی سال کے ابتدائی سات ماہ میں 7.9 فیصد ترقی ہوئی ہے جس میں گردش شعبے سب سے آگے رہے ہیں۔

مالی سال کے ابتدائی آٹھ ماہ میں کرنٹ اکاؤنٹ میں 881 ملین ڈالر منافع ہوا جبکہ اس کے بالمقابل سال گزشتہ کی مماثل مدت میں 2,741 ملین ڈالر خسارہ ہوا تھا۔ اس بہتری کی بنیادی وجہ ترسیلات زر میں اضافہ تھا جن میں مالی سال کے ابتدائی آٹھ ماہ کے دوران 24 فیصد کی زبردست شرح سے ترقی ہوئی۔ مرکزی بینک کے زرمبادلہ کے ذخائر میں ابتدائی آٹھ ماہ کے دوران تقریباً 2.2 بلین ڈالر اضافہ ہوا جس کی وجہ ادائیگی کے توازن کی صورتحال میں بہتری ہے۔ بعد ازاں، پاکستانی روپے / امریکی ڈالر میں دوران مدت تقریباً 9 فیصد ترقی ہوئی۔

افراط زر حکومت کی دکھتی رگ بنی رہی کیونکہ ایشیائے 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 ابتدائی نو ماہ کے دوران 8.4 فیصد تھا، جبکہ ایشیائے خورد و نوش کے افراط زر کا اوسط دوران مدت 13 فیصد تھا۔ رسد کی جہت میں مسائل اور بدانتظامی کے باعث جلد خراب ہو جانے والی ایشیائے خورد و نوش اور گندم کی قیمتوں میں اضافہ جاری رہا۔ بہر حال بنیادی افراط زر، جس کی پیمائش ایشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، قابو میں تھی اور اس کا اوسط برائے مدت 6.1 فیصد تھا۔ مانیٹری پالیسی کمیٹی (ایم پی سی) نے گزشتہ اجلاسوں میں پے در پے کٹوتیوں کے بعد صورتحال کو برقرار رکھا۔ اگرچہ حقیقی سود کی شرح منفی رہی لیکن مرکزی بینک کو وڈ کے باعث طلب کی جہت پر پڑنے والے دباؤ اور بہتر خارجی صورتحال کی بدولت پیدا ہونے والی سہولت کے حوالے سے محتاط تھا۔ معیشت کے مستحکم ہونے کے آغاز کے ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں مالی سال کے ابتدائی نو ماہ کے دوران 10 فیصد اضافہ ہوا جو ہدف سے 100 بلین روپے زیادہ تھا۔ ابتدائی سات ماہ کا مالیاتی خسارہ مجموعی ملکی پیداوار (جی ڈی پی) کا 2.9 فیصد تھا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 3.2 فیصد تھا۔ بنیادی توازن جی ڈی پی (GDP) کے 0.9 فیصد کے ساتھ مزید بہتر رہا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 0.3 فیصد تھا۔

مہنگائی کے بعد سرمایہ کاروں کو مایوس کرنے کے بعد پیداوار کی قیمت میں اضافی ہونا شروع ہوا۔ مرکزی بینک نے بھی افراط زر سے متعلق اپنی توقع کو بڑھایا جیسا کہ ایم پی سی کے میٹس 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 نجلی سطح میں آنا متوقع تھا۔ دوران مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 182، 175 اور 173 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT MARCH 31, 2021**

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Balances with banks	4 153,331	99,855
Investments	5 312,562	374,107
Dividend and profit receivable	4,551	2,077
Advances, deposits and other receivables	4,867	5,073
Receivable against sale of investments	-	4,238
<b>Total assets</b>	<b>475,311</b>	<b>485,350</b>
<b>LIABILITIES</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	6 2,233	2,266
Payable to Central Depository Company of Pakistan Limited - Trustee	7 89	79
Payable to the Securities and Exchange Commission of Pakistan (SECP)	8 71	93
Payable against purchase of investments	-	53,999
Payable against redemption of units	216	216
Accrued and other liabilities	7 15,295	14,118
<b>Total liabilities</b>	<b>17,904</b>	<b>70,771</b>
<b>NET ASSETS</b>	<b>457,407</b>	<b>414,579</b>
<b>Unit holders' fund (as per statement attached)</b>	<b>457,407</b>	<b>414,579</b>
<b>Contingencies and commitments</b>	8	
	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>	<b>38,035,790</b>	<b>40,862,716</b>
	----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>	<b>12.03</b>	<b>10.15</b>

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

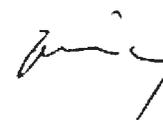
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

	Nine months period ended March 31,		Quarter ended March 31,	
	2021	2020	2021	2020
Note ----- (Rupees in '000) -----				
<b>INCOME</b>				
Capital gain on sale of investments - net	67,906	25,883	47,015	8,528
Dividend income	10,480	14,810	7,411	3,212
Income from government securities	4,620	6,285	3,135	2,603
Income from term finance certificates	35	85	23	25
Profit on bank deposits	3,254	9,545	2,367	2,236
Income on deposit with NCCPL exposure margin	83	98	49	38
Unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	10,052	(67,351)	3,305	(95,555)
<b>Total income</b>	<b>96,430</b>	<b>(10,644)</b>	<b>63,305</b>	<b>(78,912)</b>
<b>EXPENSES</b>				
Remuneration of MCB-Arif Habib Savings & Investments Limited - Management Company	7,942	7,205	5,583	2,426
Sindh Sales tax on remuneration of the Management Company	1,032	937	726	316
Allocated expenses	353	360	235	121
Remuneration of Central Depository Company of Pakistan Limited - Trustee	706	721	470	243
Sindh sales tax on remuneration of the trustee	92	94	61	32
Selling and marketing expenses	3,879	3,943	2,287	1,638
Annual fee to the Securities and Exchange Commission of Pakistan	71	72	47	24
Securities transaction cost	2,302	1,709	1,660	708
Settlement and bank charges	487	450	335	144
Fees and subscription	33	32	14	6
Auditors' remuneration	538	463	278	138
Printing and related costs	29	46	15	29
Legal and professional charges	102	34	67	(57)
<b>Total operating expenses</b>	<b>17,566</b>	<b>16,065</b>	<b>11,778</b>	<b>5,767</b>
<b>Net income from operating activities</b>	<b>78,864</b>	<b>(26,709)</b>	<b>51,527</b>	<b>(84,679)</b>
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1 (1,577)		(1,030)	1,160
<b>Net income / (loss) for the period before taxation</b>	<b>77,287</b>	<b>(26,709)</b>	<b>50,497</b>	<b>(83,519)</b>
Taxation	9 -	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>77,287</b>	<b>(26,709)</b>	<b>50,497</b>	<b>(83,519)</b>
<i>Allocation of net income for the period:</i>				
Net income for the period after taxation	77,287			
Income already paid on units redeemed	(8,155)			
	<b>69,132</b>			
<i>Accounting income available for distribution:</i>				
- Relating to capital gains	69,132			
- Excluding capital gains	-			
	<b>69,132</b>			
<b>Earnings per unit</b>	10			

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

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021**

	Nine months period ended March 31,		Quarter ended March 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
<b>Net income /(loss) for the period after taxation</b>	77,287	(26,709)	50,497	(83,519)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>77,287</u>	<u>(26,709)</u>	<u>50,497</u>	<u>(83,519)</u>

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

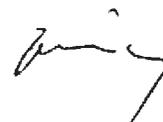
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

	Nine months period ended March 31, 2021			Nine months period ended March 31, 2020		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	(Rupees in 000)					
<b>Net assets at the beginning of the period</b>	422,186	(7,607)	414,579	512,914	(9,278)	503,636
Issuance of 5,066,616 units (2020: 3,140,157 units):						
- Capital value (at net asset value per unit at the beginning of the period)	51,425	-	51,425	31,747	-	31,747
- Element of income	3,105	-	3,105	2,827	-	2,827
	54,530	-	54,530	34,574	-	34,574
Redemption of 7,893,543 units (2020: 10,966,329 units):						
- Capital value (at net asset value per unit at the beginning of the period)	80,119	-	80,119	(110,870)	-	(110,870)
- Element of income / (loss)	715	8,155	8,870	(3,561)	-	(3,561)
	80,834	8,155	88,989	(114,430)	-	(114,430)
Total comprehensive income for the period	-	77,287	77,287	-	(26,709)	(26,709)
<b>Net assets at the end of the period</b>	<b>395,882</b>	<b>61,525</b>	<b>457,407</b>	<b>433,058</b>	<b>(35,987)</b>	<b>397,071</b>
<b>Accumulated loss brought forward comprising of:</b>						
- Realised gain	19,862			50,729		
- Unrealised loss	(27,469)			(60,007)		
<b>Accumulated loss</b>	(7,607)			(9,278)		
<b>Accounting income available for distribution</b>						
- Relating to capital gains	69,132					
- Excluding capital gains	-					
	69,132			-		
<b>Undistributed income carried forward</b>	<b>61,525</b>			<b>-</b>		
<b>Net loss for the period after taxation</b>				(26,709)		
<b>Undistributed income carried forward comprising of:</b>						
- Realised gain	51,473			31,364		
- Unrealised gain	10,052			(67,351)		
	61,525			(35,987)		
	<b>(Rupees)</b>			<b>(Rupees)</b>		
Net asset value per unit at the beginning of the period	10.15			10.11		
Net asset value per unit at the end of the period	12.03			9.45		

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

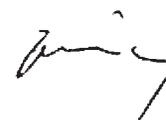
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

	Nine months period ended	
	March 31, 2020	March 31, 2020
	------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	77,287	(26,709)
<b>Adjustments for:</b>		
Dividend income	(10,480)	
Unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss	(10,052)	67,351
Provision for Sindh Workers' Welfare Fund (SWWF)	1,577	
	58,332	40,642
<b>Decrease / (increase) in assets</b>		
Investments - net	71,597	(24,006)
Receivable against sale of investments	4,238	4,655
Dividend and profit receivables	1,686	(3,501)
Advances, deposits and other receivables	206	(63)
	77,727	(22,915)
<b>Increase / (decrease) in liabilities</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(33)	1,029
Payable to Central Depository Company of Pakistan Limited - Trustee	10	(11)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(22)	(418)
Payable against purchase of investments	(53,998)	3,942
Accrued and other liabilities	(401)	230
	(54,444)	4,772
Dividend received	6,320	
<b>Net cash generated from operating activities</b>	87,935	22,500
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	54,530	34,574
Payments on redemption of units	(88,989)	(114,430)
<b>Net cash used in financing activities</b>	(34,459)	(79,855)
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	53,476	(57,355)
Cash and cash equivalents at the beginning of the period	99,855	192,760
<b>Cash and cash equivalents at the end of the period</b>	10 153,331	135,405

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

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



Chief Executive Officer



Chief Financial Officer



Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

## 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) as the Trustee. 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 the Non-Banking Finance Companies (Establishment and Regulations) 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 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 the Pakistan Stock Exchange Limited.
- 1.4 The Fund primarily invests in a mix of listed equity and debt securities, unlisted government securities, secured debt securities, money market transactions and reverse re-purchase transactions.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset management 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 Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.7 During the current period, the Trust Act, 1882 has been repealed and provincial trust acts have been issued in consequence to the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements 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 Statement of compliance

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

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

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

- 2.1.2** This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2020. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2021 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2020, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2020.
- 2.1.3** 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.
- 2.1.4** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.
- 2.1.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2020.

		(Un-Audited) March 31, 2021	(Audited) June 30, 2020
<b>4 BALANCES WITH BANKS</b>	<b>Note</b>	----- (Rupees in '000) -----	
In current accounts		79,211	11,530
In saving accounts	4.1	74,120	88,325
	4.2	153,331	99,855

- 4.1** These carry profit at the rates ranging from 5.5% to 7.6% per annum (June 30, 2020: 5.5% to 14.45% per annum).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

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- 4.2 These include balance of Rs. 1.626 million (June 30, 2020: Rs. 9.838 million) maintained with MCB Bank Limited (a related party) that carries profit at the rate of 5.5% per annum (June 30, 2020: 5.5% per annum).

		<b>(Un-Audited)</b>	<b>(Audited)</b>
		<b>March 31,</b>	<b>June 30,</b>
		<b>2021</b>	<b>2020</b>
		----- (Rupees in '000) -----	
<b>5</b>	<b>INVESTMENTS</b>	<b>Note</b>	
	<b>Investment by category</b>		
	<b>At fair value through profit or loss</b>		
	Listed equity securities	5.1	311,980
	Government securities	5.2	-
	Unlisted debt security	5.3	582
			<u>584</u>
			<u>312,562</u>
			<u>288,361</u>
			<u>85,162</u>
			<u>374,107</u>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

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

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

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2021	As at March 31, 2021			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
						Carrying Value	Market value	Unrealised appreciation/ (diminution)	Net assets	Total invest-ments	
					-----Rupees in '000'-----			----- % -----			
<b>Automobile Assembler</b>											
Indus Motors Company Limited	-	7,200	-	3,100	4,100	5,114	4,740	(374)	1.04%	1.52%	0.01%
Millat Tractors Limited		1,120		1,120	-			-	0.00%	0.00%	0.00%
Sazgar Engineering Works		12,500		12,500	-			-	0.00%	0.00%	0.00%
						<b>5,114</b>	<b>4,740</b>	<b>(374)</b>	<b>1.04%</b>	<b>1.52%</b>	<b>0.01%</b>
<b>Automobile Parts And Accessories</b>											
Agriauto Industires Limited		40,000			40,000	10,000	8,573	(1,427)	1.87%	2.74%	0.14%
Panther Tyres Limited		90,266			90,266	5,940	5,818	(122)	1.27%	1.86%	0.06%
Thal Limited	33,100			4,500	28,600	9,293	10,527	1,234	2.30%	3.37%	0.04%
						<b>25,233</b>	<b>24,918</b>	<b>(315)</b>	<b>5.45%</b>	<b>7.97%</b>	<b>0.24%</b>
<b>Cable &amp; Electrical Goods</b>											
Pak Elektron Limited	190,000	259,000	-	449,000	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	5.45%	7.97%	0.24%
<b>Cement</b>											
Cherat Cement Company Limited	-	33,500	-	33,500	-	-	-	-	0.00%	0.00%	0.00%
D.G. Khan Cement Company Limited*	-	172,000	-	132,000	40,000	4,840	4,820	(20)	0.00%	0.00%	1.00%
Fauji Cement Company Limited	530,000	405,000	-	605,000	330,000	7,047	7,531	484	1.65%	2.14%	2.00%
Lucky Cement Limited	50,400	60,763	-	52,995	58,168	36,626	47,558	10,931	10.40%	7.19%	2.00%
Maple Leaf Cement Factory Limited	160,000	820,000	-	454,500	525,500	22,918	23,542	624	5.15%	4.19%	5.00%
Pioneer Cement Limited	-	182,000	-	148,000	34,000	4,510	4,141	(369)	0.91%	2.01%	1.00%
Power Cement Limited*	-	450,000	-		450,000	4,815	4,145	(671)	0.91%	2.01%	4.00%
						<b>80,757</b>	<b>91,737</b>	<b>10,980</b>	<b>19.00%</b>	<b>17.54%</b>	<b>15.00%</b>
<b>Chemicals</b>											
Archroma Pakistan Limited	-	8,150	-		8,150	5,177	4,662	(516)	1.02%	1.49%	0.02%
Engro Polymer and Chemicals Limited	277,687	150,000	-	427,500	187	5	10	5	0.00%	0.00%	0.00%
ICI Pakistan Limited	-	5,500	-	5,500	-	-	-	-	0.00%	0.00%	0.00%
						<b>5,182</b>	<b>4,672</b>	<b>9,430</b>	<b>21.83%</b>	<b>23.05%</b>	<b>20.02%</b>
<b>Commercial Banks</b>											
Allied Bank Limited	95,900	-	-	95,900	-	-	-	-	0.00%	0.00%	0.00%
Bank Al Falah Limited	-	580,000	-	180,000	400,000	14,758	12,192	(2,566)	0.00%	0.00%	2.00%
Bank Al Habib Limited	192,219	65,000	-	117,088	140,131	8,580	9,114	534	1.99%	2.92%	1.00%
Bank Of Punjab	200,000	290,000	-	490,000	-	-	-	-	0.00%	0.00%	0.00%
Faysal Bank Limited	8,250	-	-	8,250	-	-	-	-	0.00%	0.00%	0.00%
Habib Bank Limited	156,300	270,000	-	234,300	192,000	22,822	22,307	(516)	4.88%	7.14%	1.00%
Habib Metropolitan Bank Limited	449,000	-	-	449,000	-	-	-	-	0.00%	0.00%	0.00%
MCB Bank Limited*	83,000	92,038	-	174,950	88	15	15	(0)	0.00%	0.00%	0.00%
Samba Bank Limited	-	700,000	-	307,500	392,500	3,003	2,638	(365)	0.58%	0.84%	4.00%
United Bank Limited	177,002	407,000	-	265,300	318,702	40,137	37,906	(2,230)	8.29%	12.13%	3.00%
						<b>89,314</b>	<b>84,172</b>	<b>(5,142)</b>	<b>15.74%</b>	<b>23.03%</b>	<b>11.00%</b>
<b>Engineering</b>											
Agha Steel Industries Limited	-	140,000	-	140,000	-	-	-	-	0.00%	0.00%	0.03%
Aisha Steel Limited*	-	1,100,000	-	811,000	289,000	6,906	6,864	(42)	1.50%	2.20%	0.00%
Amreli Steels Limited	-	141,000	-	141,000	-	-	-	-	-	-	-
						<b>6,906</b>	<b>6,864</b>	<b>(42)</b>	<b>1.50%</b>	<b>2.20%</b>	<b>0.03%</b>
<b>Fertilizer</b>											
Engro Corporation Limited	-	30,000	-	30,000	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	260,000	-	-	260,000	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	142,700	106,000	-	248,677	23	2	2	(0)	0.00%	0.00%	0.00%
						<b>2</b>	<b>2</b>	<b>(0)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Food &amp; Personal Care Products</b>											
Al-Shaheer Corporation	805	-	-	805	-	-	-	-	0.00%	0.00%	0.00%
At-Tahur Limited	270,000	-	-	270,000	-	-	-	-	0.00%	0.00%	0.00%
Murree Brewery Company	-	8,500	-	1,800	6,700	3,920	3,938	19	0.86%	1.26%	2.00%
National Foods Limited	2,640	-	-	2,640	-	-	-	-	0.00%	0.00%	0.00%
Shezan International Limited	2,860	-	-		2,860	640	792	152	0.17%	0.25%	3.00%
Unity Foods Limited	-	415,000	-	415,000	-	-	-	-	0.00%	0.00%	0.00%
						<b>4,560</b>	<b>4,731</b>	<b>171</b>	<b>1.03%</b>	<b>1.51%</b>	<b>5.00%</b>
<b>Insurance</b>											
Adamjee Insurance Company Limited*	250,000	-	-	250,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>Balance carried forward</b>						<b>212,508</b>	<b>217,104</b>	<b>14,536</b>			

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2021	As at March 31, 2021			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
						Carrying Value	Market value	Unrealised appreciation/ (diminution)	Net assets	Total investments	
						-----Rupees in '000'-----			-----%		
<b>Balance brought forward</b>						212,508	217,104	14,536			
<b>Leather &amp; Tanneries</b>											
Service Industries	5,787	-	1,446	7,220	13	8	15	6	-	-	-
						8	15	6	-	-	-
<b>Miscellaneous</b>											
Siddiqsons Tin Plate Limited	-	330,000	-	330,000	-	-	-	-	0.05%	0.06%	0.01%
Synthetic Products Limited	-	110,000	4,950	114,519	431	14	17	3	0.05%	0.06%	0.01%
Tri-Pak Films		15,000	-	15,000	-	-	-	-	0.05%	0.06%	0.01%
						14	17	3	0	0	0
<b>Oil &amp; Gas Exploration Company</b>											
Mari Petroleum Company Limited	2,066	10,240	-	2,066	10,240	14,801	15,681	879	3.43%	5.02%	-
Oil & Gas Development Company Limited	268,500	68,500	-	337,000	-	-	-	-	0.00%	0.00%	-
Pakistan Oilfields Limited	30,500	35,000	-	36,576	28,924	11,402	10,988	(414)	2.40%	3.52%	-
Pakistan Petroleum Limited	166,054	144,000	-	310,000	54	5	5	(0)	0.00%	0.00%	-
						26,208	26,673	465	5.83%	8.53%	0.00%
<b>Oil &amp; Gas Marketing Companies</b>											
Attock Petroleum Limited	-	14,200	-	-	14,200	4,685	4,644	(41)	1.02%	1.49%	0.01%
Pakistan State Oil Company Limited	-	130,000	-	91,300	38,700	8,676	8,925	250	1.95%	2.86%	0.01%
Sui Northern Gas Pipelines Limited	150,000	-	-	150,000	-	-	-	-	-	-	-
						13,360	13,569	209	2.97%	4.34%	0.02%
<b>Paper &amp; Board</b>											
Century Paper & Board Mills Limited	-	45,000	-	45,000	-	-	-	-	-	-	-
Packages Limited		32,500	-	-	32,500	17,063	16,438	(625)	0.03	0.05	0%
						17,063	16,438	(625)	3.44%	4.91%	0.04%
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited	25,500	-	-	13,750	11,750	7,790	8,517	727	1.86%	2.73%	0.01%
Agp Limited	-	40,000	-	40,000	-	-	-	-	0.00%	0.00%	0.00%
Glaxosmithkline Pakistan	-	21,000	-	21,000	-	-	-	-	0.00%	0.00%	0.00%
Highnoon Laboratories Limited	8,500	-	-	8,500	-	-	-	-	0.00%	0.00%	0.00%
The Searle Company Limited	211	55,340	2,340	40,209	17,682	4,732	4,368	(364)	0.95%	1.40%	0.01%
						12,523	12,885	363	2.82%	4.12%	0.02%
<b>Power Generation And Distribution</b>											
Hub Power Company Limited	230,500	295,000	-	490,500	35,000	2,613	2,840	226	0.62%	0.91%	0.00%
K-Electric Limited**	1,100,000	-	-	1,100,000	-	-	-	-	-	-	-
Kot Addu Power Co. Limited	80,000	150,000	-	230,000	-	-	-	-	-	-	-
						2,613	2,840	226	0.62%	0.91%	0.00%
<b>Real Estate Investment &amp; Distribution</b>											
Dolmen City REIT	423,500	-	-	-	423,500	4,612	4,252	(360)	0.01	0.01	0.02
						4,612	4,252	(360)	0.89%	1.27%	2.00%
<b>Refinery</b>											
Byco Petroleum Pakistan Limited	-	625,000	-	625,000	-	-	-	-	-	-	-
National Refinery Limited		13,000	-	13,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>Technology &amp; Communication</b>											
Avanceon Limited	-	320,000	-	320,000	-	-	-	-	-	-	-
Trg Pakistan	-	222,000	-	154,000	68,000	5,506	10,214	4,708	2.23%	3.27%	0.01%
						5,506	10,214	4,708	2.23%	3.27%	0.01%
<b>Textile Composite</b>											
Interloop Limited	-	144,500	-	95,500	49,000	2,948	3,240	292	0.71%	1.04%	0.01%
Kohinoor Textile Mills Limited	41	-	-	-	41	1	3	1	0.00%	0.00%	0.00%
Nishat Mills Limited*	-	89,000	-	89,000	-	-	-	-	0.00%	0.00%	0.00%
						2,949	3,242	293	0	0	0
<b>Total at March 31, 2021</b>						301,925	311,980	20,620			
Total at June 30, 2020						315,452	288,361	(27,091)			

\* These represent transactions in shares of related parties

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

5.1.1 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by Securities and Exchange Commission of Pakistan (SECP).

Name of security	March 31, 2021	June 30, 2020	March 31, 2021	June 30, 2020
	-- (Number of shares) --		----- (Rupees in '000) -----	
United Bank Limited	100,000	100,000	11,894	10,900
The Hub Power Company Limited	25,000	50,000	2,028	3,625
Maple Leaf Cement Factory Limited	200,000	-	8,960	-
	<u>325,000</u>	<u>150,000</u>	<u>22,882</u>	<u>14,525</u>

5.1.2 There is no change in the status of matter related to bonus shares as reported in the annual financial statements of the Fund for the year ended June 30, 2020.

	Note	March 31, 2021	June 30, 2020
		----- (Rupees in '000) -----	
<b>5.2 Government securities - 'at fair value through profit or loss'</b>			
Market Treasury Bills	5.2.1	-	49,864
Pakistan Investment Bonds	5.2.2	-	35,298
Sukuk Certificate	5.2.3	-	-
		<u>-</u>	<u>85,162</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

**5.2.1 Market Treasury Bills - 'at fair value through profit or loss'**

Name of security	Date of issue	Face Value				As at March 31, 2021			Market value as a percentage of	
		As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at March 31, 2021	Carrying value	Market value	Unrealised gain	Net assets	Total investments
----- (Rupees in '000) ----- % -----										
<b>Market Treasury Bills</b>										
- 3 months	April 23, 2020	50,000	50,000	100,000	-	-	-	-	-	-
- 3 months	December 3, 2020	-	75,000	75,000	-	-	-	-	-	-
- 3 months	November 19, 2020	-	100,000	100,000	-	-	-	-	-	-
- 3 months	December 17, 2020	-	500,000	500,000	-	-	-	-	-	-
- 3 months	November 5, 2020	-	1,375,000	1,375,000	-	-	-	-	-	-
- 3 months	January 14, 2021	-	500,000	500,000	-	-	-	-	-	-
- 3 months	October 8, 2020	-	130,000	130,000	-	-	-	-	-	-
- 3 months	July 2, 2020	-	75,000	75,000	-	-	-	-	-	-
- 3 months	September 24, 2020	-	50,000	50,000	-	-	-	-	-	-
- 3 months	July 16, 2020	-	175,000	175,000	-	-	-	-	-	-
- 3 months	December 31, 2020	-	125,000	125,000	-	-	-	-	-	-
- 3 months	August 27, 2020	-	50,000	50,000	-	-	-	-	-	-
<b>Market Treasury Bills</b>										
- 6 months	March 12, 2020	-	50,000	50,000	-	-	-	-	-	-
- 6 months	June 18, 2020	-	50,000	50,000	-	-	-	-	-	-
- 6 months	July 16, 2020	-	75,000	75,000	-	-	-	-	-	-
- 6 months	July 2, 2020	-	525,000	525,000	-	-	-	-	-	-
- 6 months	February 13, 2020	-	50,000	50,000	-	-	-	-	-	-
<b>Market Treasury Bills</b>										
- 12 months	November 7, 2019	-	50,000	50,000	-	-	-	-	-	-
- 12 months	August 16, 2019	-	125,000	125,000	-	-	-	-	-	-
- 12 months	November 21, 2019	-	50,000	50,000	-	-	-	-	-	-
- 12 months	December 19, 2019	-	100,000	100,000	-	-	-	-	-	-
- 12 months	January 30, 2020	-	200,000	200,000	-	-	-	-	-	-
<b>Total as at March 31, 2021</b>						<u>-</u>			<u>-</u>	
Total as at June 30, 2020						<u>49,849</u>			<u>49,864</u>	
						<u>15</u>				

**5.2.2 Pakistan Investment Bonds - 'at fair value through profit or loss'**

Name of security	Date of issue	Face Value				As at March 31, 2021			Market value as a percentage of	
		As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at March 31, 2021	Carrying value	Market value	Unrealised loss	Net assets	Total investments
----- (Rupees in '000) ----- % -----										
<b>Pakistan Investment Bonds</b>										
- 03 years	September 19, 2019	-	100,000	100,000	-	-	-	-	-	-
- 03 years	June 18, 2020	-	125,000	125,000	-	-	-	-	-	-
<b>Pakistan Investment Bonds</b>										
- 05 years	July 12, 2018	-	50,000	50,000	-	-	-	-	-	-
	October 15, 2020	-	50,000	50,000	-	-	-	-	-	-
	September 19, 2019	-	450,000	450,000	-	-	-	-	-	-
<b>Pakistan Investment Bonds</b>										
- 10 years	August 22, 2019	35,000	-	35,000	-	-	-	-	-	-
<b>Total as at March 31, 2021</b>						<u>-</u>			<u>-</u>	
Total as at June 30, 2020						<u>35,698</u>			<u>35,298</u>	
						<u>(400)</u>				

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

**5.2.3 Sukuk Certificate - 'at fair value through profit or loss'**

Particulars	Number of certificates				Balance as at March 31, 2021			Market value as a percentage of	
	As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at March 31, 2021	Carrying value	Market value	Unrealised (loss) / gain	Net assets	Total investments

----- (Rupees in '000) ----- % -----

GOP Ijara - Sukuk - 5 years (July 29, 2020 - July 29, 2025)	-	62,500	62,500	-	-	-	-	-	-
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**Total as at March 31, 2021** -----  
-----

Total as at June 30, 2020 -----  
-----

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

Certificates have a face value of Rs 100,000 each

Name of investee company	Number of certificates					Balance as at March 31, 2021			Market value as a percentage of	
	As at July 1, 2020	Purchased during the year	Matured during the year	Disposed during the year	As at March 31, 2021	Carrying value	Market Value	Appreciation / (diminution)	Net assets	Total investment

----- (Rupees in '000) -----

Byco Petroleum Pakistan Limited - Sukuk (January 18, 2017)	10	-	-	-	10	585	582	(3)	0.13%	0.16%
---	----	---	---	---	----	-----	-----	-----	-------	-------

**Total as at March 31, 2021** -----  
-----

Total as at June 30, 2020 -----  
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**6 PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY**

**Note**

**(Un-Audited) (Audited)  
March 31, June 30,  
2021 2020**

----- (Rupees in '000) -----

Management remuneration payable	1,318	700
Sindh sales tax payable on management remuneration	171	91
Allocated expenses payable	39	35
Selling and marketing expenses payable	705	1,439
Sales load payable (including indirect taxes)	-	1
	<u>2,233</u>	<u>2,266</u>

**7 ACCRUED AND OTHER LIABILITIES**

**Note**

**(Un-Audited) (Audited)  
March 31, June 30,  
2021 2020**

----- (Rupees in '000) -----

Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	5,909	4,331
Provision for Federal Excise Duty			
- on Management fee	7.2	5,872	5,872
- on sales load	7.2	393	393
Legal and professional charges payable		9	12
Auditors' remuneration payable		260	405
Dividend payable		2,784	2,784
Withholding tax payable		10	1
Brokerage payable		24	280
Other payables		34	40
		<u>15,295</u>	<u>14,118</u>

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

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### 7.1 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 statements of the Fund, the net assets value of the Fund as at March 31, 2021 would have been higher by Re.0.16 ( June 30, 2020: Re.0.11) per unit.

### 7.2 Provision for Federal Excise Duty payable on Management fee

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 provision for FED not been made, the Net Asset Value of the Fund as at March 31, 2021 would have been higher by Re 0.15 (June 30, 2020: Re 0.14) per unit.

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

## 9 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 for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised 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. Since the management intends to distribute at least 90% of the income earned by the Fund in cash during the year ending June 30, 2021 to the unit holders therefore, no provision for taxation has been made in these condensed interim financial statements.

## 10 EARNINGS / LOSS PER UNIT

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

## 11 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 5.42% (March 31, 2020: 4.45%) which includes 0.78% (March 31, 2020: 0.31%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee.

## 12 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
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Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

The details of transactions during the current period and balances at period end with related parties / connected persons are as follows:

	<b>(Un-Audited)</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>12.1 Details of transactions with connected persons are as follows:</b>	<b>----- (Rupees in '000) -----</b>	
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration (including indirect taxes)	8,974	8,142
Allocated expenses	353	360
Selling and marketing expenses	3,879	7,205
<b>Arif Habib Limited - Brokerage house</b>		
Brokerage expense*	115	47
<b>Next Capital Private Limited - Brokerage House</b>		
Brokerage expense *	9	23
<b>MCB Bank Limited</b>		
Purchase of 92,038 shares (2020: 90,000 shares)	15,903	-
Sale of 174,950 shares (2020: 109,600 shares)	31,233	12,075
Bank charges	16	4
Profit on bank deposit	15	70
Dividend income	1	560
<b>Nishat Mills Limited</b>		
Purchase of 89,000 (2020: NIL) shares	9,579	-
Sale of 89,000 (2020: 600) shares	10,366	45
<b>D.G Khan Cement Company Limited</b>		
Purchase of 172,000 (2020: 138,000) shares	18,996	9,757
Sale of 132,000 (2020: 138,000) shares	14,310	8,570
<b>Adamjee Insurance Company Limited</b>		
Sale of 250,000 (2020: 120,000) shares	10,059	5,250
Dividend income	194	-
<b>Power Cement Limited</b>		
Purchase of 450,000 (2020: NIL ) shares	4,815	-
<b>Aisha Steel Mills</b>		
Purchase of 1,100,000 (2020: NIL) shares	19,781	-
Sale of 811,000 (2020: NIL) shares	14,940	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period (including indirect taxes)	798	814
CDS charges	68	41

\* 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 (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

	<b>(Un-Audited) March 31, 2021</b>	<b>Audited June 30, 2020</b>
----- (Rupees in '000) -----		
<b>12.2 Balances outstanding at period / year end:</b>		
<b>MCB Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration payable	1,318	700
Sindh sales tax payable on management remuneration	171	91
Allocated expenses payable	39	35
Selling and marketing expenses payable	705	1,439
Sales load payable	-	1
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable (including indirect taxes)	89	79
Security deposit	300	300
<b>Group / Associated Companies:</b>		
<b>MCB Bank Limited</b>		
Balance with Bank	1,626	9,838
Profit receivable on bank deposit	35	35
88 shares (June 30, 2020: 83,000 shares)	15	13,452
<b>Arif Habib Limited - Brokerage house</b>		
Brokerage payable *	-	44
<b>Next Capital Limited - Brokerage house</b>		
Brokerage payable *	-	23
<b>Adamjee Insurance Company Limited</b>		
Nil shares(June 30, 2020: 250,000)	-	8,278
<b>D.G. Khan Cement Company Limited</b>		
40,000 shares(June 30, 2020: Nil)	4,820	-
<b>Power Cement Limited</b>		
450,000 shares(June 30, 2020: Nil)	4,145	-
<b>Aisha Steel Mills</b>		
289,000 shares (2020: NIL shares)	6,864	-

\* 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 (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

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

March 31, 2021 (Un-Audited)							
As at July 01, 2020	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at March 31, 2021	As at July 01, 2020	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at March 31, 2021
(Units)				(Rupees in '000)			
Asghari Beg Memorial Trust	-	-	-	-	-	-	-
Directors and executives of the Management Company*	4,312		4,305	7	44	-	50
Mandate Under Discretionary Portfolio	-	21	21	-	-	245	245

\*This reflects position of related party / connected persons status as at March 31, 2021

March 31, 2020 (Un-Audited)							
As at July 01, 2020	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at March 31, 2020	As at July 01, 2020	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at March 31, 2020
(Units)				(Rupees in '000)			
Asghari Beg Memorial Trust	26,987	-	-	26,987	323	-	-
Directors and executives of the Management Company*	85	-	-	85	1	-	-
Mandate Under Discretionary Portfolio	-	33,548	33,548	-	-	327	331

\*This reflects position of related party / connected persons status as at March 31, 2020

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

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### 13 GENERAL

- 13.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.
- 13.2 Certain prior period's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are material re-arrangements / re-classifications to report.

### 14 COVID-19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

### 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e., period end. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognized at fair value based on:

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

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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).

**16 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on April 16, 2021 by the Board of Directors of the Management Company.

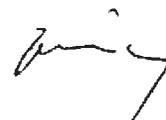
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

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