



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2021
(UNAUDITED)

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



PAKISTAN CASH MANAGEMENT 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 Ahmad Faisal	
Trustee	Digital Custodian Company Limited (Formerly MCB Financial Services Limited) 4th Floor, Pardesi House, Old Queens Road, Karachi, Pakistan Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.digitalcustodian.co	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited Zarai Traqiati Bank Limited	
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) Sate Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
Rating	AM1 Asset Manager Rating assigned by PACRA	

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

Dear Investor,

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

ECONOMY AND MONEY MARKET OVERVIEW

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.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 6.80% as against its benchmark return of 6.69%.

The fund's exposure remained majorly tilted towards Cash at the quarter-end due to attractive rates offered by the commercial banks.

The Net Assets of the Fund as at March 31, 2021 stood at Rs.2,687 million as compared to Rs. 3,693 million as at June 30, 2020 registering a decrease of 27.24%.

The Net Asset Value (NAV) per unit as at March 31, 2021 was Rs. 50.5448 as compared to opening NAV of Rs. 50.3843 per unit as at June 30, 2020 registering an increase of Rs. 0.1605 per unit.

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

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.

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.

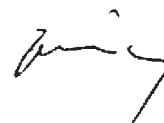
ACKNOWLEDGMENT

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
April 16, 2021



Nasim Beg
Director/Vice Chairman

ڈائریکٹر رپورٹ

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۔

اظہار تشکر

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

من جانب ڈائریکٹر



نسیم بیگ
ڈائریکٹر / وائس چیئرمین



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر

16 اپریل 2021

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 6.80 فیصد تھا جبکہ اس کے بالمقابل مقررہ معیار 6.69 فیصد تھا۔ اختتام سہ ماہی پر فنڈ کی اکثر سرمایہ کاری نقد میں تھی جس کی وجہ کمرشل بینکوں کی طرف سے پیش کردہ پُرکشش شرحیں تھیں۔

31 مارچ 2021ء کو فنڈ کے net اثاثہ جات 2,687 ملین روپے تھے جبکہ 30 جون 2020ء کو 3,693 ملین روپے تھے (یعنی net اثاثہ جات میں 27.24 فیصد کمی ہوئی)۔

31 مارچ 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 50.5448 روپے تھی جو 30 جون 2020ء کو ابتدائی این اے وی، جو کہ 50.3843 روپے فی یونٹ تھی، کے مقابلے میں 0.1605 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 سینٹ اور آٹو مو بائل کے شعبے کی فروخت کے ذریعے لگایا جاسکتا ہے۔

ادائیگیوں کے توازن کی پریشانیوں قریب المیاد 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 کاریوں اور قرض کے ذریعے ہو سکتی ہے۔ تاہم اشیاء 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 کارینل افسیکٹو ریٹ 97.1 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 کا جاری رہنا اچھا شگون ہے جس کی بدولت 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 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 9.1 فیصد متوقع 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 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۔

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 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 اُٹھایا جاسکے۔

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان کیش مینجمنٹ فنڈ کے اکاؤنٹس کا جائزہ برائے نومبر 2021ء پیش خدمت ہے۔

معیشت اور بازار 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 معاون 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 تخمینوں 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) 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۔

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 پھپھوں والے پونٹس 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 چلک 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 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 ابتدائی نو ماہ کے دوران 8.4 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 جلد خراب ہو جانے والی اشیائے خورد و نوش اور گندم 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 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 کووڈ 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 نچلی سطح میں آنا متوقع تھا۔ دوران مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 175، 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) ----- (Rupees in '000) -----	June 30, 2020 (Audited) ----- (Rupees in '000) -----
ASSETS	Note		
Balances with banks	4	2,728,095	3,703,623
Investments	5	-	-
Advances, prepayments and profit receivable		14,376	16,292
Total assets		<u>2,742,471</u>	<u>3,719,915</u>
LIABILITIES			
Payable to MCB - Arif Habib Savings and Investments Limited- Management Company	6	570	693
Payable to Digital Custodian Company Limited (Formerly: MCB Financial Services Limited) - Trustee		85	158
Payable to the Securities and Exchange Commission of Pakistan (SECP)		366	599
Accrued and other liabilities	7	54,188	25,190
Total liabilities		55,209	26,640
NET ASSETS		<u>2,687,262</u>	<u>3,693,275</u>
Unit holders' fund (as per statement attached)		<u>2,687,262</u>	<u>3,693,275</u>
Contingencies and commitments	8		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		<u>53,165,918</u>	<u>73,302,149</u>
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		<u>50.5448</u>	<u>50.3843</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 INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

		Nine months period ended		Quarter Ended	
		March 31,		March 31,	
		2021	2020	2021	2020
Note		(Rupees in '000)			
INCOME					
		77,745	233,881	30,134	120,145
		54,106	28,175	24,767	13,100
		(1,386)	2,840	559	4,592
	5.1	-		-	(20)
		-	71	-	-
	Total income	130,465	264,967	55,460	137,817
EXPENSES					
		2,526	1,531	1,290	495
		329	199	168	64
		915	1,009	374	507
		673	866	225	327
		88	113	29	43
		366	396	150	203
		487	679	151	153
		128	40	55	(19)
		102	340	33	40
		36	39	12	28
		222	104	7	104
	Total expenses	5,872	5,316	2,494	1,945
	Net income from operating activities	124,593	259,651	52,966	135,872
	7.1	(2,492)	(5,193)	(1,059)	(2,717)
	Net income for the period before taxation	122,101	254,458	51,907	133,155
	9	-	-	-	-
	Net income for the period after taxation	122,101	254,458	51,907	133,155
	<i>Allocation of net income for the period:</i>				
		122,101	254,458		
		(4,073)	(13,681)		
		118,028	240,777		
	<i>Accounting income available for distribution:</i>				
		-	2,840		
		118,028	237,937		
		118,028	240,777		

Earnings per unit

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 December 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net income for the period after taxation	122,101	254,458	51,907	133,155
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>122,101</u>	<u>254,458</u>	<u>51,907</u>	<u>133,155</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	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at the beginning of the period	3,680,763	12,512	3,693,275	188,968	616	189,584
Issuance of 112,254,051 (March 31, 2020: 123,675,922) units including additional units						
- Capital value (at net assets value per unit at the beginning of the period)	5,655,841	-	5,655,841	6,349,325	-	6,349,325
- Element of income	139,556	-	139,556	84,578	-	84,578
	5,795,397	-	5,795,397	6,433,903	-	6,433,903
Redemption of 132,390,282 (March 31, 2020: 48,245,251) units						
- Capital value (at net assets value per unit at the beginning of the period)	(6,670,392)	-	(6,670,392)	(2,429,819)	-	(2,429,819)
- Element of income	(76,383)	(4,073)	(80,456)	(78,952)	(13,681)	(92,633)
	(6,746,775)	(4,073)	(6,750,848)	(2,508,771)	(13,681)	(2,522,452)
Total comprehensive income for the period	-	122,101	122,101	-	254,458	254,458
Interim distribution for the year ended June 30, 2021						
@ Rs 0.1882 per unit declared on July 22, 2020	(37)	(13,845)	(13,882)			
@ Rs 1.8741 per unit declared on Feb 09, 2021	(62,268)	(77,701)	(139,969)			
@ Rs 0.3194 per unit declared on March 15, 2021	(374)	(18,438)	(18,812)			
Interim Distribution during the year at the rate of Rs. 3.8058 per unit				(120,522)	(171,551)	(292,073)
	(62,679)	(109,984)	(172,663)	(120,522)	(171,551)	(292,073)
Net assets at the end of the period	2,666,706	20,556	2,687,262	3,993,578	69,842	4,063,420
Undistributed income brought forward comprising of:						
- Realised	12,512			594		
- Unrealised gain	-			22		
	12,512			616		
Accounting income available for distribution:						
- Relating to capital gains	-			2,840		
- Excluding capital gains	118,028			237,937		
	118,028			240,777		
Distributions during the period	(109,984)			(171,551)		
Undistributed income carried forward	20,556			69,842		
Undistributed income carried forward comprising of:						
- Realised	20,556			69,842		
- Unrealised	-			-		
	20,556			69,842		
Net asset value per unit at the beginning of the period	50.3843			50.3639		
Net asset value per unit at the end of the period	50.5448			51.3091		

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 CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine months period ended	
	March 31, 2021	March 31, 2020
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	122,101	254,458
Adjustments for:		
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	-	-
Provision for Sindh Workers' Welfare Fund (SWWF)	2,492	-
	<u>124,593</u>	<u>254,458</u>
Decrease / (increase) in assets		
Investments - net	-	172,374
Advances, prepayments and profit receivable	1,916	(10,918)
Receivable from MCB-Arif Habib Savings and Investments Limited - Management Company	-	396
	<u>1,916</u>	<u>161,852</u>
Increase / (Decrease) in liabilities		
Payable to MCB - Arif Habib Savings and Investments Limited- Management Company	(123)	393
Payable to Digital Custodian Company Limited (Formerly: MCB Financial Services Limited) - Trustee	(73)	(133)
Payable to the Securities and Exchange Commission of Pakistan	(233)	176
Payable against purchase of investments	-	(172,352)
Accrued expenses and other liabilities	26,507	2,434
	<u>26,078</u>	<u>(169,482)</u>
Net cash generated from operating activities	<u>152,587</u>	<u>246,828</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance and conversion of units	5,732,718	6,313,381
Payments against redemption and conversion of units	(6,750,848)	(2,522,452)
Dividend paid	(109,984)	(171,551)
Net cash (used in) / generated from financing activities	<u>(1,128,114)</u>	<u>3,619,378</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(975,528)</u>	<u>3,866,206</u>
Cash and cash equivalents at the beginning of the period	3,703,623	205,926
Cash and cash equivalents at the end of the period	<u>2,728,095</u>	<u>4,072,132</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

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Cash Management Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited) as the Management Company and Habib Metropolitan Bank Limited as Trustee on February 08, 2008. Subsequently, Digital Custodian Company Limited (Formerly: MCB Financial Services Limited) has been appointed as the trustee of the fund with effect from July 21, 2014. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated February 01, 2008 consequent to which the Trust Deed was executed on February 08, 2008.
- 1.2 The Management Company of the Fund obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake asset management services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-ended mutual fund and has been categorised as "money market scheme" and is listed on the Pakistan Stock Exchange Limited. The Fund primarily invests in market treasury bills, short term Government instruments and reverse repurchase transactions against government securities.
- 1.4 Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2020 to the Management Company and has assigned stability rating of 'AA+(f)' dated March 09, 2021 to the Fund.
- 1.6 Title to the assets of the Fund is held in the name of Digital Custodian Company Limited (Formerly: MCB Financial Services 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

- 2.1.1 This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
 - 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 (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

- 2.2** 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.
- 2.3** 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.
- 2.4** 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.
- 2.5** 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

- 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 Funds for the year ended June 30, 2020.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
4. BALANCES WITH BANKS			
In current accounts		2,600,010	3,500,010
In saving accounts	4.1	128,085	203,613
	4.2	<u>2,728,095</u>	<u>3,703,623</u>

- 4.1** These carry profit at the rates ranging from 5.5% to 7.6% per annum (Jun 2020: 5.50% to 13.80% per annum).
- 4.2** These includes balances with related party of Rs. 0.0366 million (June 30, 2020: Rs. 33.49 million) maintained with MCB Bank Limited.

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

			March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
			---- (Rupees in '000) ----	
5	INVESTMENTS	Note		

Investments by category

At fair value through profit or loss

Government securities - Market treasury bills

5.1

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5.1 Market treasury bills

		Face value				Balance as at March 31, 2021			Market value as a percentage of	
Name of Security	Issue Date	As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at March 31, 2021	Carrying value	Market value	Unrealized gain / (loss)	net assets	total investments
----- (Rupees in '000) ----- %										

Market treasury bills - 3 months

Market treasury bills	31-Dec-20	-	25,000	25,000	-	-	-	-	-	-
Market treasury bills	3-Dec-20	-	705,000	705,000	-	-	-	-	-	-
Market treasury bills	19-Nov-20	-	290,000	290,000	-	-	-	-	-	-
Market treasury bills	25-Feb-21	-	1,425,000	1,425,000	-	-	-	-	-	-
Market treasury bills	24-Sep-20	-	200,000	200,000	-	-	-	-	-	-
Market treasury bills	28-Jan-21	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	13-Aug-20	-	125,000	125,000	-	-	-	-	-	-
Market treasury bills	5-Nov-20	-	1,180,000	1,180,000	-	-	-	-	-	-
Market treasury bills	8-Oct-20	-	1,965,000	1,965,000	-	-	-	-	-	-
Market treasury bills	10-Sep-20	-	250,000	250,000	-	-	-	-	-	-
Market treasury bills	27-Aug-20	-	465,000	465,000	-	-	-	-	-	-
Market treasury bills	17-Dec-20	-	100,000	100,000	-	-	-	-	-	-
Market treasury bills	16-Jul-20	-	1,975,000	1,975,000	-	-	-	-	-	-
Market treasury bills	14-Jan-21	-	65,000	65,000	-	-	-	-	-	-

Market treasury bills - 6 months

Market treasury bills	26-Mar-20	-	40,000	40,000	-	-	-	-	-	-
Market treasury bills	2-Jul-20	-	80,000	80,000	-	-	-	-	-	-
Market treasury bills	16-Jul-20	-	875,000	875,000	-	-	-	-	-	-

Market treasury bills - 12 months

Market treasury bills	12-Sep-19	-	280,000	280,000	-	-	-	-	-	-
Market treasury bills	19-Dec-19	-	300,000	300,000	-	-	-	-	-	-
Market treasury bills	29-Aug-19	-	650,000	650,000	-	-	-	-	-	-
Market treasury bills	21-May-20	-	1,000,000	1,000,000	-	-	-	-	-	-
Market treasury bills	-	-	2,750,000	2,750,000	-	-	-	-	-	-
Market treasury bills	16-Aug-19	-	775,000	775,000	-	-	-	-	-	-
Market treasury bills	10-Oct-19	-	60,000	60,000	-	-	-	-	-	-

Total as at March 31, 2021

-	-	-
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Total as at June 30, 2020

-	-	-
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		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		----- (Rupees in '000) -----	
6	PAYABLE TO THE MCB-ARIF HABIB SAVINGS & INVESTMENTS LIMITED - MANAGEMENT COMPANY		

Management remuneration payable

401

467

Sindh sales tax on remuneration payable

52

61

Allocated expenses payable

117

165

570

693

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

		March 31, 2021	June 30, 2020
		(Unaudited)	(Audited)
7	ACCRUED AND OTHER LIABILITIES	----- (Rupees in '000) -----	
	Note		
	Provision for Sindh Workers' Welfare Fund (SWWF)	11,796	9,304
	Provision for Federal Excise Duty on remuneration to the Management Company	11,933	11,933
	Withholding tax payable	27,262	2,627
	Brokerage payable	-	-
	Auditors' remuneration payable	310	434
	Payable to legal advisor	18	21
	Payable against redemption of units	-	830
	Other payables	2,869	41
		<u>54,188</u>	<u>25,190</u>

7.1 Provision for Sindh Workers' Welfare Fund (SWWF)

There is no change in the status of the SWWF as reported in the annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2021 would have been higher by Re. 0.2219 per unit (June 30, 2020 Re. 0.1269 per unit).

7.2 Federal Excise Duty on remuneration to the Management Company

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2020. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2021 would have been higher by Re. 0.2214 per unit (June 30, 2020: Re. 0.1628 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 during the year ending June 30, 2021 to the unit holders, no provision for taxation has been made in these condensed interim financial statements.

10 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.

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

11 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 0.45% (March 31, 2020: 0.53%) which includes 0.17% (March 31, 2020: 0.29%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee.

12 TRANSACTION WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owning 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 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:

		(Un-Audited)	
		March 31, 2021	March 31, 2020
		----- (Rupees in '000) -----	
12.1	Details of transactions with connected persons are as follows:		
	MCB Arif Habib Savings and Investments Limited		
	Remuneration (including indirect taxes)	2,855	1,730
	Allocated expenses (including indirect taxes)	915	1,009
	Group / Associated Companies		
	MCB Bank Limited		
	Mark-up on bank deposits	408	287
	Bank Charges	10	5
	MCB Financial Services Limited - Trustee		
	Remuneration (including indirect taxes)	761	979
	Arif Habib Limited - Brokerage house		
	Brokerage charges*	-	-

* 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 transaction with connected persons as the ultimate counter parties are not the connected persons.

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

12.2 Balances outstanding at period / year end:

Management Company

MCB Arif Habib Savings and Investment Limited

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
	----- (Rupees in '000) -----	
Remuneration payable	401	467
Sales tax on remuneration payable	52	61
Allocated expenses payable	117	165
Sales load payable	-	-

Group / Associated Companies

MCB Bank Limited

Balance with bank	37	33,488
Mark-up receivable on bank deposits	-	6

MCB Financial Services Limited - Trustee

Remuneration payable	75	140
Sales tax on remuneration payable	10	18

12.3 Unit Holders' Fund

March 31, 2021 (Unaudited)							
As at July 01, 2020	Issued for cash	Redeemed	As at March 31, 2021	As at July 01, 2020	Issued for cash	Redeemed	As at March 31, 2021
----- Units -----				----- (Rupees in '000) -----			

Associated company

Hyundai Nishat Motor (Private) Limited								
Employees Provident Fund	44,239	2,109	-	46,348	2,229	106	-	2,343
MCB Arif Habib savings and investments								
Limited	-	2	2	-	-	0	0	-

Key management personnel*

-	12,958	12,958	-	-	653	654	-
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Mandate under discretionary portfolio services*

-	37,616,967	37,236,434	380,532	-	1,949,312	1,930,745	19,234
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Unit holders holding 10% or more units*

-	35,042,761	-	35,042,761	-	1,766,051	-	1,771,229
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* This reflects the position of related party / connected persons status as at March 31, 2021.

March 31, 2020 (Unaudited)							
As at July 01, 2019	Issued for cash	Redeemed	As at March 31, 2020	As at July 01, 2019	Issued for cash	Redeemed	As at March 31, 2020
----- Units -----				----- (Rupees in '000) -----			

Associated company

Hyundai Nishat Motor (Private) Limited							
Employees Provident Fund	-	42,495	42,495	-	2,180	-	2,180
MCB Arif Habib savings and investments Limited	-	4,794,606	4,794,606	-	250,601	250,779	-

Key management personnel*

-	235,875	235,872	3	-	12,374	12,527	-
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Mandate under discretionary portfolio*

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

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

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

14. GENERAL

14.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

14.2 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.

15 Impact of 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 for the period ended 31 December 2020 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.

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

16. DATE FOR 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

Head Office: 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi

UAN: (+92-21) 11-11-622-24 (11-11-MCB-AH)

URL: www.mcbah.com, **Email:** info@mcbah.com