

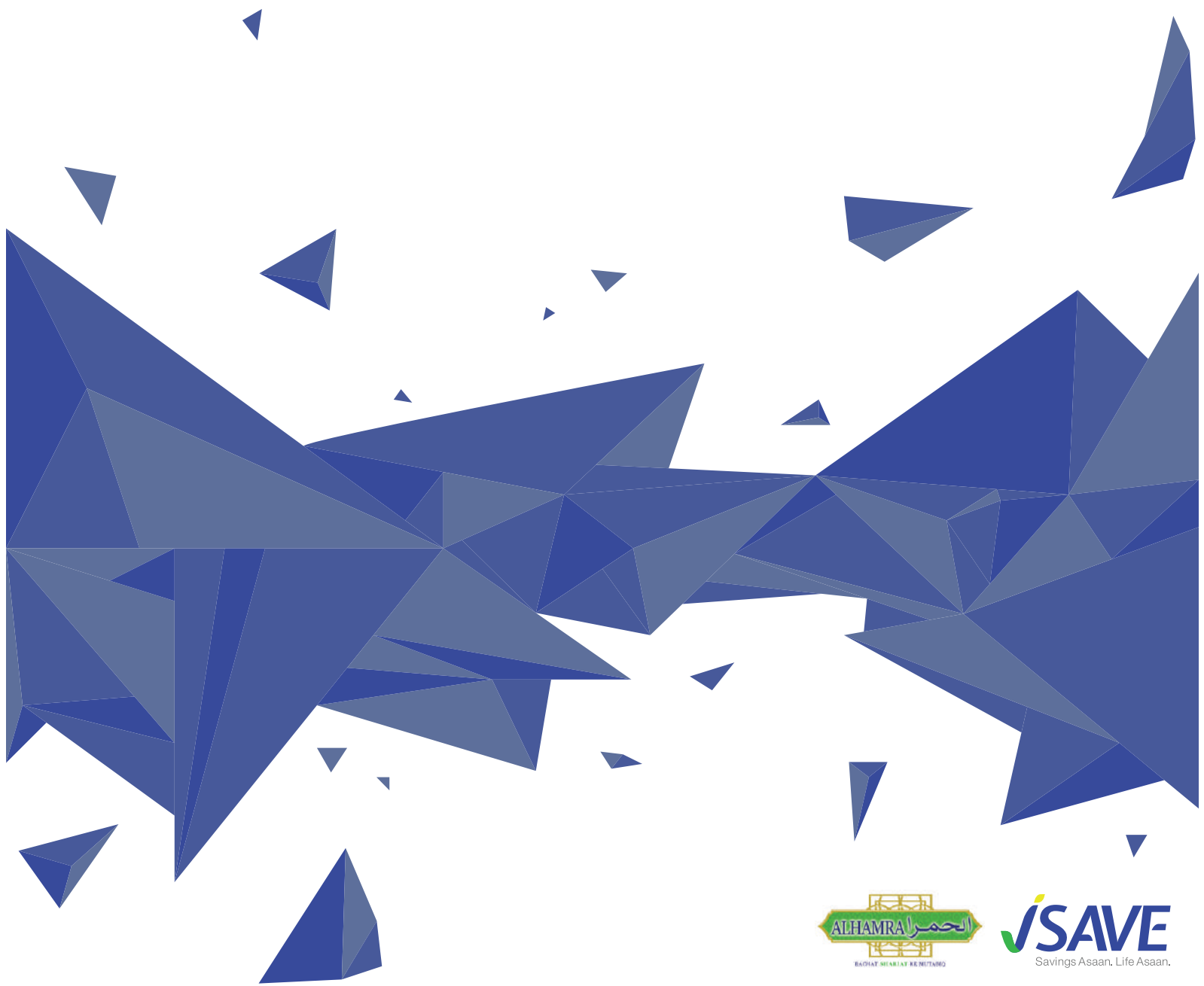


MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

SEPTEMBER
2021
(UNAUDITED)

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



MCB CASH MANAGEMENT OPTIMIZER

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
Human Resource & Remuneration Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited Habib Bank Limited National Bank of Pakistan Zarai Taraqati Bank Limited Bank Al Falah Limited Meezan Bank Limited Dubai Islamic Bank Pakistan Limited Bank of Punjab Limited Faysal Bank Limited	
Auditors	A. F. Ferguson & Co. Chartered Accountants (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 QUARTER ENDED SEPTEMBER 30, 2021

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Cash Management Optimizer** accounts review for the quarter ended September 30, 2021.

ECONOMY AND MONEY MARKET OVERVIEW

The fiscal year started on a robust note as Covid-19 vaccination drive gathered paced which helped to lift lockdowns across the country. The economic recovery was higher than expected as lagged impact of monetary easing, higher remittances and government incentives such as TERF facilities provided impetus to economic growth. The GDP growth clocked at 3.94 per cent in FY21 with government expecting the economic growth to clock at 4.8 per cent for FY22.

However, the robust recovery in domestic demand, coupled with higher international commodity prices, led to a strong pick-up in imports and a rise in the current account deficit. This put pressure on the local currency as rupee depreciated by 13.1 per cent against USD during this quarter.

Current account deficit posted a deficit of USD 2,290 million in the first two months of fiscal year compared to a surplus of USD 838 million in the corresponding period of the last year. The deterioration came in primarily on the back of higher imports which grew by 67.8 per cent in the first two months compared to export growth of 35.4 per cent. Trade Deficit increased by 100.2 per cent to USD 6.8 billion compared to USD 3.4 billion last year. Foreign exchange reserves of central bank saw an increase of USD 1.6 billion as Pakistan received USD 2.75 billion from the IMF under its new SDR allocation to back economically vulnerable countries combating the coronavirus pandemic.

Inflation remained a concern for the government as rising commodities continued to create challenges for policy makers. Headline inflation represented by CPI averaged 8.58 per cent during the quarter, with food inflation averaging 9.5 per cent during the period. Inflation was also effected by increase in fuel prices on account of increase in international oil and LNG prices. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged 6.5 per cent for the period. The MPC committee conducted two monetary policies during the quarter and increased policy rate by 25bps in the Sep-21 meeting. SBP increased the interest rate to control the current account deficit and prevent the overheating of the economy as it noted the need to gradually increase the interest rates to protect the nascent economic growth.

On the fiscal side FBR Tax collection increased by 38 per cent over last year in this quarter to clock at PKR 1,395 billion compared to target of PKR 1,211 billion exceeding it by PKR 186 billion. This was on the back of higher custom duty and sales tax due to higher import.

Secondary markets yields have increased significantly in the quarter as SBP has started the monetary tightening cycle. The recent depreciation in rupee along with persistently high commodity prices will add pressure to inflation and we expect average FY22 inflation to clock above the range of 7-9 per cent forecasted by SBP. 3Y, 5Y and 10Y bonds saw a rise of 73 bps, 46 bps and 51 bps respectively during the period.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 8.79 per cent as against its benchmark return of 6.75 per cent, a difference of 2.04 per cent. WAM of the fund was 1 day at September end.

The fund was 99.4 per cent in cash as of September end. High cash exposure was due to the fact that banks were offering lucrative rates on bank deposits.

The Net Assets of the Fund as at September 30, 2021 increased by 0.64 per cent to Rs. 34,248 million as compared to Rs. 34,030 million as at June 30, 2021.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2021

The Net Asset Value (NAV) per unit as at September 30, 2021 was Rs. 101.2238 as compared to opening NAV of Rs. 100.9800 per unit as at June 30, 2021 registering a increase of Rs. 0.2438 per unit.

FUTURE OUTLOOK

The government has set a GDP growth target of 4.8 per cent for fiscal year 2022 (FY22). Covid-19 vaccination drive is continuing with success as over 50 million people have received the first dose of coronavirus vaccine. This has helped to lift lockdown across the country and we expect the Covid-19 situation to remain under control. Broader economy also appears to be operating close to pre-covid levels gauged by LSM growth, cement sales, auto sales, etc. However, the recent surge in commodity prices poses challenges to both to Fiscal and External Accounts. Due to the recent government steps to curtail demand we see some downside risks to government growth target. We expect GDP growth to clock higher as compared to previous year but it is likely to remain lower than the government target of 4.8 per cent.

The robust recovery in domestic demand on the back of pro-growth measures by the government, coupled with higher international commodity prices, has led to a strong pick-up in imports and a rise in the current account deficit. The current account deficit is expected to increase to USD 13.1 billion (4.0 per cent of GDP) in FY22, amid rising international crude oil prices along with general increase in international commodity prices. The Current Account deficit is likely to further weaken the local currency and we expect the exchange rate to close the year around 176 PKR/USD. Swift resumption of IMF program will be a key prerequisite to keep the financial account in positive zone. SBP has indicated that the flexible market determined exchange rate and gradual tightening of interest rates would be used in tandem to ensure sustainable current account position. The remittances along with bilateral and multilateral flows would also be crucial in managing our external position.

CPI averaged 8.9 per cent in FY21. The expected utility adjustments, currency depreciation and higher international commodities prices will lead to increase in inflation in this year. We expect Average FY22 inflation to clock at 9.7 per cent with inflation going in double digits in second half of the fiscal year. Based on our expected inflation, the real interest rates now fall into negative range thus requiring adjustments in the monetary policy during the current fiscal year. However, SBP has shown its focus to avoid any shocks to economic growth and will gradually increase interest rate to achieve mildly positive interest rate over the medium term. We expect the Policy Rate to reach 9.0 per cent by the end of the year.

From capital market perspective, particularly equities, the recent correction in stock prices have opened up valuation. The market has priced in expected interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 15.9 per cent, a discount of 43 per cent from its historical average. Similarly, risk premiums are close to 5.9 per cent, compared to historical average of 1.5 per cent signifying abnormal returns for long term investors. We believe a micro view of sectors and stock will remain important and investment selection should focus on companies which trade at a deep discount to their intrinsic value. Similarly, focus should also revert back to companies that are expected to exhibit stellar earnings growth over the medium term.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds yields may continue to rise given expected increase in interest rates. 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 1.4 per cent during the quarter to PKR 1,032 billion at the end of 1QFY22. Total money market funds grew by about 1.1 per cent since June 2021. Within the money market sphere, the conventional funds dominated as they grew by about 8.1 per cent to PKR 308 billion while Islamic funds declined by 9.9 per cent to PKR 164 billion. In addition, the total fixed Income funds increased by about 8.5 per cent since June 2021, as the conventional income funds grew by 13.6 per cent to PKR 143 billion. Equity and related funds declined by 4.4 per cent over

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2021

last quarter as market witnessed a decline in the quarter eroding AUMS and concern over macroeconomic and geopolitical factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 46 per cent, followed by Equity and Equity related funds with a share of 28 per cent and Income funds having a share of 26 per cent as at the end of 1QFY22.

Mutual Fund Industry Outlook

The recent increase in interest rates along with prospect of further monetary tightening would increase flows in the money market funds. The money markets funds by virtue of its short duration would be the ideal for investors with a short term horizon and low risk profile. However recent correction in stock prices have opened up valuations and long term investors would look to add equity exposure at these attractive levels. Our operations remained seamless and given our competitive edge due to aggressive investment in digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

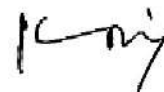
ACKNOWLEDGMENT

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

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
October 22, 2021



Kashif A. Habib
Director

میوچل فنڈز صنعت کے مستقبل کا منظر

سود کی شرحوں میں حالیہ اضافے کے ساتھ ساتھ مزید مالیاتی سختی سے money مارکیٹ فنڈز میں آمدات میں اضافہ ہوگا۔ Money مارکیٹ فنڈز اپنی مختصر مدت کی بدولت ایسے سرمایہ کاروں کے لیے موزوں ترین ثابت ہوں گے جو محدود مدت کے لیے اور کم خطرات کے ساتھ کام کرنا چاہتے ہیں۔ تاہم اسٹاک کی قیمتوں میں حالیہ تصحیح نے valuations کو کشادہ کر دیا ہے اور سرمایہ کار ان پُرکشش سطحوں پر ایکوٹی میں پیسہ لگانا چاہیں گے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سہولت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابل قدر سرمایہ کاروں، 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۔

22 اکتوبر 2021ء

ڈائریکٹر رپورٹ

مالی سال 2021ء میں سی پی آئی کا اوسط 8.9 فیصد تھا۔ متوقع یوٹیلیٹی تریمیات، روپے کی قدر میں کمی اور بلند ترین الاقوامی اشیائی قیمتوں کے نتیجے میں سال رواں کے دوران افراط زر میں اضافہ ہوگا۔ ہماری توقع کے مطابق مالی سال 2022ء کا افراط زر کا اوسط 9.7 فیصد ہوگا، اور سال کے نصف آخر میں افراط زر دو ہندسوں میں پہنچ جائے گی۔ ہماری متوقع افراط زر کی بنیاد پر حقیقی شروع سودا ب منفی حد میں آرہی ہے، چنانچہ موجودہ مالی سال کے دوران مالیاتی پالیسی میں تریمیات درکار ہیں۔ تاہم ایس بی پی نے معاشی ترقی کو متوقع دھچکوں سے محفوظ رکھنے پر توجہ مرکوز کی ہے اور درمیانی مدت میں معتدل حد تک مثبت شرح سود حاصل کرنے کے لیے شروع سود میں بتدریج اضافہ کیا جائے گا۔ ہماری توقع کے مطابق پالیسی شرح اختتام سال تک 9.0 فیصد تک پہنچ جائے گی۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے تناظر میں، اسٹاک کی قیمتوں میں حالیہ تصحیح کے نتیجے میں تعیین قدر کھل گئی ہے۔ مارکیٹ نے شرح سود میں متوقع اضافے اور روپے کی قدر میں کمی کو مد نظر رکھا ہوا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 15.9 فیصد ہو گیا ہے، جو اس کے قدیم اوسط سے 43 رعایت ہے۔ اسی طرح خطرات کے پرمیئم تقریباً 5.9 فیصد ہیں، اور ان کے قدیم اوسط 1.5 فیصد کے ساتھ تقابل سے طویل المیعاد سرمایہ کاروں کے لیے غیر معمولی منافعوں کا عندیہ ملتا ہے۔ ہم سمجھتے ہیں کہ شعبوں اور اسٹاک کی مجموعی تصویر اہمیت کی حامل رہے گی، اور سرمایہ کاری کے انتخاب میں ایسی کمپنیوں پر توجہ مرکوز ہونی چاہیے جو اپنی خلقی قدر سے گہری رعایت پر تجارت کرتی ہیں۔ اسی طرح ایسی کمپنیوں کی طرف بھی توجہ دوبارہ مرکوز ہونی چاہیے جن کی درمیانی مدت کی آمدنی میں زبردست ترقی متوقع ہے۔

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب، شروع سود میں متوقع اضافے کی بدولت حکومتی بانڈز کے منافع جات میں اضافہ جاری رہ سکتا ہے۔ ہم بانڈز کے منافع جات 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 کی صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2022ء کی پہلی سہ ماہی کے دوران تقریباً 1.4 فیصد بڑھ کر اختتام مدت پر 1,032 بلین روپے تھے۔ مجموعی money مارکیٹ فنڈز میں جون 2021ء کے مقابلے میں 1.1 فیصد اضافہ ہوا۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور 8.1 فیصد بڑھ کر 308 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 9.9 فیصد گھٹ کر 164 بلین روپے ہو گئے۔ علاوہ ازیں، مجموعی فیکسڈ انکم فنڈز میں جون 2021ء کے مقابلے میں 8.5 فیصد اضافہ ہوا اور روایتی انکم فنڈز 13.6 فیصد بڑھ کر 143 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں گزشتہ سہ ماہی کے مقابلے میں 4.4 فیصد کمی ہوئی کیونکہ دوران مدت مارکیٹ میں تنزل دیکھا گیا جس کے نتیجے میں اثاثہ جات تحت الانظامیہ (AUMs) گھٹ گئے اور کلاں معاشیاتی اور ارضی سیاسی عوامل پر خدشات نے سرمایہ کاروں کو ڈور رکھا۔ شعبہ جاتی اعتبار سے مالی سال 2022ء کی پہلی سہ ماہی کے اختتام پر money مارکیٹ فنڈز تقریباً 46 فیصد شراکت کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز کی شراکت 28 فیصد اور انکم فنڈز کی 26 فیصد تھی۔

ڈائریکٹر رپورٹ

ثانوی مارکیٹس کی پیداواروں میں دوران سہ ماہی قابل ذکر اضافہ ہوا ہے کیونکہ اسٹیٹ بینک آف پاکستان نے مالیاتی سختی کا دورہ شروع کر دیا ہے۔ روپے کی قدر میں حالیہ کمی کے ساتھ مسلسل بلند اشیائی قیمتوں سے افراط زر پر دباؤ میں اضافہ ہوگا اور مالی سال 2022ء کے لیے افراط زر کا اوسط متوقع طور پر اسٹیٹ بینک آف پاکستان کی پیش گوئی کردہ سطح 7 تا 9 فیصد سے بلند ہوگا۔ تین سالہ، پانچ سالہ اور دس سالہ بانڈز میں دوران مدت بالترتیب 73 بی پی ایس، 46 بی پی ایس اور 51 بی پی ایس اضافہ ہوا۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 8.79 فیصد تھا جو مقررہ معیار 6.75 فیصد کے مقابلے میں 2.04 فیصد بہتر کارکردگی ہے۔ فنڈ کی بالوزن اوسط میچورٹی (WAM) ستمبر کے اختتام پر 1 دن تھی۔ ستمبر کے اختتام پر فنڈ کی سرمایہ کاری نقد میں 99.4 فیصد تھی۔ نقد میں زیادہ سرمایہ کاری کی وجہ بینک ڈپازٹس پر منافع بخش شرحیں تھیں۔ 30 ستمبر 2021ء کو فنڈ کے net اثاثہ جات 34,248 ملین روپے تھے، جو 30 جون 2021ء کی سطح 34,030 ملین روپے کے مقابلے میں 0.64 فیصد اضافہ ہے۔ 30 ستمبر 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 101.2238 روپے تھی، جو 30 جون 2021ء پر ابتدائی این اے وی 100.9800 روپے کے مقابلے میں 0.2438 روپے فی یونٹ اضافہ ہے۔

معیشت اور بازار - مستقبل کا منظر

حکومت نے مالی سال 2022ء کے لیے جی ڈی پی میں ترقی کا ہدف 4.8 فیصد مقرر کیا ہے۔ کووڈ-19 ویکسین مہم کامیابی کے ساتھ جاری ہے اور پانچ کروڑ سے زیادہ افراد پہلی خوراک حاصل کر چکے ہیں۔ اس کی بدولت ملک بھر میں لاک ڈاؤن ختم کرنے میں مدد ملی ہے اور ہم اُمید کرتے ہیں کہ کووڈ کی صورتحال قابو میں رہے گی۔ وسیع تر معیشت قبل از کووڈ سطحوں کے قریب چلتی ہوئی نظر آرہی ہے جس کی پیمائش ایل ایس ایم میں ترقی، سیمنٹ کی فروخت، گاڑیوں کی فروخت وغیرہ سے ہوتی ہے۔ تاہم اشیاء کی قیمتوں میں حالیہ اضافہ مالیاتی اور خارجی اکاؤنٹس، دونوں کو مشکلات سے دوچار کر دے گا۔ طلب میں کمی کے حالیہ حکومتی اقدامات کے سبب ترقی کے حکومتی اہداف کی تکمیل کو خطرات لاحق ہو گئے ہیں۔ ہم توقع کرتے ہیں کہ جی ڈی پی میں سال گزشتہ کے مقابلے میں زیادہ ترقی ہوگی، لیکن زیادہ امکان اس بات کا ہے کہ یہ 4.8 فیصد کے حکومتی ہدف سے نیچے رہے گی۔

حکومتی ترقیاتی اقدامات اور بلند ترین بین الاقوامی اشیائی قیمتوں کے باعث مقامی طلب میں بھرپور بحالی ہوئی ہے اور اس کے نتیجے میں درآمدات اور کرنٹ اکاؤنٹ خسارے میں بھرپور اضافہ ہوا ہے۔ خام تیل کی بین الاقوامی قیمتوں اور اشیاء کی عمومی قیمتوں میں اضافے کی صورتحال میں مالی سال 2022ء میں کرنٹ اکاؤنٹ خسارہ بڑھ کر 13.1 بلین ڈالر (جی ڈی پی کے 4.0 فیصد) تک پہنچ سکتا ہے۔ خدشہ ہے کہ یہ خسارہ مقامی روپے کو مزید کمزور کرے گا، اور اختتام سال پر شرح مبادلہ تقریباً 176 ڈالر فی روپیہ ہو جانے کا امکان ہے۔ آئی ایم ایف پروگرام کی تیز رفتار بحالی مالیاتی گوشوارے کو مثبت احاطے میں رکھنے کے لیے کلیدی شرط ہوگی۔ ایس بی پی نے اشارہ دیا ہے کہ کرنٹ اکاؤنٹ کی قابل بقاء صورتحال یقینی بنانے کے لیے مارکیٹ کی متعین کردہ پچکدار شرح مبادلہ اور سود کی شرحوں میں بتدریج سختی کو بھی استعمال کیا جائے گا۔ ہماری خارجی صورتحال کو سنبھالنے میں ترسیلات کے ساتھ ساتھ دوطرفہ اور کثیر الطرفہ آمدات بھی اہم کردار ادا کریں گی۔

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی کیش مینجمنٹ آپٹیمائزر کے گوشواروں مختتمہ سہ ماہی 30 ستمبر 2021ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

مالی سال کا بھرپور آغاز ہو واجب کو وڈ۔19 ویکسین کی مہم میں تیز رفتاری سے ملک بھر میں لاک ڈاؤن ختم کرنے میں مدد ملی۔ معیشت میں بحالی متوقع سے زیادہ ہوئی کیونکہ مالیاتی تسہیل کی سست رفتار اثر پذیری، ترسیلات زر میں اضافے، اور حکومتی ترغیبات مثلاً TERF سہولتوں نے معاشی ترقی کو محرک فراہم کیا۔ مالی سال 2021ء میں مجموعی ملکی پیداوار (جی ڈی پی) میں 3.94 فیصد ترقی ہوئی اور اگلے مالی سال 2022ء کے لیے حکومت کو 4.8 فیصد معاشی ترقی کی توقع ہے۔

تاہم مقامی طلب کی بھرپور بحالی، اور اس کے ساتھ بلند ترین الاقوامی اشیائی قیمتوں، کے نتیجے میں درآمدات اور کرنٹ اکاؤنٹ خسارے میں اضافہ ہوا۔ چنانچہ مقامی روپے پر دباؤ پڑا جس کی قدر میں دوران سہ ماہی امریکی ڈالر کے مقابلے میں 13.1 فیصد کمی ہوئی۔ کرنٹ اکاؤنٹ نے مالی سال کے پہلے دو ماہ میں 2,290 ملین ڈالر خسارہ پوسٹ کیا جبکہ اس کے بالمقابل سال گزشتہ مماثل مدت میں 838 ملین ڈالر فاضل تھے۔ اس ابتری کی بنیادی وجہ درآمدات میں اضافہ تھی جس میں پہلے دو ماہ کے دوران 67.8 فیصد اضافہ ہوا جبکہ اس کے بالمقابل برآمدات میں 35.4 فیصد اضافہ ہوا۔ تجارتی خسارہ 100.2 فیصد بڑھ کر 6.8 بلین ڈالر ہو گیا جبکہ اس کے بالمقابل سال گزشتہ 3.4 بلین ڈالر تھا۔ مرکزی بینک میں غیر ملکی زرمبادلہ کے ذخائر میں 1.6 بلین ڈالر کا اضافہ ہوا کیونکہ پاکستان کو آئی ایم ایف سے اس کے نئے ایس ڈی آر اختصاص کے تحت 2.75 بلین ڈالر موصول ہوئے جس کا مقصد کورونا وائرس وبا سے نبرد آزما ضرر پذیر ممالک کی معاشی معاونت ہے۔

افراط زر (مہنگائی) حکومت کے لیے مسئلہ بنی رہی اور بڑھتی ہوئی اشیائی قیمتوں نے پالیسی سازوں کو مشکلات سے دوچار رکھا۔ مجموعی افراط زر، جس کی ترجمانی صارفین قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط دوران سہ ماہی 8.58 فیصد تھا، اور اشیائے خورد و نوش کے افراط زر کا اوسط 9.5 فیصد تھا۔ بین الاقوامی سطح پر تیل اور ایل این جی کی قیمتوں میں اضافے کے نتیجے میں ایندھن کی قیمتوں میں اضافہ بھی افراط زر پر اثر انداز ہوا۔ اس کے باوجود 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 6.5 فیصد تھا۔ مانیٹری پالیسی کمیٹی (ایم پی سی) نے دوران سہ ماہی دو اجلاس منعقد کیے اور ستمبر 2021ء کے اجلاس میں پالیسی کی شرح میں 25 بیسیس پوائنٹس (بی پی ایس) کا اضافہ کیا۔ اسٹیٹ بینک آف پاکستان نے سود کی شرح میں اضافہ کیا تاکہ کرنٹ اکاؤنٹ خسارے اور معیشت میں بڑھتی ہوئی حرارت کو قابو میں رکھا جائے کیونکہ نوزائیدہ معاشی ترقی کی حفاظت کے لیے سود کی شرحوں میں بتدریج اضافے کی ضرورت ہوتی ہے۔

مالیاتی جانب ایف بی آر کی ٹیکس وصولی میں دوران سہ ماہی سال گزشتہ کے مقابلے میں 38 فیصد اضافہ ہوا؛ 1,395 بلین روپے، جو 1,211 بلین روپے کے ہدف سے 184 بلین روپے زیادہ ہیں۔ اس کی وجہ بلند تر درآمدات کے باعث بلند تر کسٹم ڈیوٹی اور سیلز ٹیکس ہیں

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2021

		September 2021 (Unaudited)	June 2021 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	6	34,119,898	34,046,358
Advances, deposits, prepayments and other receivable		222,190	193,427
Total assets		34,342,088	34,239,785
LIABILITIES			
Payable to the Management Company	9	33,251	10,199
Payable to Central Depository Company of Pakistan Limited - Trustee		1,840	2,015
Payable to Securities and Exchange Commission of Pakistan		1,600	6,427
Accrued expenses and other liabilities	8	56,910	191,481
Total liabilities		93,601	210,122
NET ASSETS		34,248,488	34,029,663
Unit holders' fund (as per statement attached)		34,248,488	34,029,663
Contingencies and Commitments	10		
		(Number of units)	
NUMBER OF UNITS IN ISSUE		338,344,296	336,994,243
		(Rupees)	
NET ASSETS VALUE PER UNIT		101.2238	100.9800

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements .

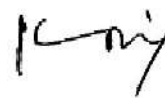
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	September 2021	September 2020
Note	(Rupees in '000)	
INCOME		
Capital gain on sale of investments - net	25,628	(10,262)
Profit on letter of placement	-	1,985
Profit on bank deposits	351,970	213,790
Income from government securities	251,782	318,067
Income from commercial papers	-	-
	629,380	523,579
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	7.1.1 -	-
Total income	629,380	523,579
EXPENSES		
Remuneration of Management Company	24,431	25,957
Sindh Sales tax on Management fee	3,176	3,374
Remuneration of Central Depository Company of Pakistan Limited - Trustee	5,203	4,798
Sindh Sales tax on remuneration of Central Depository Company of Pakistan Limited- Trustee	676	624
Annual fee of Securities and Exchange Commission of Pakistan	1,600	1,472
Allocated expenses	1,979	7,381
Marketing And Selling Expense	26,838	-
Legal and professional	434	34
Brokerage expenses	599	64
Auditor's remuneration	248	248
Other expenses	332	277
Total operating expenses	65,516	44,230
Net income from operating activities	563,863	479,350
Sindh Workers' Welfare Fund (SWWF)	8.1 134,276	(9,587)
Net income for the period before taxation	698,139	469,763
Taxation	11 -	-
Net income for the period after taxation	698,139	469,763
Allocation of net income for the period:		
Net income for the period	698,139	469,763
Income already paid on units redeemed	(13,675)	(36,183)
	684,465	433,580
Accounting income available for distribution		
- Relating to capital gains	25,198	-
- Excluding capital gains	659,267	433,580
	684,465	433,580
Earnings per unit	12	

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements .

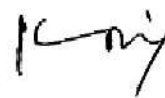
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	September 2021	September 2020
	----- (Rupees in '000) -----	
Net income for the period after taxation	698,139	469,763
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>698,139</u>	<u>469,763</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements .

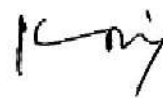
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Note	September 30 2021			September 30 2020		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	33,870,518	159,145	34,029,663	27,987,813	117,973	28,105,786
Issue of 158,254,026 units - including additional units (2020:333,731,129 units)						
- Capital value (at net asset value per unit at the beginning of the period)	15,980,484	-	15,980,484	33,658,831	-	33,658,831
- Element of income	22,013	-	22,013	34,865	-	34,865
	16,002,497	-	16,002,497	33,693,696	-	33,693,696
Redemption of 156,903,973 units (2021: 316,468,225 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(15,844,156)	-	(15,844,156)	(31,917,761)	-	(31,917,761)
- Element of income	(894)	(13,675)	(14,568)	(2,948)	(36,183)	(39,131)
	(15,845,049)	(13,675)	(15,858,724)	(31,920,709)	(36,183)	(31,956,892)
Total comprehensive income for the period	-	698,139	698,139	-	469,763	469,763
Interim distribution during the period	(14,227)	(608,860)	(623,087)	(30,811)	(380,425)	(411,236)
	(14,227)	89,279	75,052	(30,811)	89,338	58,527
Net assets at end of the period	34,013,738	234,750	34,248,488	29,729,989	171,128	29,901,117
Undistributed income brought forward comprising of:						
- Realised		159,145			117,891	
- Unrealised (loss) / gain		-			82	
		159,145			117,973	
Accounting income available for distribution						
- Relating to capital gains	-			-		
- Excluding capital gains	684,465			433,580		
	684,465			433,580		
Cash distribution during the period		608,860			380,425	
Undistributed income carried forward		234,750			171,128	
Undistributed income carried forward						
- Realised		234,750			171,128	
- Unrealised		-			-	
		234,750			171,128	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			100.9800			100.8561
Net assets value per unit at end of the period			101.2238			101.0395

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements

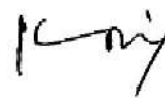
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	September 2021 ----- (Rupees in '000) -----	September 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	698,139	469,763
Adjustments for non cash and other items:		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'at fair value through profit or loss'	-	-
Capital gain / (loss) on sale on investments - net	(25,628)	10,262
	(25,628)	10,262
	672,511	480,025
Decrease in assets		
Investments	25,624	23,320
Receivable against sale of securities	-	3,360,717
Prepayments and profit receivable	(28,763)	98,065
	(3,139)	3,482,102
(Decrease) / Increase in liabilities		
Payable to Management Company	23,052	(5,151)
Payable to Central Depository Company of Pakistan Limited - Trustee	(175)	237
Payable to Securities and Exchange Commission of Pakistan	(4,827)	(2,402)
Payable Against Purchase Of Investment - money market	-	(3,352,541)
Accrued expenses and other liabilities	(134,571)	9,759
	(116,521)	(3,350,098)
Net cash generated operating activities	552,850	612,029
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issuance and conversion of units (excluding additional units)	15,988,270	33,662,884
Payment against redemption and conversion of units	(15,858,724)	(31,956,892)
Distributions made during the period	(608,856)	(380,425)
Net cash generated from / (used in) financing activities	(479,310)	1,325,568
Net increase in cash and cash equivalents	73,540	1,937,597
Cash and cash equivalents at beginning of the period	34,046,358	28,023,622
Cash and cash equivalents at end of the period	34,119,898	29,961,219

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements .

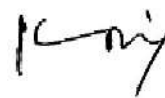
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(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Cash Management Optimizer (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited), as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated July 09, 2009 consequent to which the trust deed was executed on July 10, 2009, in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-end mutual fund and has been categorised as 'Money Market Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by the SECP, and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. Unit holders are divided into plan 'A' and plan 'B'. The unit holders under plan "A" are entitled for bonus units as well as cash dividend, whereas unit holders under plan "B" are entitled for cash dividend only. The units are listed on Pakistan Stock Exchange Limited (PSX).
- 1.4 The Fund primarily invests in a mix of short term corporate debt and government securities, repurchase agreements, term deposit and money market placements with scheduled banks.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2021 to the Management Company and a stability rating of 'AA+(f)' dated September 09, 2021 to the Fund.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2 BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

- 2.1.1 This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
 - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (The NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) and requirement of the Trust Deed.

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 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 2021.
- 2.1.3** The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2021 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2021, whereas the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the quarter ended 30 September 2020.
- 2.1.4** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.1.5** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the Fund.

2.2 Basis of Measurement

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

2.3 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2021.
- 3.2 Standards, amendments and interpretations to existing standards not yet effective and not applicable/ relevant to the Fund**

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

4 Estimates and Judgements

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2021.

5 Financial Risk Management

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2021.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

		September 2021 (Unaudited)	June 2021 (Audited)
		------(Rupees in '000)-----	
6	BALANCES WITH BANKS		
	In current accounts	6.1 54,305	4,223,994
	In saving accounts	6.2 34,065,593	29,822,364
		<u>34,119,898</u>	<u>34,046,358</u>

6.1 This represents balance maintained with MCB Bank Limited.

6.2 These carry profit at the rates ranging between 5.75% to 8.85 % (2021: 5.5% to 7.85%) per annum and include Rs.22.32 million maintained with MCB Bank Limited (2021: 30.109 million), (a related party) which carries profit at the rate of 5.75% per annum.

		September 2021 (Un-audited)	June 2021 (Audited)
		------(Rupees in '000)-----	
7	INVESTMENTS		
		Note	
7.1	Investments at fair value through profit or loss'		
	Market Treasury Bills	7.1.1	- - <u>-</u>

7.1.1 Market treasury bills

Name of Security	Issue Date	Face value				As at 30 September 2021		Market value		
		As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at Sep 30, 2021	Carrying value	Market value	Unrealized gain / (loss)	As a percentage of net assets	As a percentage of total investments

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

Market treasury bills - 3 months

Market treasury bills	May 6, 2021	-	4,000,000	4,000,000	-	-	-	-	0.00%	0.00%
Market treasury bills	May 20, 2021	-	6,000,000	6,000,000	-	-	-	-	0.00%	0.00%
Market treasury bills	June 3, 2021	-	2,000,000	2,000,000	-	-	-	-	0.00%	0.00%
Market treasury bills	June 17, 2021	-	4,000,000	4,000,000	-	-	-	-	0.00%	0.00%
Market treasury bills	July 2, 2021	-	4,500,000	4,500,000	-	-	-	-	0.00%	0.00%
Market treasury bills	July 15, 2021	-	7,700,000	7,700,000	-	-	-	-	0.00%	0.00%
Market treasury bills	July 29, 2021	-	6,500,000	6,500,000	-	-	-	-	0.00%	0.00%
Market treasury bills	August 12, 2021	-	12,000,000	12,000,000	-	-	-	-	0.00%	0.00%
Market treasury bills	August 26, 2021	-	4,000,000	4,000,000	-	-	-	-	0.00%	0.00%
Market treasury bills	September 9, 2021	-	500,000	500,000	-	-	-	-	0.00%	0.00%

Market treasury bills - 6 months

Market treasury bills	February 25, 2021	-	500,000	500,000	-	-	-	-	0.00%	0.00%
Market treasury bills	March 11, 2021	-	950,000	950,000	-	-	-	-	0.00%	0.00%
Market treasury bills	March 25, 2021	-	2,000,000	2,000,000	-	-	-	-	0.00%	0.00%
Market treasury bills	April 22, 2021	-	13,100,000	13,100,000	-	-	-	-	0.00%	0.00%
Market treasury bills	May 6, 2021	-	2,424,390	2,424,390	-	-	-	-	0.00%	0.00%
Market treasury bills	June 3, 2021	-	1,900,000	1,900,000	-	-	-	-	0.00%	0.00%
Market treasury bills	July 2, 2021	-	4,500,000	4,500,000	-	-	-	-	0.00%	0.00%
Market treasury bills	July 15, 2021	-	14,273,000	14,273,000	-	-	-	-	0.00%	0.00%
Market treasury bills	July 29, 2021	-	11,966,500	11,966,500	-	-	-	-	0.00%	0.00%
Market treasury bills	August 12, 2021	-	5,500,000	5,500,000	-	-	-	-	0.00%	0.00%
Market treasury bills	August 26, 2021	-	8,500,000	8,500,000	-	-	-	-	0.00%	0.00%
Market treasury bills	September 9, 2021	-	500,000	500,000	-	-	-	-	0.00%	0.00%

Total as at September 30, 2021

Total as at June 30, 2021

-	-	-
-	-	-

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Note	September 30 2021 (Unaudited) (Rupees in '000)	June 30 2021 (Audited)
8 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	8.1	-	134,276
Provision for Federal Excise Duty and related taxes on:	8.2		
-Management fee		54,267	54,267
-Sales load		19	19
Brokerage payable		376	13
Capital gain tax payable		363	1,689
Auditor's remuneration		899	651
Printing and related expenditure		65	40
Others		921	526
		<u>56,910</u>	<u>191,481</u>

8.1 Provision for Sindh Workers' Welfare Fund

Sindh Revenue Board (SRB) through its letter dated August 12, 2021 received on August 13, 2021 has intimated Mutual Funds Association of Pakistan's (MUFAP) that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the Sindh Workers' Welfare Fund (SWWF) contributions. This development was discussed at MUFAP level and was also been taken up with the Securities and Exchange Commission of Pakistan (SECP). All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds till August 12, 2021 on August 13, 2021.

SECP has also given its concurrence for recording reversal of provision of SWWF on the day letter was received by MUFAP. This reversal of provision has contributed towards an unusual increase in NAV of the Fund on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

Going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

8.2 Federal Excise Duty and related tax payable

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2021. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2021 would have been higher by Re. 0.1604 per unit (June 30, 2021: Re. 0.161 per unit).

	September 30 2021 (Unaudited) (Rupees in '000)	June 30 2021 (Audited)
9 PAYABLE TO MCB-ARIF HABIB SAVINGS & INVESTMENTS LIMITED - MANAGEMENT COMPANY		
Management fee payable	4,486	8,147
Sindh sales tax on management fee	581	1,057
Payable against allocated expenses	1,347	995
Marketing and Selling Expense	26,838	-
	<u>33,251</u>	<u>10,199</u>

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2021 and June 30, 2021.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

11 TAXATION

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

12 EARNINGS / (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.

13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

	September 30,	
	2021	2020
	(Unaudited)	
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited		
Remuneration of the Management Company		
(including indirect taxes)	27,607	29,332
Allocated expenses	1,979	7,381
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	5,879	5,422
MCB Bank Limited		
Profit on bank deposits	287	236
Bank Charges	30	64
Arif Habib Limited - Brokerage House		
Brokerage expense	13	3

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

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

	September 2021 (Unaudited)	June 2021 (Audited)
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited		
Management fee payable	4,486	8,147
Sindh sales tax payable on management fee	581	1,057
Allocated expenses payable	1,347	995
Marketing and Selling payable	26,838	-
 Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,628	1,783
Sindh sales tax payable on trustee fee	212	232
 MCB Bank Limited		
Bank deposits	76,624	30,109
Profit Receivable	419	419
 Arif Habib Limited - Brokerage House		
Brokerage payable*	13	-

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

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

For quarter ended September 30, 2021 (Unaudited)								
As at July 01, 2021	Issued for cash	Redeemed	As at September 30, 2021	As at July 01, 2021	Issued for cash	Redeemed	As at September 30, 2021	
Units				(Rupees in '000)				
Associated Companies								
MCB - Arif Habib Savings and Investments Limited - Management Company	64,767	9,051,431	6,112,677	3,003,520	6,540	914,517	618,629	304,028
Adamjee Life Assurance Company Ltd	518,776	8,670	-	527,446	52,386	875	-	53,390
MCB Financial Services Limited	862,616	13,756	39,499	836,873	87,107	1,389	4,000	84,711
Adamjee Life Assurance Co Ltd Isf ii	-	8,912,656	3,261,556	5,651,100	-	900,000	330,000	572,026
D.G Khan Cement Company Limited	3	-	-	3	1	-	-	1
Nishat Power Limited Employees Provident Fund Trust	111,101	2,187	-	113,288	11,219	221	-	11,467
Adamjee Insurance Co.Ltd.	-	-	-	-	-	-	-	-
Employees Gratuity Fund	68,133	314,803	68,496	314,440	6,880	31,852	6,917	31,829
Employees Provident Fund	196,012	628,057	197,056	627,013	19,793	63,450	19,899	63,469
Security General Insurance Co. Ltd.	10,276	122	10,399	-	1,038	12	1,051	-
Sayyed Engineers Limited	5,981	100	-	6,081	604	10	-	616
Asghari Beg Memorial Trust	-	2	-	2	-	-	-	-
Key management personnel	23,011,248	437,992	76,906	23,372,335	2,323,675	44,231	7,770	2,365,836
Mandate Under Discretionary								
Portfolio Services	1,963,418	6,574,374	1,876,297	6,661,494	198,266	664,025	189,843	674,302
Unit holders holding 10% or more units**	82,168,723	84,071,044	88,095,098	78,144,669	8,297,394	8,494,306	6,496,768	7,910,099

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

For quarter ended September 30, 2019 (Unaudited)								
As at July 01, 2020	Issued for cash	Redeemed	As at September 30, 2020	As at July 01, 2020	Issued for cash	Redeemed	As at September 30, 2020	
Units				(Rupees in '000)				
Associated Companies								
MCB - Arif Habib Savings and Investments Limited - Management Company	5,469,446	22,151,628	23,208,371	4,412,704	551,627	2,234,573	2,343,044	445,857
Hyundai Nishat Motor Private Limited Employees Provident Fund	22,187	317	-	22,504	2,238	32	-	2,274
Adamjee Life Assurance Company Ltd	-	494,952	-	494,952	-	50,000	-	50,010
MCB Financial Services Limited	834,417	10,114	-	844,531	84,156	1,021	-	85,331
D.G Khan Cement Company Limited	3	-	-	3	1	-	-	1
Nishat Power Limited Employees Provident Fund Trust	103,985	1,484	-	105,469	10,488	150	-	10,657
Adamjee Insurance Co.Ltd.	-	-	-	-	-	-	-	19,518
Employees Gratuity Fund	267,294	3,453	77,571	193,175	26,958	348	7,828	19,707
Employees Provident Fund	534,504	6,901	155,376	386,029	53,908	696	15,679	39,004
Security General Insurance Co. Ltd.	4,517,331	46,677	3,962,680	601,329	455,601	4,708	400,000	60,758
Sayed Engineers Limited	5,654	69	-	5,723	570	7	-	578

14. TOTAL EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 0.83% (September 30, 2020:0.71%) and this includes 0.08% (September 30, 2020:0.19%) representing government levy, SECP fee etc.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

15. FAIR VALUE MEASUREMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

16. Impact of COVID-19

A novel strain of coronavirus (COVID-19) was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including lock-downs, travel bans, quarantines, social distancing, and closures of non-essential services and factories triggered significant disruptions to businesses worldwide and in Pakistan, resulting in an economic slowdown. During the lockdown that lasted from March to May 2020, the funds continued their activity, as the Pakistan Stock Exchange and the money markets continued trading. Management Company is of the view that while COVID-19 and its resulting containment measures have affected the economy, investors' confidence and adequate steps from the government and regulators have spearheaded recovery and subsequent events reflect that in due course, things would be normalised.

17. INTERIM DISTRIBUTION DURING THE PERIOD

-----September 30, 2021-----				
----- (Unaudited) -----				
	Rate per unit	Declaration date	Refund of Capital	Distribution of Income
	--- (Rupees in '000) ----			
For the period ended 27 July 2021	Re 0.5378	July 28, 2021	3,437	173,670
For the period ended 06 Aug 2021	Re 0.2347	August 9, 2021	603	75,805
For the period ended 23 Aug 2021	Re 0.6364	August 24, 2021	833	203,422
For the period ended 03 Sep 2021	Re 0.2684	September 6, 2021	4,660	70,660
For the period ended 17 Sep 2021	Re 0.2955	September 20, 2021	4,695	85,301
			-	
			<u>14,227</u>	<u>608,860</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

18. GENERAL

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

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

19. DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on October 22, 2021 by the Board of Directors of the Management Company.

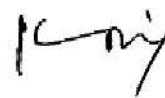
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



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

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