

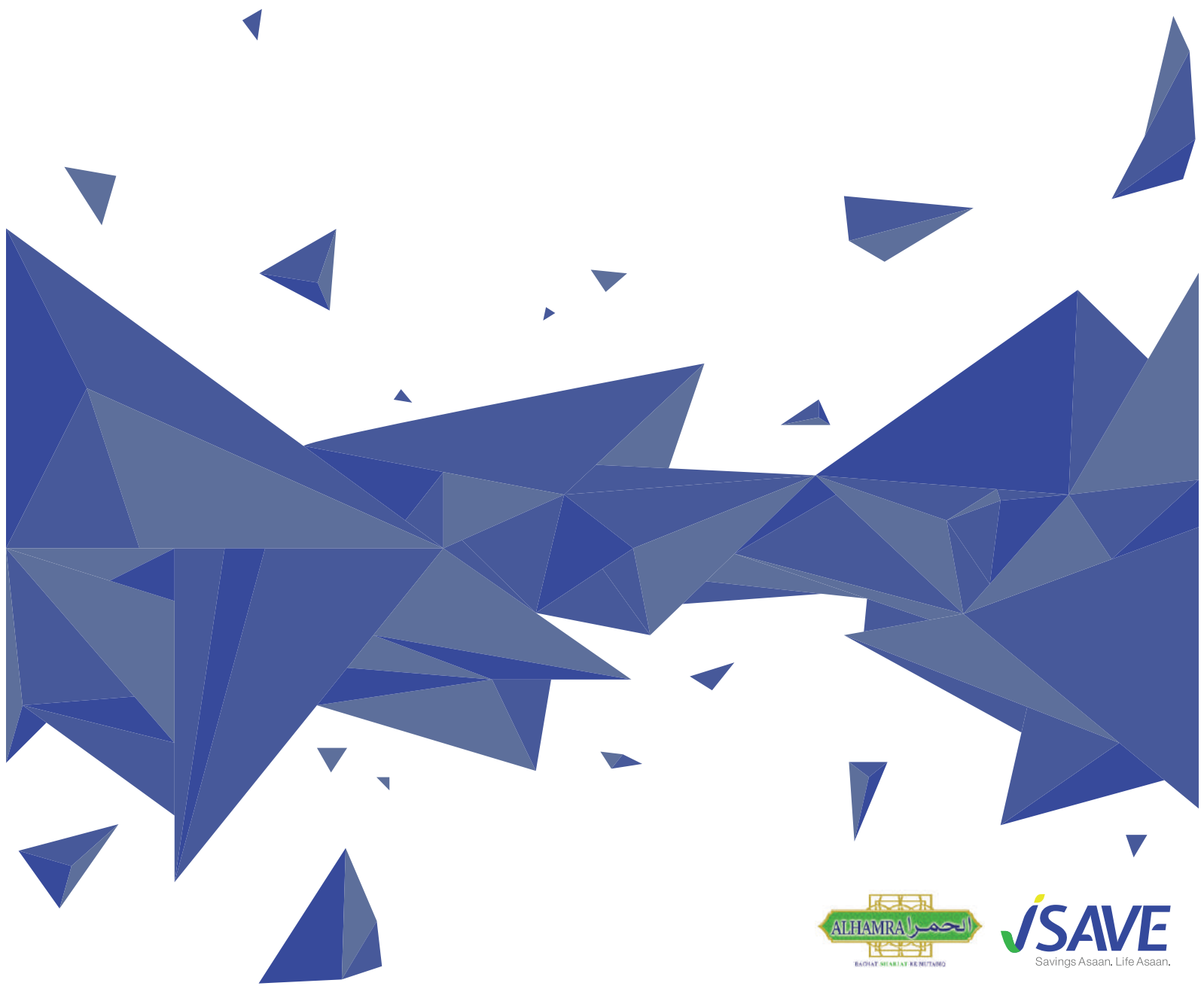


MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

SEPTEMBER
2021
(UNAUDITED)

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



MCB PAKISTAN ASSET ALLOCATION FUND

TABLE OF CONTENTS

1	Fund's Information	214
2	Report of the Directors of the Management Company	215
3	Condensed Interim Statement of Assets And Liabilities	222
4	Condensed Interim Income Statement (Un-audited)	223
5	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	224
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	225
7	Condensed Interim Cash Flow Statement (Un-audited)	226
8	Notes to and forming part of the Condensed Interim Financial Statements	227

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	Bank Alfalah Limited Habib Metropolitan Bank Limited MCB Bank Limited United Bank limited Zarai Taraqiati Bank Limited JS Bank Limited NRSP Microfinance Bank Limited Mobilink Microfinance Bank Limited U Microfinance Bank Limited Khushali Microfinance Bank Limited Tameer Microfinance Bank Limited Finca Microfinance Bank Limited First Microfinance Bank Limited National Bank of Pakistan Allied Bank Limited Faysal Bank Limited Bank Al Habib Limited Habib Bank Limited Silk Bank Limited Soneri Bank Limited	
Auditors	Yousuf Adil Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
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 Pakistan Asset Allocation Fund** accounts review for the quarter ended September 30, 2021.

Economy and Money Market Review

The fiscal year started on a robust note as Covid-19 vaccination drive gathered paced which helped to lift lockdowns across the county. 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.

Equity Market Review

The KSE-100 index closed the first quarter down by 5.2 per cent compared to a positive return of 17.9 per cent same period last year. Weakness in macroeconomic indicators, uncertainty over Pak-Afghan relations post US exit from Afghanistan, and MSCI's decision to downgrade Pakistan from Emerging Market to Frontier Market all weighted heavily on the index. Foreigners continued to offload as they sold stocks worth of near USD 83 million, while on the local front Individuals and Banks added about USD 33/21 million respectively to their positions. During the quarter, average trading volumes saw a decline to 412 million shares compared to about 669 million shares during the preceding quarter. Similarly, average trading value during the quarter saw a drop of 35 per cent over last quarter to near USD 85 million.

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

Cements, Oil & Gas Exploration companies, Refinery, Oil & Gas Marketing companies, & Fertilizer sectors were the major contributors to index decline posting negative returns of 20.2 per cent/6.2 per cent/35.4 per cent/10.8/2.2 per cent, respectively. In the cement sector, unprecedented surge in international coal prices amid price control measures by GoP created a weak near-term earnings outlook for the sector leading to selling pressure. Moreover, decline in E&Ps and OMCs were largely on the account of continuous accumulation of circular debt. In the case of Refineries, delay in approval of refinery policy dragged the entire sector performance.

FUND PERFORMANCE

The fund posted a return of -3.61 per cent during the period under review against the benchmark return of -4.30 per cent. The fund has gradually decreased exposure in equities which reached to 52.5 per cent by the end of September, 2021 and at the same time it increased the exposure in cash to 19.1 per cent at the end of September, 2021.

On the equity side, the fund was mainly invested in Commercial Banks and Cement.

The Net Assets of the Fund as at September 30, 2021 stood at Rs. 1,120 million as compared to Rs. 912 million as at June 30, 2021 registering an increase of 22.81 per cent. The Net Asset Value (NAV) per unit as at September 30, 2021 was Rs. 82.9472 as compared to opening NAV of Rs. 86.6497 per unit as at June 30, 2021 registering a decrease of -3.7025 per unit.

Economy & Market – 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.

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

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 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.

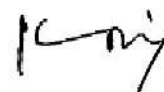
ACKNOWLEDGMENT

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

ڈائریکٹرز رپورٹ

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

اپن 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 الانتظامیہ (AUMs) گھٹ گئے اور کلاں معاشیاتی اور ارضی سیاسی عوامل پر خدشات نے سرمایہ کاروں کو دور 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۔

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 ایکویٹی 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 سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے۔

اظہار تشکر

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

من جانب ڈائریکٹرز



کاشف اے حبیب
ڈائریکٹر



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
22 اکتوبر 2021ء

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 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 چکدار 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۔

مالی سال 2021ء میں سی پی آئی کا اوسط 8.9 فیصد تھا۔ متوقع یوٹیلٹی ترسیمات، 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 ترسیمات 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۔

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۔

ایکویٹی مارکیٹ کا جائزہ

کے ایس ای-100 انڈیکس نے پہلی سہ ماہی کا اختتام سال گزشتہ کی مماثل مدت کے 17.9 فیصد مثبت منافع کے بالمقابل 5.2 فیصد کم پر کیا۔ کلاں معاشی اشاروں میں ضعف، امریکا کے افغانستان سے انخلاء کے بعد پاک افغان تعلقات میں غیر یقینی صورتحال، اور ایم ایس سی آئی کے پاکستان کی درجہ بندی کو امریکن مارکیٹ سے گرا کر فرنٹیر مارکیٹ کر دینے کا فیصلہ، یہ سب عوامل انڈیکس پر بہت بھاری پڑے۔ غیر ملکیوں نے سرمایہ کاری میں کمی کا سلسلہ جاری رکھا اور تقریباً 83 ملین ڈالر کے اسٹاک فروخت کیے، جبکہ مقامی سطح پر افراد اور بینکوں نے بالترتیب 33 اور 21 ملین ڈالر کا اضافہ کیا۔ دوران سہ ماہی اوسط تجارتی حجم میں 412 ملین حصص کی کمی ہوئی جبکہ اس کے بالمقابل گزشتہ سہ ماہی کے دوران 669 ملین حصص کی کمی ہوئی تھی۔ اسی طرح، اوسط تجارتی قدر گزشتہ سہ ماہی کے مقابلے میں 35 فیصد کم ہو کر تقریباً 85 ملین ڈالر ہو گئی۔

انڈیکس کے تنزل میں اہم ترین کردار ادا کرنے والے شعبوں میں سیمنٹ، تیل اور گیس کی دریافت کی کمپنیاں، ریفرنسری، تیل اور گیس کی مارکیٹنگ کی کمپنیاں شامل ہیں جنہوں نے بالترتیب 20.2 فیصد، 6.2 فیصد، 35.4 فیصد، 10.8 فیصد اور 2.2 فیصد منفی منافع پوسٹ کیا۔ حکومت پاکستان کے قیمتوں پر قابو پانے کے اقدامات کے پس منظر میں کولے کی قیمتوں میں بین الاقوامی سطح پر بلا نظیر اضافے سے سیمنٹ کے شعبے میں قریب المذاقی منافع کا کمزور امکان، اور اس کے نتیجے میں فروخت کا دباؤ، پیدا ہو گیا۔ اس کے علاوہ ای اینڈ پی اور او ایم سی میں تنزل کی بڑی وجہ گروشی قرضے کا مسلسل جمع ہونا ہے۔ ریفرنسری پالیسی کی منظوری میں تاخیر کے باعث ریفرنسریز کے پورے شعبے کی کارکردگی سست روی کا شکار ہوئی۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے (3.61) فیصد منافع پوسٹ کیا جبکہ مقررہ معیار (4.30) فیصد تھا۔ فنڈ نے ایکویٹیز میں سرمایہ کاری میں بتدریج کمی کر کے اسے ستمبر 2021ء کے اختتام پر 52.5 فیصد کر دیا اور بیک وقت نقد میں سرمایہ کاری کو بڑھا کر ستمبر 2021ء کے اختتام پر اسے 19.1 فیصد کر دیا۔ ایکویٹیز کی جہت میں فنڈ کی زیادہ تر سرمایہ کاری کمرشل بینکوں اور سیمنٹ کے شعبے میں تھی۔ 30 ستمبر 2021ء کو فنڈ کے net اثاثہ جات 1,120 ملین روپے تھے، جو 30 جون 2021ء کی سطح 912 ملین روپے کے مقابلے میں 22.81 فیصد اضافہ ہے۔

30 ستمبر 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 82.9472 روپے تھی، جو 30 جون 2021ء پر ابتدائی این اے وی 86.6497 روپے کے مقابلے میں 3.7025 روپے فی یونٹ کمی ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان Asset Allokation فنڈ کے گوشواروں مختتمہ سہ ماہی 30 ستمبر 2021ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

مالی سال کا بھرپور آغاز ہوا جب کووڈ-19 ویکسین کی مہم میں تیز رفتاری سے ٹلک بھر میں لاک ڈاؤن ختم کرنے میں مدد ملی۔ معیشت میں بحالی متوقع سے زیادہ ہوئی کیونکہ مالیاتی تسہیل کی سست رفتار اثر پذیر، 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 کی 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

	Note	(Un-audited) September 30, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2021
ASSETS			
Balance with banks	6.	315,552	172,930
Investments	7.	866,539	764,495
Mark-up, dividend and other receivables		7,315	1,544
Receivable against sale of investments		457,017	32,702
Receivable from National Clearing Company of Pakistan Limited		1,134	1,134
Advance against Bookbuilding		1,696	-
Advances, deposits, prepayments and other receivables		3,031	4,111
Total assets		1,652,283	976,916
LIABILITIES			
Payable to the Management Company	8.	3,240	2,263
Payable to the Central Depository Company of Pakistan Limited - Trustee		188	184
Payable to the Securities and Exchange Commission of Pakistan		50	249
Payable against purchase of investments		491,628	9,425
Payable on redemption of units		31	31
Accrued expenses and other liabilities	9.	37,281	52,701
Total liabilities		532,417	64,853
NET ASSETS		1,119,866	912,063
Unit holders' fund (as per statement attached)		1,119,866	912,063
Contingencies and commitments	10		
		(Number of units)	
Number of units in issue		13,500,961	10,525,869
		(Rupees)	
NET ASSET VALUE PER UNIT		82.9472	86.6497

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

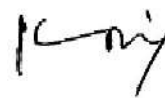
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30,	
Note	2021	2020
	----- (Rupees in '000) -----	
Income		
Income from Government securities	1,201	3,211
Capital (loss) / gain on sale of investments - net	(12,533)	63,749
Income from term finance certificates	-	657
Dividend income	11,713	2,856
Profit on bank deposits and term deposit receipts	1,724	2,015
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss' - net	(42,600)	92,210
Participation income on preference shares	-	175
Other income	11	38
Total Income	(40,483)	164,911
Expenses		
Remuneration of the Management Company	8,177	7,008
Sindh Sales Tax on remuneration of the Management Company	1,064	911
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	489	602
Sindh Sales Tax on remuneration of Trustee	64	78
Securities and Exchange Commission of Pakistan - annual fee	50	70
Allocated expenses	248	350
Marketing and selling expenses	-	4,555
Brokerage and settlement charges	1,110	3,742
Auditors' remuneration	211	152
Other expenses	554	177
Total expenses	11,967	17,644
	(52,449)	147,266
Sindh Workers' Welfare fund	15,700	(2,945)
Net loss for the period before taxation	(36,750)	144,321
Taxation	-	-
Net loss for the period after taxation	(36,750)	144,321
Allocation of net income for the period		
Net Income for the period	-	144,321
Income already paid on units redeemed	-	(6,465)
	-	137,856
Accounting income available for distribution		
- Relating to capital gains	-	137,856
- Excluding capital gains	-	-
	-	137,856

Earning per unit

12

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

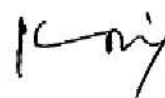
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30,	
	2021	2020
	----- (Rupees in '000) -----	
Net Income for the period after taxation	(36,750)	144,321
Other comprehensive income	-	-
Total comprehensive Income for the period	(36,750)	144,321

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

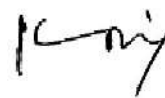
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30,					
	2021			2020		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	1,967,011	(1,054,948)	912,063	2,506,806	(1,207,326)	1,299,480
Issue of 3,888,175 units (2020: 934,787 units)						
- Capital value (at net asset value per unit at the beginning of the period)	334,576	-	334,576	64,202	-	64,202
- Element of loss	(5,259)	-	(5,259)	7,126	-	7,126
Total proceeds on issuance of units	329,318	-	329,318	71,328	-	71,328
Redemption of 913,082 units (2020: 1,466,410 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(78,570)	-	(78,570)	(100,714)	-	(100,714)
- Element of income	121	-	121	(400)	(6,465)	(6,865)
Total payments on redemption of units	(78,449)	-	(78,449)	(101,114)	(6,465)	(107,579)
Total comprehensive (loss) / income for the period	-	(36,750)	(36,750)	-	144,321	144,321
Final distribution for the year ended June 30, 2021 (including additional units) at the rate of 0.6 per unit Declared on July 01, 2021	-	(6,316)	(6,316)	-	-	-
	-	(43,065)	(43,065)			
Net assets at end of the period	2,217,879	(1,098,013)	1,119,866	2,477,020	(1,069,470)	1,407,550
Undistributed loss brought forward						
- Realised loss		(1,095,583)			(1,136,554)	
- Unrealised loss		40,635			(70,772)	
		(1,054,948)			(1,207,326)	
Net loss for the period after taxation		(36,750)			-	
Distribution during the period		(6,316)			-	
Accounting income available for distribution						
- Relating to capital gains		-			137,856	
- Excluding capital gains		-			-	
		-			137,856	
Undistributed loss carried forward		(1,098,013)			(1,069,470)	
Undistributed income carried forward						
- Realised loss		(1,055,413)			(1,161,680)	
- Unrealised loss		(42,600)			92,210	
		(1,098,013)			(1,069,470)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		86.6497			68.6797	
Net assets value per unit at end of the period		82.9472			76.5420	

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

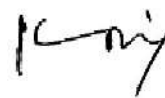
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30,	
	2021	2020
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / Income for the period before taxation	(36,750)	144,321
Adjustments:		
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss' - net	42,600	(92,210)
	5,850	52,111
(Increase) / Decrease in assets		
Investments	(144,645)	(13,845)
Mark-up, dividend and other receivables	(5,771)	9,757
Advance against Bookbuilding	(1,696)	(20,000)
Receivable against sale of investments	(424,315)	(37,923)
Advances, deposits, prepayments and other receivables	1,081	(2)
	(575,346)	(62,014)
Increase / (Decrease) in liabilities		
Payable to the Management Company	977	672
Payable to the Central Depository Company of Pakistan Limited - Trustee	4	18
Payable to the Securities and Exchange Commission of Pakistan	(199)	(230)
Payable against purchase of investments	482,203	(151,292)
Accrued expenses and other liabilities	(15,420)	3,966
	467,564	(146,866)
Net cash (used in) / generated from operating activities	(101,931)	(156,768)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	321,405	71,327
Payments against redemption of units	(70,537)	(107,577)
dividend distribution	(6,316)	-
Net cash (used in) / generated from financing activities	244,553	(36,251)
Net decrease in cash and cash equivalents during the period	142,622	(193,019)
Cash and cash equivalents at beginning of the period	172,930	198,319
Cash and cash equivalents at end of the period	315,552	5,300

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

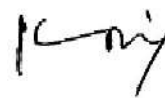
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Pakistan Asset Allocation Fund (the Fund) was established under a Trust Deed dated November 22, 2007 executed between MCB Asset Management Company Limited as the Management Company and the Central Depository Company of Pakistan Limited as the Trustee. Pursuant to the merger of MCB Asset Management Limited and Arif Habib Investments Limited, the name of the Management has been changed from MCB Asset Management Company Limited to MCB-Arif Habib Savings and Investments Limited with effect from June 27, 2011. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 17, 2007 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the 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 NBFC Rules 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 collective investment scheme categorised as an "asset allocation" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of "AM1" with a stable outlook to the Management Company Dated October 06, 2021.
- 1.5 Title to the assets of the Fund is 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 This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (The NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) and requirement of the Trust Deed.

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

- 2.1.2 This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 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.

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

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.

	Note	(Un-audited) September 30, 2021 (Rupees in '000)	(Audited) June 30, 2020
6. BALANCE WITH BANKS			
In saving accounts	6.2	307,611	164,510
In current accounts	6.1	7,941	8,420
		315,552	172,930

6.1 This represents balance with MCB Bank Limited.

6.2 These carry profit at the rates ranging between 5.75% to 9.75% (2021: 5.50% to 9.75%) per annum. It includes bank balance of Rs. 0.014 million (2021: Rs 0.012 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 5.75% (2020: 5.5%) per annum

Name of investee company	(Number of shares)					(Rupees in '000)			Market value as a percentage of net assets / investments (%)		
	As at July 1, 2021	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at September 30, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as percentage of total investments	Market value as a percentage of the paid up capital of the investee company
Commercial Banks											
Bank Al Habib Limited	543,709	85,000	-	243,709	385,000	26,998	26,623	(375)	0.02	3.07%	0.00%
Bank Alfalah Limited***	900,000	140,000	-	-	1,040,000	33,610	33,644	34	0.03	3.88%	0.03%
Faysal Bank Limited	-	1,000,000	-	-	1,000,000	21,633	26,320	4,687	0.02	3.04%	0.04%
Habib Bank Limited	276,731	90,000	-	-	366,731	44,502	40,102	(4,400)	0.04	4.63%	0.00%
Habib Metropolitan Bank Limited	-	515,000	-	-	515,000	21,195	22,403	1,207	0.02	2.59%	0.00%
Meezan Bank Limited	186,000	30,000	32,400	-	248,400	25,184	34,759	9,574	0.03	4.01%	0.06%
United Bank Limited***	327,690	265,339	-	-	593,029	73,070	70,310	(2,760)	0.06	8.11%	0.08%
						246,191	254,159	7,968	22.70%	29.33%	0.21%
Food & Personal Care Products											
Shezan International Limited	5,115	-	-	-	5,115	1,695	1,633	(62)	0.00	0.19%	0.08%
Murree Brewery Company	21,450	-	-	-	21,450	12,480	10,853	(1,626)	0.01	1.25%	0.06%
						14,175	12,486	(1,688)	1.11%	1.44%	0.14%
Insurance											
Adamjee Insurance Co. Limited*	14,000	-	-	-	14,000	581	494	(87)	0.00	0.06%	0.20%
						581	494	(87)	0.04%	0.06%	0.20%
Leather & Tanneries											
Bata Pakistan Limited	11,200	-	-	-	11,200	19,201	19,862	661	0.02	2.29%	
Service Industries	1	3,950	-	-	3,951	1,739	1,762	23	0.00	0.20%	0.05%
						20,940	21,624	684	1.93%	2.50%	0.05%
Miscellaneous											
Shifa International Hospitals	101,000	-	-	-	101,000	22,134	19,436	(2,698)	0.02	2.24%	0.12%
						22,134	19,436	(2,698)	1.74%	2.24%	0.12%
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	30,520	5,000	-	-	35,520	54,099	55,176	1,076	0.05	6.37%	0.00%
Oil & Gas Development Company Limited	100,000	-	-	100,000	-	-	-	-	-	0.00%	0.00%
						54,099	55,176	1,076	4.93%	6.37%	0.00%
Oil And Gas Marketing Companies											
Attock Petroleum Limited	90,000	19,400	-	-	109,400	35,119	31,726	(3,393)	0.03	3.66%	0.05%
Pakistan State Oil Company Limited	-	100,000	-	-	100,000	21,450	20,099	(1,351)	0.02	2.32%	0.00%
						56,569	51,825	(4,744)	4.63%	5.98%	0.05%
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	41,600	-	-	7,600	34,000	26,940	26,277	(663)	0.02	3.03%	0.06%
Glaxosmithkline Pakistan	-	36,100	-	-	36,100	9,241	9,208	(32)	0.01	1.06%	0.02%
Highnoon Laboratories Limited	65,900	10,000	-	-	75,900	45,432	47,033	1,601	0.04	5.43%	0.00%
The Searle Company Limited	350	-	-	-	350	85	71	(14)	0.00	0.01%	0.03%
						81,698	82,589	891	7.37%	9.53%	0.11%
Power Generation & Distribution											
Hub Power Company Limited***	2,25										

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

7.1.3 Government securities - Market Treasury Bills

Name of investee company	Issue date	Face value				Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Sold / matured during the year		As at September 30, 2021					
			Purchased during the year							
Treasury Bills - 3 months										
	May 20, 2021	-	200,000			-	-	-	-	-
	June 03, 2021		275,000			-	-	-	-	-
	July 02, 2021		500,000			-	-	-	-	-
	July 15, 2021		700,000			-	-	-	-	-
	July 29, 2021		500,000			-	-	-	-	-
	August 12, 2021		5,500,000			-	-	-	-	-
	August 26, 2021		3,000,000			-	-	-	-	-
	September 09, 2021		500,000			-	-	-	-	-
Treasury Bills-6 months										
	March 25, 2021	-	100,000			-	-	-	-	-
	April 22, 2021	-	5,500,000			-	-	-	-	-
	July 02, 2021		500,000			-	-	-	-	-
	July 15, 2021	-	500,000			-	-	-	-	-
	July 29, 2021	-	1,500,000			-	-	-	-	-
	August 12, 2021	-	500,000			-	-	-	-	-
	August 26, 2021	-	2,500,000			-	-	-	-	-
	September 09, 2021	-	9,700,000			-	-	-	-	-
Treasury Bills-12 months										
	September 10, 2020		16,000			-	-	-	-	-
Total as at September 30, 2021						-	-	-	-	-
Total as at June 30, 2021						-	-	-	-	-

7.1.4 Government securities - Pakistan Investment Bond

Particulars	Issue date	Face value			As at September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchased during the year	Sold / matured during the year	As at September 30, 2021	Carrying value	Market value		

7.2 Unrealised diminution on re-measurement of investments at fair value through profit or loss - net

Market value	866,539	744,495
Carrying value	909,139	(703,860)
	(42,600)	40,635

September 30, 2021
(Un-audited)

June 30, 2021
(audited)

7.1.1 to 7.1.4

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

	September 30, 2021 (Un-audited) (Rupees in '000)	June 30, 2021 (Audited)
8. PAYABLE TO THE MANAGEMENT COMPANY		
Remuneration Payable	2,775	1,916
Sindh sales tax payable on management fee	362	249
Sales load payable	12	17
Allocated Expense Payable	84	81
Backend load payable	7	-
	3,240	2,263

	(Un-audited) September 30, 2021 (Rupees in '000)	(Audited) June 30, 2021
9 ACCRUED EXPENSES AND OTHER LIABILITIES		
Provision against Sindh Workers' Welfare Fund	9.1 -	15,700
Provision for Federal Excise Duty and related tax on	9.2	
- Management fee	19,027	19,027
- Sales load	16,173	16,173
Auditors' remuneration payable	708	497
Brokerage payable	661	662
Withholding tax on capital gains	31	378
Others	680	264
	37,281	52,701

9.1 Provision for Sindh Workers' Welfare Fund (SWWF)

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.

9.2 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, 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/lower by Re. 2.61 per unit (June 30, 2021: Re. 3.34 per unit).

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2021 and June 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 EARNING 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 EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 4.84% (September 30, 2020: 5.87%) and this includes 0.48% (September 30, 2020: 1.15%) 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

14 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

	For the three months ended September 30, 2021					
	As at July 1, 2021	Issued for cash	Redeemed	As at September 30, 2021	As at July 1, 2021	Issued for cash
	Units					
	(Rupees in '000)					
Associated companies / undertakings						
MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED	-	1,572,494	-	1,572,494	-	135,000
Adamjee Life Assurance Company Limited (NUIL Fund)	51,887	308	-	52,195	4,496	26
Adamjee Life Assurance Company Limited IMF	1,036,747	1,864,399	-	2,901,146	89,834	155,529
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,028	244	-	35,272	3,035	21
Mandate Under Discretionary Portfolio Services	499,823	78,033	21,655	556,201	43,309	6,700
Key management personnel*	22,573	142	8	22,707	1,956	12
Unit Holder holding 10% or more	1,036,747	3,436,892	-	4,473,639	89,834	290,529
						371,076
For the three months ended September 30, 2020						
	As at July 1, 2020	Issued for cash	Redeemed	As at September 30, 2020	As at July 1, 2019	Issued for cash
	Units					
	(Rupees in '000)					
MCB-Arif Habib Savings and Investments Limited Management Company	-	-	-	-	-	-
Associated companies / undertakings						
Adamjee Life Assurance Company Limited (NUIL Fund)	551,649	-	-	551,649	37,887	-
Adamjee Life Assurance Company Limited. Employees Gratuity Fund	28,189	-	-	28,189	1,936	-
Adamjee Life Assurance Company Limited IMF	5,453,035	-	-	5,453,035	374,513	-
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,028	-	-	35,028	2,406	-
Mandate Under Discretionary Portfolio Services	430,757	390,534	261,612	559,680	29,584	30,204
Unit Holder holding 10% or more	5,453,034	-	-	5,453,034	374,513	-
						417,386

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

14.2 Details of transactions with the connected persons / related parties during the period are as follows:

	(Un-Audited) September 30, 2021	(Un-Audited) September 30, 2020
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration of the Management Company (including indirect taxes)	9,241	7,919
Allocated expenses	248	350
Selling and marketing expenses	-	4,555
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	553	681
CDC settlement charges	63	54
MCB Bank Limited - holding company of the Management Company		
Purchase of shares 2021: Nil (2021: 210,000)	-	36,036
Sale of shares 2021: Nil (2021: 324,119)	-	58,411
Sale of securities Face Value 2021: Nil (2020: 100,000,000)	-	102,166
Markup Income	1	2
Bank charges	3	2
Arif Habib Limited		
Brokerage expense *	19	95
Adamjee Insurance Company Limited		
Sale of Shares 2021: NIL (2020: 57,000)	-	2,166
Dividend Income	21	-
D.G Khan Cement Company Limited		
Purchase of Shares 2021: NIL (2020: 620,000)	-	66,164
Sale of Shares 2021: 75,670 (2020: 240,000)	6,681	25,838
Power Cement Limited		
Sale of Shares 2021: 186,000 (2020: Nil)	1,711	-
Dolmen City RIET		
Dividend Income	360	-

	(Un-Audited) September 30, 2021	(Audited) June 30, 2021
	----- (Rupees in '000) -----	
14.3 Amount outstanding as at period end / year end		
MCB-Arif Habib Savings and Investments Limited - Management Company		
Management remuneration payable	2,766	1,916
Sindh sales tax payable on management remuneration	362	249
Sales load payable	12	17
Payable against allocated expenses	84	81
Back end Load payable	7	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	166	163
Sindh Sales Tax payable on trustee remuneration	22	21
Security deposits	100	100
MCB Bank Limited - Parent of the Management Company		
Bank balances	7,948	8,432
Arif Habib Limited		
Brokerage payable *	3	173

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

Adamjee Insurance Company Limited		
Shares held by the Fund 2021: 14,000 (2021: 14,000 shares)	494	581
Lalpir Power Limited		
Shares held by the Fund 2021: 705,000 (2021: 705,000 shares)	11,061	12,591
Power Cement Limited		
Shares held by the Fund 2021: NIL (2021: 186,000)	-	1,787
D.G. Khan Cement Company Limited		
Shares held by the Fund 2021: NIL (2021: 75,670 shares)	-	8,923
Dolmen City RIET		
Shares held by the Fund 2021: 1,092,500 (2021: Nil shares)	12,804	-

* The amount disclosed represents the amount of brokerage expense or brokerage payable to related parties / 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 related parties / connected persons.

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 GENERAL

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

17.2 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.

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

18 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information has been authorised for issue by the Board of Directors of the Management Company in the meeting held on October 22, 2021.

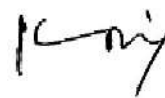
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



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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