

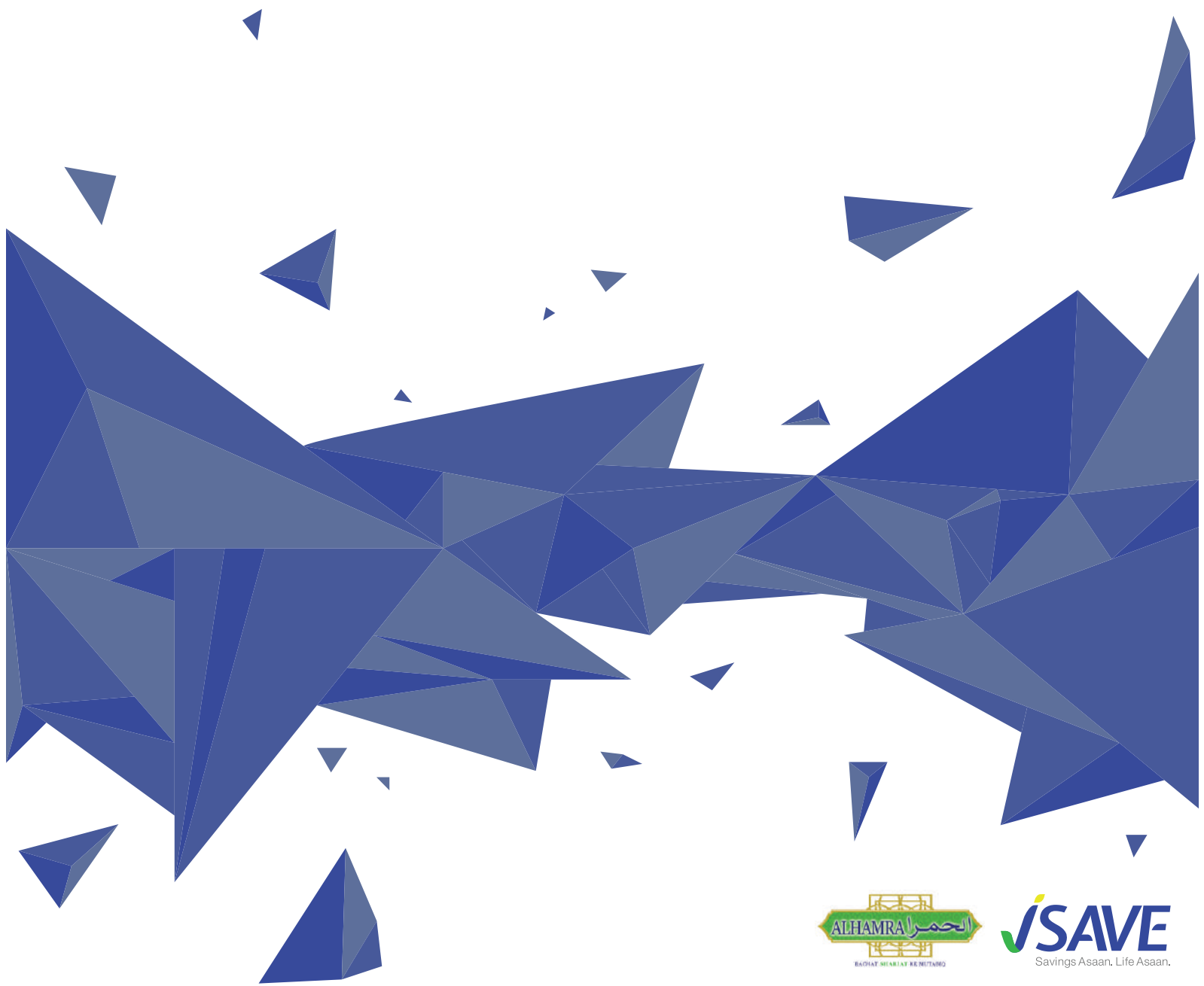


**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

SEPTEMBER  
**2021**  
(UNAUDITED)

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



# **PAKISTAN CAPITAL MARKET FUND**

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## FUND'S INFORMATION

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

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

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**Dear Investor,**

On behalf of the Board of Directors, I am pleased to present **Pakistan Capital Market Fund's** 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

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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

During the period under review, the fund posted a return of -3.67 per cent compared to the return of -3.73 per cent posted by the benchmark.

On the equities front, the overall allocation stood at 45.0 per cent. The exposure was mainly held in Commercial Banks, Cement and Oil & Gas Exploration Companies.

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

The Net Assets of the Fund as at September 30, 2021 stood at Rs. 441 million as compared to Rs. 467 million as at June 30, 2021 registering a decrease of 5.57 per cent.

The Net Asset Value (NAV) per unit as at September 30, 2021 was Rs. 11.56 as compared to opening NAV of Rs. 12.00 per unit as at June 30, 2021 showing a decrease of Rs. -0.44 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.

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

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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 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

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 فکسڈ 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 دُور 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 پر کشش 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، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کی مسلسل معاونت اور حمایت کے لیے شکریہ ادا 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۔

## ڈائریکٹرز 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 کونسل کی قیمتوں میں بین الاقوامی سطح پر بلا نظیر اضافے سے سیمنٹ کے شعبے میں قریب المذاقی منافع 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 گردش 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 (3.67) فیصد منافع پوسٹ کیا جبکہ مقررہ معیار (3.73) فیصد تھا۔ ایکویٹیز مجموعی سرمایہ کاری 45.0 فیصد تھی۔ زیادہ تر سرمایہ کاری کرنل بینکوں، سیمنٹ، اور تیل اور گیس کی دریافت کی کمپنیوں میں تھی۔ مقررہ آمدنی کی جہت میں فنڈ نے نقد میں اپنی سرمایہ کاری برقرار رکھی تاکہ بینکوں کی پیش کردہ پُرکشش شرحوں سے فائدہ اٹھایا جاسکے۔ 30 ستمبر 2021ء کو فنڈ کے net اثاثہ جات 441 ملین روپے تھے، جو 30 جون 2021ء کی سطح 467 ملین روپے کے مقابلے میں 5.57 فیصد کمی ہے۔

30 ستمبر 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 11.56 روپے تھی، جو 30 جون 2021ء پر ابتدائی این اے وی 12.00 روپے کے مقابلے میں (0.44) روپے فی یونٹ کمی ہے۔



بورڈ آف ڈائریکٹرز کی جانب سے پاکستان کیپیٹل مارکیٹ فنڈ کے گوشواروں مہینہ 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

		(Un-Audited) September 30, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Balances with banks	6	148,666	186,376
Investments	7	297,552	273,292
Dividend and profit receivables		2,992	293
Advances, deposits and prepayments		5,600	4,803
Receivable against sale of investments		206,775	20,614
<b>Total assets</b>		<b>661,584</b>	<b>485,378</b>
<b>LIABILITIES</b>			
Payable to the Management Company	9	1,446	1,379
Payable to the Central Depository Company of Pakistan Limited - Trustee		84	89
Payable to the Securities and Exchange Commission of Pakistan		23	94
Payable against purchase of investment		208,616	952
Payable against redemption of units		216	216
Accrued expenses and other liabilities	8.	10,444	15,985
<b>Total liabilities</b>		<b>220,829</b>	<b>18,715</b>
<b>NET ASSETS</b>		<b>440,755</b>	<b>466,663</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>440,755</b>	<b>466,663</b>
<b>Contingencies and commitments</b>	10.		
		(Number of units)	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>38,123,285</b>	<b>38,891,084</b>
		----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>		<b>11.56</b>	<b>12.00</b>

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

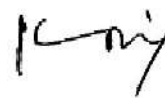
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

		September 30,	
		2021	2020
Note		(Rupees in '000)	
<b>INCOME</b>			
Dividend income		4,625	515
Income from government securities		1,416	1,215
Profit on bank deposits		1,754	1,525
Income from term finance certificate		11	11
Capital gain / (loss) on sale of investments - net		(9,671)	24,447
Income on NCCPL deposit against exposure margin		20	26
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss' - net		(15,162)	27,973
<b>Total income</b>		<b>(17,006)</b>	<b>55,712</b>
<b>EXPENSES</b>			
Remuneration of the Management Company		3,907	2,343
Sindh Sales Tax on remuneration of the Management Company.		508	305
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		233	234
Sales Tax on remuneration of the trustee		30	30
Securities and Exchange Commission of Pakistan - fee		23	23
Allocated expense		117	117
Marketing and selling expense		-	1,582
Securities transaction cost		386	868
Settlement, bank charges		140	154
Fees and subscription		7	7
Auditors' remuneration		145	145
Printing and related cost		25	2
Legal and professional charges		434	34
<b>Total expenses</b>		<b>5,956</b>	<b>5,845</b>
<b>Net income / (loss) from operating activities</b>		<b>(22,963)</b>	<b>49,867</b>
Sindh Workers' Welfare Fund	8.1	6,269	(997)
<b>Net income /(loss) for the period before taxation</b>		<b>(16,693)</b>	<b>48,870</b>
Taxation	14	-	-
<b>Net (loss) / income for the period</b>		<b>(16,693)</b>	<b>48,870</b>
<b>Allocation of net (loss) / income for the period:</b>			
Net income for the period		-	48,870
Income already paid on units redeemed		-	(2,059)
		-	46,811
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		-	46,811
- Excluding capital gains		-	-
<b>Accounting income available for distribution</b>		<b>-</b>	<b>46,811</b>
<b>Earning per unit</b>	15.		

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

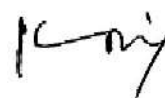
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	<u>September 30,</u>	
	<u>2021</u>	<u>2020</u>
	<u>----- (Rupees in '000) -----</u>	
<b>Net (Loss) / income for the period after taxation</b>	<b>(16,693)</b>	<b>48,870</b>
Other comprehensive loss for the period	-	-
<b>Total comprehensive (Loss) / income for the period</b>	<b><u>(16,693)</u></b>	<b><u>48,870</u></b>

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

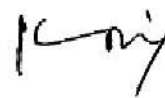
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



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	408,071	58,592	466,663	422,186	(7,607)	414,579
Issuance of 933,420 units (2020: 3,338,818 units)						
- Capital value (at net asset value per unit at the beginning of the period)	11,201	-	11,201	33,888	-	33,888
- Element of income	10	-	10	3,413	-	3,413
Total proceeds on issuance of units	11,211	-	11,211	37,301	-	37,301
Redemption of 1,701,219 units (2020: 2,624,281 units)						
- Capital value (at net asset value per unit at the beginning of the period)	20,415	-	20,415	26,636	-	26,636
- Element of loss	11	-	11	896	2,059	2,955
Total payments on redemption of units	20,425	-	20,425	27,532	2,059	29,591
Total comprehensive income for the period	-	(16,693)	(16,693)	-	48,870	48,870
Net (loss) / Income for the period	-	(16,693)	(16,693)	-	48,870	48,870
<b>Net assets at end of the period</b>	<b>398,857</b>	<b>41,899</b>	<b>440,755</b>	<b>431,955</b>	<b>39,204</b>	<b>471,159</b>
Undistributed income brought forward						
- Realised		41,469			19,862	
- Unrealised		17,123			(27,469)	
		58,592			(7,607)	
Accounting income available for distribution						
- Relating to capital gains	-			46,811		
- Excluding capital gains	-			-		
				46,811		
Net loss for the period after taxation		(16,693)			-	
Distribution during the period		-			-	
Undistributed income carried forward		41,899			39,204	
Undistributed income carried forward						
- Realised		57,061			11,231	
- Unrealised		(15,162)			27,973	
		41,899			39,204	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		12.00			10.15	
Net assets value per unit at end of the period		11.56			11.33	

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

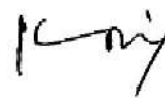
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



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) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	(16,693)	48,870
<b>Adjustments for:</b>		
Unrealised diminution in value of investments classified as at fair value through profit or loss - net	15,162	(27,973)
	15,162	(27,973)
<b>Decrease / (Increase) in assets</b>		
Investments	(39,421)	73,666
Dividend and profit receivables	(2,699)	1,343
Advances, deposits and prepayments	(797)	(1,407)
Receivable against sale of investments	(186,161)	314
	(229,078)	73,916
<b>Increase/ (Decrease) in liabilities</b>		
Payable to the Management Company	65	276
Payable to the Central Depository Company of Pakistan Limited - Trustee	(5)	12
Payable to the Securities and Exchange Commission of Pakistan	(71)	(70)
Payable against purchase of investment	207,664	(49,289)
Accrued expenses and other liabilities	(5,541)	1,416
	202,112	(47,655)
<b>Net cash generated from / (used in) operating activities</b>	(28,497)	47,157
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from units sold	7,499	37,302
Cash paid on units redeemed	(16,713)	(29,591)
<b>Net cash generated from / (used in) financing activities</b>	(9,213)	7,712
<b>Net decrease in cash and cash equivalents during the period</b>	(37,710)	54,871
Cash and cash equivalents at beginning of the period	186,376	99,855
<b>Cash and cash equivalents at end of the period</b>	148,666	154,726

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

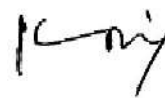
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



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 Pakistan Capital Market Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB - Arif Habib Savings and Investments Limited) as "Management Company" and Central Depository Company of Pakistan Limited (CDC) . The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 30, 2003 consequent to which the Trust Deed was executed on October 27, 2003 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by 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 Pakistan Capital Market Fund as a closed-end scheme was authorized by SECP on November 5, 2003. During the year 2005, the Fund was converted from a closed-end scheme to an open-end scheme. The Fund has been categorised as "Balanced Scheme" and offers units for public subscription on continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on Pakistan Stock Exchange Limited.
- 1.4 The Fund primarily invests in a mix of listed equity and debt securities, unlisted government securities and secured debt securities, money market transactions and reverse repurchase transactions.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2021 to the Management Company .
- 1.6 Title to the assets of the Fund is held in the name of the 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.

## **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, 2020 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.

		(Unaudited) September 30, 2021	(Audited) June 30, 2021
		---- (Rupees in '000) ----	
<b>6 BALANCES WITH BANKS</b>			
Current accounts	6.1	2,794	5,050
Savings accounts	6.2	<u>145,871</u>	<u>181,326</u>
		<u><u>148,666</u></u>	<u><u>186,376</u></u>

- 6.1** These include Rs. 0.0008 million (2021: Rs 3.218 million) maintained with MCB Bank Limited, a connected person / related party

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

- 6.2** These carry profit at the rates ranging between 5.5% to 8.85% (2021: 5.50% to 7.6% ) per annum and include Rs.0.47 million maintained with MCB Bank Limited, (a related party) which carries profit at the rate of 5.75 % per annum

		(Unaudited) September 30, 2021	(Audited) June 30, 2021
	Note	---- (Rupees in '000) ----	
<b>7</b>	<b>INVESTMENTS</b>		
	<i>At fair value through profit or loss</i>		
Listed equity securities	7.1	297,051	272,708
Government securities	7.2	-	-
Unlisted debt security	7.3	501	584
		<u>297,552</u>	<u>273,292</u>

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

7.1 Listed Equity Securities - 'At fair value through profit or loss'

Name of the investee company	As at July 1, 2021	Purchases during the period	Bonus / Right Issue during the period	Sales during the period	As at September 30, 2021	As at September 30, 2021				Rupees in '000			%		
						Carrying Value	Market Value	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments	Market value as a percentage of total paid up capital of the investee company				
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# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Miscellaneous	431	-	-	-	431	19	17	(1)	0.00%	0.01%	0.01%
						19	17	(1)	0.00%	0.01%	0.01%
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	10,240	5,000	-	-	15,240	23,142	23,673	532	5.37%	7.96%	0.00%
	28,924	-	-	-	28,924	11,392	10,857	(535)	2.46%	3.65%	0.00%
Pakistan Oilfields Limited						34,534	34,530	(4)	7.83%	11.60%	0.00%
Oil And Gas Marketing Companies											
Attock Petroleum Limited	24,800	2,800	-	-	27,600	8,886	8,004	(882)	1.82%	2.69%	0.00%
	38,700	-	-	-	38,700	8,678	7,778	(900)	1.76%	2.61%	0.00%
Pakistan State Oil Company Limited						17,565	15,782	(1,782)	3.58%	5.30%	0.00%
Paper And Board											
Cherat Packaging Limited	-	6,700	-	-	6,700	1,240	1,201	(39)	0.27%	0.40%	0.00%
	32,500	3,000	-	-	35,500	19,294	16,662	(2,632)	3.78%	5.60%	0.00%
Packages Limited						20,534	17,863	(2,671)	4.05%	6.00%	0.00%
Pharmaceuticals											
Abbott Laboratories (Pakistan)	11,750	-	-	2,500	9,250	7,329	7,149	(180)	1.62%	2.40%	0.00%
	1,600	10,800	-	-	12,400	7,332	7,684	352	1.74%	2.58%	0.00%
Highnoon Laboratories Limited						4,290	3,563	(727)	0.81%	1.20%	0.00%
The Searle Company Limited	17,682	-	-	-	17,682	18,951	18,396	(555)	4.17%	6.18%	0.00%
Power Generation & Distribution											
Hub Power Company Limited	35,000	-	-	35,000	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
REAL ESTATE INVESTMENT TRUST											
Dolmen City REIT	423,500	-	-	-	423,500	4,667	4,963	296	1.13%	1.67%	0.00%
						4,667	4,963	296	1.13%	1.67%	0.00%
Textile Composite											
Kohinoor Textile Mills Limited	41	-	-	-	41	3	3	(0)	0.00%	0.00%	0.00%
						3	3	(0)	0.00%	0.00%	0.00%
Total at September 30, 2021 (Unaudited)											
						312,213	297,051	(15,162)			
Total at June 30, 2021 (Audited)											
						255,585	272,708	17,123			

\*These have face value of Rs 3.5 per share.  
 \*\*The above include shares with a market value aggregating to Rs. 18.90 million (June 30 2021: 23.608 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.  
 \*\*\* These include transactions with related party.

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

**7.2 Government securities - 'at fair value through profit or loss'**

Issue Date	Tenor	Number of certificates					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 period	Disposed during the period	Matured during the period	As at September 30, 2021	Carrying value	Market value	Appreciation / (Diminution)		
----- ('000) -----											
----- (Rupees in '000) -----											
<b>Treasury Bills</b>											
<b>3-Months</b>											
June 3, 2021	3-Months	-	140,000	-	140,000	-	-	-	-	0.00%	0.00%
May 20, 2021	3-Months	-	150,000	150,000	-	-	-	-	-	0.00%	0.00%
July 2, 2021	3-Months	-	500,000	500,000	-	-	-	-	-	0.00%	0.00%
July 15, 2021	3-Months	-	500,000	500,000	-	-	-	-	-	0.00%	0.00%
July 29, 2021	3-Months	-	500,000	500,000	-	-	-	-	-	0.00%	0.00%
August 12, 2021	3-Months	-	500,000	500,000	-	-	-	-	-	0.00%	0.00%
August 26, 2021	3-Months	-	500,000	500,000	-	-	-	-	-	0.00%	0.00%
September 9, 2021	3-Months	-	500,000	500,000	-	-	-	-	-	0.00%	0.00%
<b>Treasury Bills</b>											
<b>6-Months</b>											
March 25, 2021	6-Months	-	100,000	-	100,000	-	-	-	-	0.00%	0.00%
July 2, 2021	6-Months	-	500,000	500,000	-	-	-	-	-	0.00%	0.00%
July 15, 2021	6-Months	-	500,000	500,000	-	-	-	-	-	0.00%	0.00%
July 29, 2021	6-Months	-	1,500,000	1,500,000	-	-	-	-	-	0.00%	0.00%
August 12, 2021	6-Months	-	500,000	500,000	-	-	-	-	-	0.00%	0.00%
August 26, 2021	6-Months	-	1,051,500	1,051,500	-	-	-	-	-	0.00%	0.00%
September 9, 2021	6-Months	-	3,200,000	3,200,000	-	-	-	-	-	0.00%	0.00%
<b>Total as at September 30, 2021 (Un-audited)</b>											
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**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

**Pakistan Investment Bonds**

Issue Date	Tenor	Number of certificates			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 period	Disposed during the period	Matured during the period	As at September 30, 2021	Appreciation / (Diminution)		
August 20, 2020	3-Year	-	350,000	350,000	-	-	-	-	-
July 12, 2018	5-Year	-	2,000,000	2,000,000	-	-	-	-	-
October 15, 2020	5-Year	-	2,000,000	2,000,000	-	-	-	-	-
<b>Total as at September 30, 2021 (Un-audited)</b>									
Total as at June 30, 2021 (Audited)									
							(Rupees in '000)		
							-	-	-
							35,698	35,298	(400)

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

Certificates have a face value of Rs 100,000 each

Name of investee company	As at July 1, 2021	Number of certificates			As at September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 1, 2021	Purchased during the period	Disposed during the period	As at September 30, 2021	Appreciation / (diminution)	Market Value		
<b>Refinery</b>									
Byco Petroleum Pakistan Limited (18-01-2017 issue)	10	-	-	-	10	500	501	0.11	0.17
<b>Total as at September 30, 2021 (Un-audited)</b>									
							500	501	0.53
							577	584	7.00

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

		(Unaudited) September 30, 2021	(Audited) June 30, 2021
	Note		
		---- (Rupees in '000) ----	
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Sindh Workers' Welfare Fund	8.1	-	6,269
Provision for Federal Excise Duty and related tax			
- On management fee	8.2	5,872	5,872
- Sales load		393	393
Legal and professional charges		415	22
Withholding tax payable		4	42
Dividend payable		2,784	2,784
Auditors' remuneration		549	404
Brokerage		361	160
Other		65	39
		<u>10,444</u>	<u>15,985</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 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 Provision for Federal Excise Duty and related tax

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the period ended June 30, 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.0.16 per unit (June 30, 2021: Re. 0.16 per unit).

	(Unaudited) September 30, 2021	(Audited) June 30, 2021
	(Rupees in '000)	
<b>9 PAYABLE TO THE MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>		
Management fee payable	1,246	1,186
Sindh sales tax on management fee	162	154
Payable against allocated expenses	37	39
	<u>1,446</u>	<u>1,379</u>

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

## 10. CONTINGENCIES AND COMMITMENTS

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

## 11. EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 5.11% (September 30, 2020:5.83%) and this includes 0.47% (September 30, 2020:1.15%) representing government levy, SECP fee etc.

## 12. 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).

## 13. 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.

## 14. 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.

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

## 15. Earnings / (Loss) per unit

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

## 16. TRANSACTIONS WITH 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:

### 16.1 Details of transactions with connected persons are as follows:

	(Unaudited) For the Quarter Ended September 30,	
	2021	2020
	----- (Rupees in '000) -----	
<b>MCB-Arif Habib Savings and - Management Company</b>		
Remuneration for the period including indirect taxes	4,415	2,648
Allocated expense	117	117
Marketing and selling Expense	-	1,582
 <b>Arif Habib Limited - Brokerage house</b>		
Brokerage*	4	15
 <b>MCB Bank Limited</b>		
Bank charges	5	4
Mark-up income	3	6
Purchase of Nil (2020: 27,038) shares	-	4,656
Sale of Nil (2020: 83,000) shares	-	13,846
 <b>Dolmen City RIET Limited</b>		
Dividend Income	139	-
 <b>Adamjee Insurance Company Limited</b>		
Sale of Nil (2020: 95,000) shares	-	3,999
 <b>D.G Khan Cement Company Limited</b>		
Purchase of Nil (2020: 132,000) shares	-	14,155
Sale of 38,000 (2020: 45,000) shares	3,360	4,869
 <b>Power Cement Limited</b>		
Sale of 450,000 (2020: Nil) shares	4,140	-

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

<b>(Unaudited) For the Quarter Ended September 30,</b>	
<b>2021</b>	<b>2020</b>
<b>----- (Rupees in '000) -----</b>	

**Central Depository Company of  
Pakistan Limited - Trustee**

Remuneration for the period	<b>264</b>	265
CDS charges	<b>6</b>	23

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

<b>(Unaudited) September 30, 2021</b>	<b>(Audited) June 30, 2021</b>
<b>----(Rupees in '000)----</b>	

**16.2 Amounts outstanding as at period / year end:**

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

Remuneration payable	1,246	1,186
Sales tax payable on management fee	162	154
Sales load payable	-	39
Allocated expense payable	37	-

**Central Depository Company of Pakistan Limited - Trustee**

Security deposit	300	300
Remuneration payable	75	79
Sales tax payable on trustee fee	10	10

**MCB Bank Limited**

Bank balance	2,099	3,218
Profit receivable on bank deposits	35	35

**Arif Habib Limited - Brokerage House**

Brokerage payable	4	12
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**Power Cement Limited**

Nil (2021: 450,000) shares held	-	4,325
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**Dolmen City RIET Limited**

423,500 (2021: Nil) shares held	4,963	-
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**D.G Khan Cement Company Limited**

Nil (2021: 38,000) shares held	-	4,481
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# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

## 16.3 Unit Holders' Fund

September 30, 2021 (Un-Audited)								
As at July 01, 2021	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at September 30, 2021	As at July 01, 2021	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at September 30, 2021	
(Units)			(Rupees in '000)					
Directors and executives of the Management Company	8	-	-	8	1	-	-	1
September 30, 2020 (Un-Audited)								
As at July 01, 2020	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at September 30, 2020	As at July 01, 2020	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at September 30, 2020	
(Units)			(Rupees in '000)					
Associated Companies								
Asghari Beg Memorial Trust	26,988	-	-	26,988	274	-	-	306
Directors and executives of the Management Company	4,312	-	4,280	32	44	-	50	1
Mandate Under Discretionary Portfolio	-	21	21	-	-	1	1	-

## 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.

## 18 DATE OF AUTHORISATION FOR ISSUE

18.1 This condensed interim financial information was authorised for issue on October 22, 2021 by the Board of Directors of the Management Company.

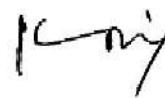
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



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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