

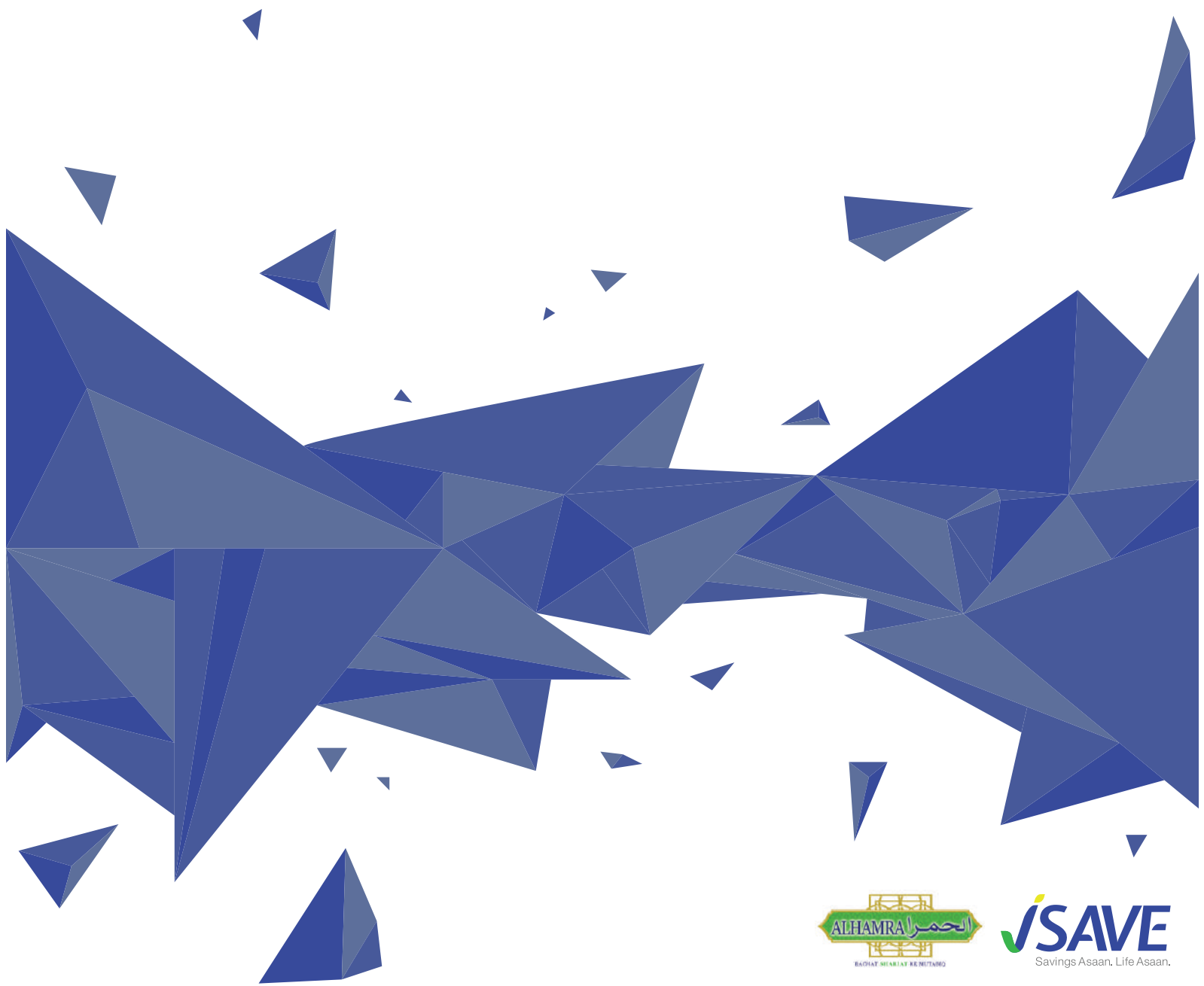


**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

SEPTEMBER  
**2021**  
(UNAUDITED)

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



# **MCB PAKISTAN STOCK MARKET FUND**

## TABLE OF CONTENTS

---

1	Fund's Information	158
2	Report of the Directors of the Management Company	159
3	Condensed Interim Statement of Assets And Liabilities	166
4	Condensed Interim Income Statement (Un-audited)	167
5	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	168
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	169
7	Condensed Interim Cash Flow Statement ( Un-audited)	170
8	Notes to and forming part of the Condensed Interim Financial Statements	171

## 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 Faisal Ahmad	
<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 Silk Bank Limited Bank Al Habib Limited Habib Bank Limited Allied Bank Limited Bank Alfalah Limited Habib Metropolitan Bank Limited Standard Chartered Bank Limited United Bank Limited JS Bank Limited National Bank Of Pakistan	
<b>Auditors</b>	<b>Ernst &amp; Young Ford Rhodes</b> Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, Sindh-75530, Pakistan.	
<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

---

**Dear Investor,**

On behalf of the Board of Directors, I am pleased to present **MCB Pakistan Stock Market 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**

During the period, PSM generated a return of -5.41 per cent as compared to a return of -5.19 per cent witnessed by the KSE100 Index. Overall equity exposure stood at 85.5 per cent on September 30, 2021. The fund remained vigilant of the external factors and the investment strategy was maneuvered considering the fundamental developments. The allocation was mainly held in Commercial Banks, Cement and Oil & Gas Exploration Companies.

The Net Assets of the fund as at September 30, 2021 stood at Rs. 11,812 million as compared to Rs. 12,397 million as at June 30, 2021 registering a decrease of 4.72 per cent.

The Net Asset Value (NAV) per unit as at September 30, 2021 was Rs. 98.0217 as compared to opening NAV of Rs. 103.6294 per unit as at June 30, 2021 registering a decrease of 5.6077 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.

### ACKNOWLEDGMENT

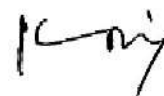
The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

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۔

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۔ علاوہ ازیں، ڈائریکٹرز انتظامیہ ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

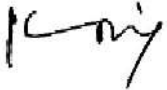
من جانب ڈائریکٹرز



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

22 اکتوبر 2021ء



کاشف اے حبیب

ڈائریکٹر



### معیشیت 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 ز رپورٹ

ثانوی مارکیٹس کی پیداواروں میں دورانِ 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 دورانِ 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 امرنگ مارکیٹ سے گرا کر فرنیئر 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۔ دورانِ 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 گردش قرضے کا مسلسل جمع ہونا ہے۔ ریفرنسری پالیسی کی منظوری میں تاخیر کے باعث ریفرنسریز کے پورے شعبے کی کارکردگی سُست روی کا شکار ہوئی۔

### فنڈ کی کارکردگی

دورانِ مدت پی ایس ایم نے (5.41) فیصد منافع حاصل کیا جبکہ کے ایس ای-100 انڈیکس کا منافع (5.19) فیصد تھا۔ ایکویٹی میں مجموعی سرمایہ کاری 30 ستمبر 2021ء کو 85.5 فیصد تھی۔ فنڈ خارجی عوامل کے حوالے سے چونکہ رہا اور بنیادی تبدیلیوں کے پیش نظر سرمایہ کاری کی حکمت عملی میں ترمیم کی گئی۔ زیادہ تر سرمایہ کاری کمرشل بینکوں، سیمنٹ، اور تیل اور گیس کی دریافت کی کمپنیوں میں تھی۔ 30 ستمبر 2021ء کو فنڈ کے net اثاثہ جات 11,812 ملین روپے تھے، جو 30 جون 2021ء کی سطح 12,397 ملین روپے کے مقابلے میں 4.72 فیصد کمی ہے۔

30 ستمبر 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 98.0217 روپے تھی، جو 30 جون 2021ء پر ابتدائی این اے وی 103.6294 روپے کے مقابلے میں 5.6077 روپے فی یونٹ کمی ہے۔



بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان اسٹاک مارکیٹ فنڈ کے گوشواروں مختتم 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 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 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, 2020
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Balances with banks	6.	686,114	265,332
Investments	7	11,260,226	11,903,844
Receivable against sale of investments		1,111,943	499,859
Dividend and profit receivables		103,699	16,830
Advances, deposits and other receivables		17,313	74,522
<b>Total assets</b>		13,179,295	12,760,387
<b>LIABILITIES</b>			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company		65,466	63,617
Payable to Central Depository Company of Pakistan Limited - Trustee		1,223	1,258
Payable to the Securities and Exchange Commission of Pakistan		629	2,286
Payable against purchase of investments		1,220,947	24,138
Payable against redemption of units		386	69,140
Accrued expenses and other liabilities	8.	78,369	202,766
<b>Total liabilities</b>		1,367,020	363,204
<b>NET ASSETS</b>		11,812,275	12,397,182
<b>Unit holders' fund (as per statement attached)</b>		11,812,275	12,397,182
<b>Contingencies and Commitments</b>	9.		
		----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		120,506,705	119,629,978
		----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>		98.0217	103.6294

The annexed notes 1 to 17 form an integral part of these interim financial statements.

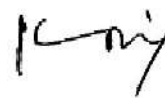
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Note	Quarter ended September 30,	
		2021	2020
		----- (Rupees in '000) -----	
<b>INCOME</b>			
(Loss) / gain on sale of investments - net		(25,206)	454,696
Dividend income		175,818	27,033
Income from Government securities		-	1,187
Profit on balances with banks		8,201	5,940
Unrealised (diminution) / appreciation on re-measurement of investments classified as at fair value through profit or loss - net	7.1	(813,834)	1,235,644
Other income		31	23
<b>Total Income</b>		<b>(654,990)</b>	<b>1,724,524</b>
<b>EXPENSES</b>			
Remuneration of the Management Company		62,880	54,055
Sindh Sales Tax on remuneration of the Management Company		8,174	7,027
Remuneration of the Trustee		3,396	2,955
Sindh Sales Tax on remuneration of the Trustee		441	384
Annual fee of the Securities and Exchange Commission of Pakistan		629	541
Allocated expenses		3,144	2,703
Marketing And Selling expenses		40,872	35,136
Auditors' remuneration		267	246
Securities transaction cost		14,360	20,481
Settlement and bank charges		1,022	918
Legal and professional charges		435	34
Fees and subscriptions		7	7
Printing and related charges		25	2
<b>Total expenses</b>		<b>135,652</b>	<b>124,489</b>
Sindh Workers' Welfare Fund (SWWF)	8.1	120,605	(32,001)
<b>Net (loss) / Income for the period before taxation</b>		<b>(670,037)</b>	<b>1,568,034</b>
Taxation	10.	-	-
<b>Net (Loss) / Income for the period after taxation</b>		<b>(670,037)</b>	<b>1,568,034</b>
<b>Allocation of net income for the period:</b>			
Net income for the period after taxation		-	1,568,034
Income already paid on units redeemed		-	(105,624)
		-	1,462,410
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	1,462,410
- Excluding capital gains		-	-
		-	1,462,410
Earning/ (Loss) per unit	11.		

The annexed notes 1 to 17 form an integral part of these interim financial statements.

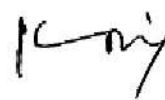
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Quarter ended September 30,	
	2021	2020
	----- (Rupees in '000) -----	
<b>Net (loss) / Income for the period after taxation</b>	<b>(670,037)</b>	1,568,034
Other comprehensive income for the period		
<b>Total comprehensive (loss) / Income for the period</b>	<b>(670,037)</b>	1,568,034

The annexed notes 1 to 17 form an integral part of these interim financial statements.

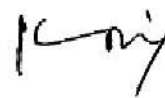
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Quarter ended September 30, 2021			Quarter ended September 30, 2020		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
	(Rupees in '000)					
<b>Net assets at the beginning of the period</b>	7,165,600	5,231,582	12,397,182	5,894,800	2,909,097	8,803,897
Issuance of 14,628,438 (2020: 33,441,136) units:						
- Capital value (at net asset value per unit at the beginning of the period) at Rs.103.6294	1,515,937	-	1,515,937	2,589,115	-	2,589,115
- Element of loss	(7,742)	-	(7,742)	370,663	-	370,663
	1,508,195	-	1,508,195	2,959,778	-	2,959,778
Redemption of 13,751,711 (2020: 20,769,080) units:						
- Capital value (at net asset value per unit at the beginning of the period) at Rs.103.6294	(1,425,081)	-	(1,425,081)	(1,608,005)	-	(1,608,005)
- Element of income	2,016	-	2,016	(126,020)	(105,624)	(231,643)
	(1,423,065)	-	(1,423,065)	(1,734,025)	(105,624)	(1,839,648)
Total comprehensive (loss) / Income for the period	-	(670,037)	(670,037)	-	1,568,034	1,568,034
Net (loss) / income for the period less distribution	-	(670,037)	(670,037)	-	1,568,034	1,568,034
<b>Net assets as at the end of the period</b>	<b>7,250,730</b>	<b>4,561,545</b>	<b>11,812,275</b>	<b>7,120,553</b>	<b>4,371,507</b>	<b>11,492,060</b>
<b>Undistributed income brought forward comprising of:</b>						
- Realised		4,508,639			3,417,678	
- Unrealised		722,943			(508,581)	
		5,231,582			2,909,097	
Accounting income available for distribution:						
- Relating to capital gains		-			1,462,410	
- Excluding to capital gains		-			-	
		-			1,462,410	
Net loss for the period		(670,037)			-	
Distribution during the year		-			-	
Undistributed income carried forward		4,561,545			4,371,507	
<b>Undistributed income carried forward comprising of:</b>						
- Realised		5,375,379			3,135,863	
- Unrealised		(813,834)			1,235,644	
		4,561,545			4,371,507	
		(Rupees)			(Rupees)	
Net assets value per unit as at beginning of the period		103.6294			77.4230	
Net assets value per unit as at end of the period		98.0217			90.9300	

The annexed notes 1 to 17 form an integral part of these interim financial statements.

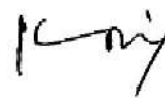
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Quarter ended September 30,	
	2021	2020
	---- (Rupees in '000) ----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / Income for the period before taxation	(670,037)	1,568,034
<b>Adjustments for non cash and other items:</b>		
Unrealised appreciation / (diminution) on re-measurement of investments classified as at fair value through profit or loss - net	(813,834)	1,235,644
	(1,483,871)	2,803,678
<b>(Increase) / Decrease in assets</b>		
Investments - net	1,457,452	(4,159,491)
Receivable against sale of investments	(612,084)	27,085
Dividend and profit receivable	(86,869)	9,600
Advances, deposits and receivables	57,209	(3,605)
	815,708	(4,126,411)
<b>Increase / (Decrease) in liabilities</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	1,849	13,998
Payable to Central Depository Company of Pakistan Limited - Trustee	(35)	305
Payable to the Securities and Exchange Commission of Pakistan	(1,657)	(1,229)
Payable against purchase of investments	1,196,809	(6,583)
Payable against redemption of units	(68,754)	-
Accrued expenses and other liabilities	(124,397)	39,565
	1,003,815	46,056
<b>Net cash generated from / (used in) operating activities</b>	335,652	(1,276,678)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issuance of units	1,508,195	2,959,778
Amount paid on redemption of units	(1,423,065)	(1,839,648)
<b>Net cash generated from financing activities</b>	85,130	1,120,130
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	420,782	(156,548)
Cash and cash equivalents at the beginning of the period	265,332	351,866
<b>Cash and cash equivalents at the end of the period</b>	686,114	195,318

The annexed notes 1 to 17 form an integral part of these interim financial statements.

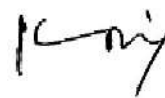
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director



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

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** MCB Pakistan Stock Market Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited) as "Management Company" and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October 23, 2001 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 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 located at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3** The Fund has been categorised as equity scheme and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The units are listed on the Pakistan Stock Exchange. The Fund primarily invests in listed equity securities. However, it also invests in cash instruments and treasury bills not exceeding 90 days in maturities.
- 1.4** The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 06, 2021 to the Management Company.
- 1.5** Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund. The duration of the Fund is perpetual. However, SECP or the Management Company may wind it up on the occurrence of certain events as specified in the offering document 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.

- 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.

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.

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.

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

## 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 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant and does not have any significant impact on the Fund's operations or a change in accounting policies of the Fund, therefore, have not been 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) Sep 30, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2021
<b>6. BALANCES WITH BANKS</b>			
In current accounts	6.1	19,255	21,217
In savings accounts	6.2	666,859	244,115
		<u>686,114</u>	<u>265,332</u>
6.1	These include a balance of Rs.9.805 (June 30, 2021: Rs.11.768) million maintained with MCB Bank Limited, a related party.		
6.2	These carry profit at the rates ranging between 5.5% to 7.85% (June 2021: 5.5% to 7.83%) per annum. It includes bank balance of Rs.623.180 million (June 2021: Rs 207.336 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 5.5% (June 2021: 5.5 %) per annum.		

## 7. INVESTMENTS

### At fair value through profit or loss

Listed equity securities	7.1	11,260,226	11,903,844
Government securities	7.2	-	-
		<u>11,260,226</u>	<u>11,903,844</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	No. of shares					As at September 30, 2021			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2021	Purchased during the period	Bonus / Right Issue during the period	Sold during the period	As at September 30, 2021	Carrying Value	Market value as at September 30, 2021	Unrealised (loss) / gain		
							(Rupees in '000)			(%)
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
<b>Automobile Assembler</b>										
Ghandhara Nissan Limited	-	226,600	-	221,000	5,600	696	488	(208)	0.00%	0.01%
Honda Atlas Cars(Pakistan) Limited	486,300	-	-	116,300	370,000	127,939	97,480	(30,458)	0.83%	0.26%
Indus Motors Company Limited	179,790	-	-	84,780	95,010	119,156	110,983	(8,173)	0.94%	0.12%
Millat Tractors Limited	90,000	-	-	90,000	-	-	-	-	0.00%	0.00%
Pak Suzuki Motors Company Limited	265,000	305,900	-	110,900	460,000	161,466	123,073	(38,393)	1.04%	0.56%
						<b>409,256</b>	<b>332,024</b>	<b>(77,232)</b>	<b>2.81%</b>	<b>0.95%</b>
<b>Automobile Parts &amp; Accessories</b>										
General Tyre & Rubber Company	-	256,000	-	-	256,000	18,012	15,816	(2,196)	0.13%	0.21%
Panther Tyres Limited	2,065,504	-	230,000	915,504	1,380,000	79,499	68,255	(11,245)	0.58%	0.82%
Thal Limited	633,300	-	-	11,300	622,000	262,969	241,554	(21,415)	2.04%	0.77%
						<b>360,481</b>	<b>325,624</b>	<b>(34,857)</b>	<b>2.76%</b>	<b>1.80%</b>
<b>Cable &amp; Electrical Goods</b>										
Pak Elektron Limited	-	2,994,000	-	924,000	2,070,000	68,682	57,029	(11,653)	0.48%	0.42%
						<b>68,682</b>	<b>57,029</b>	<b>(11,653)</b>	<b>0.48%</b>	<b>0.42%</b>
<b>Cement</b>										
Bestway Cement Limited	-	247,100	-	-	247,100	39,259	35,044	(4,215)	0.30%	0.04%
Cherat Cement Company Limited	48,000	1,809,200	-	288,900	1,568,300	256,260	224,612	(31,648)	1.90%	0.81%
D.G. Khan Cement Company Limited	1,851,480	648,285	-	1,186,840	1,312,925	143,775	116,089	(27,686)	0.98%	0.30%
Fuji Cement Company Limited	-	10,198,000	-	-	10,198,000	221,953	183,054	(38,899)	1.55%	0.74%
Kohat Cement Company Limited	1,583,670	-	-	-	1,583,670	327,012	272,296	(54,716)	2.31%	0.79%
Lucky Cement Limited	946,003	35,000	-	211,169	769,834	665,710	556,513	(109,197)	4.71%	0.24%
Maple Leaf Cement Factory Limited	9,075,771	1,800,000	-	1,582,985	9,292,786	423,243	327,106	(96,137)	2.77%	0.85%
Pioneer Cement Limited	2,502,000	-	-	2,502,000	-	-	-	-	0.00%	0.00%
Power Cement Limited	7,193,000	-	-	7,192,520	480	5	3	(1)	0.00%	0.00%
						<b>2,077,216</b>	<b>1,714,717</b>	<b>(362,498)</b>	<b>14.52%</b>	<b>3.77%</b>
<b>Chemicals</b>										
Archroma Pakistan Limited	113,850	67,400	-	71,250	110,000	62,685	68,708	6,023	0.58%	0.32%
Dyneema Pakistan Limited	-	1,500	-	-	1,500	338	341	3	0.00%	0.01%
Engro Polymer and Chemicals Limited	4,999,655	332,000	-	3,131,500	2,200,155	105,127	121,163	16,036	1.03%	0.24%
Lotte Chemical Pakistan Limited	8,650,000	1,275,000	-	1,873,000	8,052,000	122,985	112,647	(10,338)	0.95%	0.53%
Sifara Chemical Industries	-	35,600	-	-	35,600	13,183	10,073	(3,109)	0.09%	0.17%
						<b>304,318</b>	<b>312,932</b>	<b>8,615</b>	<b>2.65%</b>	<b>1.27%</b>
<b>Commercial Banks</b>										
Allied Bank Limited	62,100	500,000	-	-	562,100	40,105	38,223	(1,882)	0.32%	0.05%
Bank Al Habib Limited	4,268,538	992,990	-	1,961,528	3,300,000	230,698	228,195	(2,503)	1.93%	0.30%
Bank Alfalah Limited	6,586,952	4,977,309	-	745,761	10,818,500	345,439	349,978	4,539	2.96%	0.61%
Bank Of Punjab	-	820,000	-	820,000	-	-	-	-	0.00%	0.00%
Faysal Bank Limited	-	7,500,000	-	-	7,500,000	156,893	197,400	40,507	1.67%	0.49%
Habib Bank Limited	4,148,266	1,406,735	-	260,000	5,295,001	647,450	579,008	(68,442)	4.90%	0.36%
Habib Metropolitan Bank Limited	1,842,500	2,286,000	-	-	4,128,500	171,056	179,590	8,534	1.52%	0.39%
MCB Bank Limited	-	800,000	-	799,155	845	136	127	(8)	0.00%	0.00%
Meezan Bank Limited	2,959,978	-	414,214	198,545	3,175,647	318,697	444,368	125,671	3.76%	0.20%
Samba Bank Limited	5,215,500	-	-	-	-	-	-	-	0.00%	0.00%

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

Name of the investee company	No. of shares					As at September 30, 2021			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2021	Purchased during the period	Bonus / Right Issue during the period	Sold during the period	As at September 30, 2021	Carrying Value	Market value as at September 30, 2021	Unrealised (loss) / gain		
							(Rupees in '000)			(%)
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
United Bank Limited	5,044,022	1,938,415	-	1,567,437	5,415,000	663,185	642,002	(21,183)	5.44%	0.44%
<b>Engineering</b>						<b>2,573,660</b>	<b>2,658,892</b>	<b>85,233</b>	<b>22.51%</b>	<b>2.84%</b>
AGHA STEEL IND. LTD	-	979,000	-	-	979,000	30,629	26,913	(3,716)	0.23%	0.17%
Aisha Steel Mills Limited	4,389,000	-	-	3,339,000	1,050,000	26,156	21,851	(4,305)	0.18%	0.13%
Amreli Steels Limited	-	3,387,500	-	-	3,387,500	144,183	132,621	(11,563)	1.12%	1.14%
International Industries Limited	612,700	89,800	-	202,700	499,800	101,396	83,352	(18,045)	0.71%	0.38%
Mughal Iron & Steel Industries Limited	-	550,000	-	-	550,000	62,778	53,691	(9,087)	0.45%	0.19%
						<b>365,142</b>	<b>318,426</b>	<b>(46,715)</b>	<b>2.70%</b>	<b>2.01%</b>
<b>Fertilizer</b>										
Engro Corporation Limited	982,598	543,011	-	-	1,525,609	450,514	426,789	(23,725)	3.61%	0.26%
Engro Fertilizer Limited	-	825,000	-	-	825,000	59,441	57,981	(1,460)	0.49%	0.06%
Fauji Fertilizer Bin Qasim Limited	6,848,000	-	-	5,501,000	1,347,000	35,574	30,308	(5,267)	0.26%	0.10%
						<b>545,529</b>	<b>515,078</b>	<b>(30,452)</b>	<b>4.36%</b>	<b>0.42%</b>
<b>Food &amp; Personal</b>										
Al Shaheer Corporation	5,223,000	1,627,000	-	-	6,850,000	126,988	97,270	(29,718)	0.82%	2.28%
Fauji Foods Limited	3,055,500	-	-	3,055,500	-	-	-	-	0.00%	0.00%
Murree Brewery Company	202,000	-	-	-	202,000	117,524	102,208	(15,316)	0.87%	0.73%
Nestle Pakistan Limited	3,033	-	-	-	3,033	17,591	18,307	715	0.01%	0.01%
The Organic Meat Company Limited	3,488,000	-	-	2,388,000	1,100,000	40,414	39,523	(891)	0.33%	0.98%
Unity Foods Limited	-	560,000	-	-	560,000	17,964	17,483	(481)	0.15%	0.06%
						<b>320,482</b>	<b>274,791</b>	<b>(45,691)</b>	<b>2.33%</b>	<b>4.06%</b>
<b>Glass &amp; Ceramics</b>										
Shabbir Tiles & Ceramics Limited*	542,500	-	-	196,000	346,500	11,556	10,561	(994)	0.09%	0.11%
						<b>11,556</b>	<b>10,561</b>	<b>(994)</b>	<b>0.09%</b>	<b>0.11%</b>
<b>Insurance</b>										
Adamjee Insurance Company Limited	1,034,500	-	-	-	1,034,500	42,901	36,476	(6,424)	0.31%	0.30%
Jubilee Life Insurance Company	-	103,100	-	-	103,100	32,047	28,064	(3,983)	0.24%	0.12%
						<b>74,948</b>	<b>64,540</b>	<b>(10,407)</b>	<b>0.55%</b>	<b>0.42%</b>
<b>Inv.Banks/Inv.Com./S</b>										
Arif Habib Limited	68,000	-	-	68,000	-	-	-	-	-	-
						<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Leather &amp; Tanneries</b>										
Bata Pakistan Limited	4,040	25,000	-	-	29,040	49,126	51,500	2,374	0.44%	0.38%
Service Global Footwear Limited	36	60,500	-	60,500	36	2	2	0	0.00%	0.00%
Service Industries	403	50,300	-	-	50,703	23,205	22,611	(594)	0.19%	0.11%
						<b>72,333</b>	<b>74,112</b>	<b>1,779</b>	<b>0.63%</b>	<b>0.49%</b>
<b>Miscellaneous</b>										
Pakistan Aluminium Beverage Cans Limited	-	215,000	-	-	215,000	8,257	8,437	180	0.07%	0.06%
Shifa International Hospitals	329,600	513,400	-	-	843,000	184,281	162,227	(22,054)	1.37%	1.36%
Synthetic Products Limited	-	655,000	-	-	655,000	29,201	26,207	(2,995)	0.22%	0.71%
Tri-Pak Films	781,000	-	-	611,000	170,000	31,195	33,660	2,465	0.28%	0.44%
						<b>252,934</b>	<b>230,530</b>	<b>(22,404)</b>	<b>1.95%</b>	<b>2.57%</b>
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>										
Mari Petroleum Company Limited	388,960	18,760	-	6,000	401,720	612,478	624,020	11,542	5.28%	0.30%

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

Name of the investee company	No. of shares					As at September 30, 2021			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2021	Purchased during the period	Bonus / Right Issue during the period	Sold during the period	As at September 30, 2021	Carrying Value	Market value as at September 30, 2021	Unrealised (loss) / gain		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Oil & Gas Development Company	5,139,277	-	-	1,479,277	3,660,000	347,810	306,708	(41,102)	2.60%	0.09%
Pakistan Oilfields Limited	652,561	77,500	-	105,061	625,000	246,238	234,594	(11,644)	1.99%	0.22%
Pakistan Petroleum Limited	3,734,120	-	-	839,938	2,894,182	251,302	216,803	(34,499)	1.84%	0.11%
						1,457,828	1,382,125	(75,703)	11.70%	0.72%
Oil And Gas Marketing Companies										
Attock Petroleum Limited	620,700	-	-	-	620,700	199,263	180,003	(19,260)	1.52%	0.62%
Hi-Tech Lubricants Limited	-	250,000	-	-	250,000	16,112	15,503	(609)	0.13%	0.22%
Pakistan State Oil Company Limited	1,586,305	-	-	533,270	1,053,035	236,143	211,650	(24,494)	1.79%	0.22%
Shell (Pakistan) Limited	701,500	57,300	-	538,600	220,200	37,220	29,806	(7,413)	0.25%	0.10%
Sui Northern Gas Pipelines Limited	1,150,244	600,000	-	-	1,750,244	87,369	79,601	(7,768)	0.67%	0.28%
						576,107	516,562	(59,544)	4.37%	1.44%

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

Name of the investee company	No. of shares					As at September 30, 2021			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2021	Purchased during the period	Bonus / Right Issue during the period	Sold during the period	As at September 30, 2021	Carrying Value	Market value as at September 30, 2021	Unrealised (loss) / gain		
Shares of listed companies - fully paid ordinary shares of Rs. 10 each unless stated otherwise										
Paper And Board										
Cherat Packaging Limited	-	144,000	-	-	144,000	28,456	25,805	(2,651)	0.22%	0.34%
Packages Limited	581,400	75,000	-	-	656,400	351,254	308,088	(43,166)	2.61%	0.73%
Security Papers Limited	-	248,900	-	-	248,900	35,292	33,295	(1,996)	0.28%	0.42%
						415,002	367,188	(47,814)	3.11%	1.49%
Pharmaceuticals										
Abbott Laboratories (Pakistan)	376,450	-	-	242,900	133,550	105,820	103,215	(2,604)	0.87%	0.14%
Glaxosmithkline Consumer	-	150,100	-	-	150,100	38,916	38,288	(629)	0.32%	0.13%
Glaxosmithkline Pakistan	-	82,300	-	-	82,300	12,807	12,166	(641)	0.10%	0.03%
Highnoon Laboratories Limited	135,200	-	-	-	135,200	81,120	83,779	2,659	0.71%	0.36%
The Searle Company Limited	458,000	115,720	-	9,200	564,520	132,298	113,756	(18,542)	0.96%	0.24%
						370,962	351,204	(19,757)	2.97%	0.90%
Power Generation & Distribution										
Altern Energy Limited	327,000	-	-	222,500	104,500	2,665	2,828	163	0.02%	0.03%
Hub Power Company Limited	5,148,540	-	-	450,000	4,698,540	374,333	345,484	(28,849)	2.92%	0.36%
K-Electric Limited**	22,488,000	-	-	11,053,000	11,435,000	47,798	45,740	(2,058)	0.39%	0.04%
Lalpur Power Limited	7,202,500	-	-	1,497,500	5,705,000	101,891	89,511	(12,380)	0.76%	1.50%
Nishat Power Limited	969,000	700,000	-	-	1,669,000	33,800	33,246	(554)	0.28%	0.47%
						560,487	516,809	(43,678)	4.38%	2.40%
Refinery										
Attock Refinery Limited	481,400	230,439	-	386,839	325,000	79,852	58,104	(21,748)	0.49%	0.30%
Byco Petroleum Pakistan Limited	-	7,000,000	-	1,150,000	5,850,000	55,341	47,853	(7,488)	0.41%	0.11%
National Refinery Limited	105,000	-	-	105,000	-	-	-	-	0.00%	0.00%
Pakistan Refinery Limited	2,463,500	-	-	2,253,000	210,500	5,180	3,532	(1,648)	0.03%	0.03%
						140,373	109,489	(30,884)	0.93%	0.44%
Technology & Communications										
Avanceon Limited	-	935,000	-	935,000	-	-	-	-	0.00%	0.00%
Pakistan Telecommunication	-	3,729,500	-	-	3,729,500	44,621	34,908	(9,713)	0.30%	0.10%
Systems Limited	250,000	16,900	-	-	266,900	151,913	194,172	42,260	1.64%	0.19%
TRG Pakistan Limited	500,000	1,110,000	-	540,000	1,070,000	174,589	172,987	(1,602)	1.46%	0.20%
						371,122	402,067	30,945	3.40%	0.49%
Textile Composite										
Gul Ahmed Textile Mills Limited	2,780,256	1,968,500	-	1,554,500	3,194,256	171,736	175,077	3,341	1.48%	0.62%
Interloop Limited	2,808,110	709,000	-	-	3,517,110	247,492	250,313	2,821	2.12%	0.40%
Kohinoor Textile Mills Limited	1,375,718	300,000	-	-	1,675,718	126,236	116,379	(9,857)	0.99%	0.56%
Nishat (Chunian) Limited	-	1,900,000	-	-	1,900,000	94,510	94,088	(422)	0.80%	0.79%
Nishat Mills Limited	-	325,000	-	-	325,000	32,294	29,530	(2,764)	0.25%	0.09%
						672,268	665,386	(6,882)	5.63%	2.46%
Transport										
Pakistan International Bulk Terminal	-	6,749,500	-	-	6,749,500	73,377	60,138	(13,238)	0.51%	0.38%
						73,377	60,138	(13,238)	0.51%	0.38%
Total as at September 30, 2021 (Un-Audited)										
						12,074,060	11,260,226	(813,834)		
Total as at June 30, 2021 (Audited)										
						11,180,903	11,903,844	722,943		

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

Name of the investee company	No. of shares				As at September 30, 2021			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2021	Purchased during the period	Bonus / Right Issue during the period	Sold during the period	As at September 30, 2021	Carrying Value	Market value as at September 30, 2021	Unrealised (loss) / gain	
							(Rupees in '000)	(loss) / gain	(%)

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

\* These have a face value of Rs. 5 per share

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

7.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) security against settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP:

	(Un-Audited) September 30, 2021	(Audited) June 30, 2021	(Un-Audited) September 30, 2021	(Audited) June 30, 2021
	----- (Number of shares) -----	----- (Rupees in '000) -----	----- (Rupees in '000) -----	----- (Rupees in '000) -----
The Hub Power Company Limited	1,000,000	2,000,000	147,060	159,340
Oil & Gas Development Company Limited	2,000,000	1,000,000	83,800	95,030
	3,000,000	3,000,000	230,860	254,370

7.1.2 As at September 30, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 5,162 million.

## 7.2 Government securities - at fair value through profit or loss

Name Of Security	Issue date	Maturity date	Face value			As at September 30, 2021	
			As at July 01, 2021	Purchased during the period	Sold / matured during the period	Carrying Value	Unrealised (loss) / gain
Market Treasury Bills - 3 months	2-Jul-2021	23-Sep-2021	-	500,000,000	500,000,000	-	-
	15-Jul-2021	7-Oct-2021	-	500,000,000	500,000,000	-	-
	29-Jul-2021	21-Oct-2021	-	500,000,000	500,000,000	-	-
	12-Aug-2021	4-Nov-2021	-	5,500,000,000	5,500,000,000	-	-
	26-Aug-2021	18-Nov-2021	-	3,500,000,000	3,500,000,000	-	-
	9-Sep-2021	2-Dec-2021	-	6,000,000,000	6,000,000,000	-	-
	23-Sep-2021	16-Dec-2021	-	1,000,000,000	1,000,000,000	-	-
Market Treasury Bills - 6 months	22-Apr-2021	21-Oct-2021	-	6,000,000,000	6,000,000,000	-	-
Total as at September 30, 2021 (Un-Audited)			-	-	-	-	-
Total as at June 30, 2021 (Audited)			-	-	-	-	-



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

		September 30, 2021	June 30, 2021
	Note	----- (Rupees in '000) -----	
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Sindh Workers' Welfare Fund	8.1	-	120,605
Federal Excise Duty payable on management remuneration	8.2	54,774	54,774
Federal Excise Duty payable on sales load		3,933	3,933
Unclaimed dividends		9,722	9,722
Brokerage payable		7,464	9,821
Auditors' remuneration		890	624
Withholding tax payable		993	3,113
Printing and related charges payable		65	39
Payable to legal advisor		523	130
Others		5	5
		<u>78,369</u>	<u>202,766</u>

**8.1 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 the Securities and Exchange Commission of Pakistan (SECP). All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds till August 12, 2021 on August 13, 2021.

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

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

**8.2 Federal Excise Duty on remuneration to the Management Company**

There is no change in the status of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2021. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2021 would have been higher by Re. 0.48 per unit (June 30, 2021: Re. 0.49 per unit).

**9. CONTINGENCIES AND COMMITMENTS**

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

**10. 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 realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities 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 the 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**

---

**11. EARNING / (LOSS) PER UNIT**

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

**12. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES**

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

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

## 12.1 Unit Holder's Fund

For the quarter ended September 30, 2021 (Un-audited)						
	As at July 01, 2021	Issued for cash / conversion in transfer out	Redeemed / out / transfer out	As at September 30, 2021	As at July 01, 2021	Issued for cash / conversion in transfer out
		(Number of units)				(Rupees in '000)
<b>MCB-Arif Habib Savings and Investments Limited</b>						
- Management Company	1,415,390	-	249,850	1,165,540	146,676	-
<b>Group / associated companies</b>						
Adamjee Insurance Company Limited Employees Gratuity Fund	106,179	49,003	155,182	-	11,003	5,097
Adamjee Life Assurance Company Limited - DGF	-	19,165	-	19,165	-	2,000
Adamjee Life Assurance Company Limited - IMF	35,917,385	2,803,306	-	38,720,691	3,722,097	285,000
Adamjee Life Assurance Company Limited - NUIL	1,609,457	306,633	-	1,916,090	166,787	32,000
Adamjee Insurance Company Limited Employees Provident Fund Trust	428,789	191,296	620,085	-	44,435	19,899
D.G. Khan Cement Company Limited Employees Provident Fund Trust	199,265	-	-	199,265	20,650	-
Asghari Beg Memorial Trust	40,727	-	1,018	39,709	4,221	-
Nasim Beg	836	203	1,039	-	87	21
Syed Savail Meekal Hussain	97,463	-	-	97,463	10,100	-
<b>Key Management Personnel</b>						
	139,320	123,247	115,405	147,163	14,438	13,167
<b>Mandate under discretionary portfolio services</b>						
	1,986,606	486,478	172,464	2,300,620	205,871	50,715
						17,550
						225,511

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

For the quarter ended September 30, 2020 (Un-audited)

	As at July 01, 2020	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer	As at September 30, 2020	As at July 01, 2020	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer	As at September 30, 2020
	(Number of units)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)	(Rupees in '000)
<b>MCB-Arif Habib Savings and Investments Limited</b>	1,422,539	1,864,418	391,021	2,895,935	110,137	172,421	35,000	263,327
- Management Company								
<b>Group / associated companies</b>								
Adamjee Insurance Company Limited Employees Gratuity Fund	24,724	86,518	-	111,242	1,914	7,828	-	10,115
Adamjee Life Assurance Company Limited - IMF	34,698,988	-	-	34,698,988	2,686,501	-	-	3,155,179
Adamjee Life Assurance Company Limited -NUIL	3,502,317	-	566,403	2,935,914	271,160	-	50,500	266,963
Adamjee Insurance Company Limited Employees Provident Fund Trust	48,978	173,322	-	222,300	3,792	15,679	-	20,214
D.G. Khan Cement Company Limited Employees Provident Fund Trust	199,265	-	-	199,265	15,428	-	-	18,119
Asghari Beg Memorial Trust	41,814	-	1,087	40,726	3,237	-	100	3,703
Nasim beg	-	11,795	-	11,795	-	1,002	-	1,073
Syed Savail Meekal Hussain	96,943	1,802	1,282	97,463	7,506	172	122	8,862
<b>Key Management Personnel</b>	72,569	524,439	473,293	123,715	5,618	45,286	40,518	11,249
<b>Mandate under discretionary portfolio services</b>	3,742,021	1,649,940	1,174,141	4,217,820	296,493	152,191	98,796	383,526
<b>Unit holders holding 10% or more</b>								
CDC-Trustee-Punjab Pension Fund Trust	11,794,969	-	-	11,794,969	913,202	-	-	1,072,517

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

12.2 Transactions during the period:	Un-Audited Quarter Ended	
	September 30,	
	2021	2020
	----- (Rupees in '000) -----	
<b>MCB - Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration of the Management Company including indirect taxes	71,054	61,082
Marketing and Selling expense	40,872	35,136
Allocated Expenses	3,144	2,703
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee (including indirect taxes)	3,837	3,339
Central Depository Service charges	382	251
<b>Arif Habib Capital Limited - Brokerage House</b>		
Brokerage expense*	933	581
<b>MCB Bank Limited</b>		
Bank charges	21	47
Profit on balances with banks	6,827	3,556
Dividend income	4	-
Purchase of 800,000 (2020: 682,452) shares	128,560	116,766
Sale of 799,155 (2020: 2,264,223) shares	132,635	396,704
<b>Adamjee Insurance Company Limited</b>		
Dividend income	1,552	-
<b>Aisha Steels Limited</b>		
Purchase of Nil (2020: 10,363,000) shares	-	132,468
Sale of 3,339,000 (2020: Nil ) shares	79,046	-
<b>Arif Habib Limited</b>		
Sale of 68,000 (2020: Nil) shares	6,121	-
<b>D.G. Khan Cement Company Limited</b>		
Purchase of 648,285 (2020: 3,838,000) shares	65,401	401,200
Sale of 1,186,840 (2020: 1,688,500) shares	137,384	188,408
<b>Lalpir Power Limited</b>		
Dividend income	-	5,125
Purchase of Nil (2020: 7,200,000) shares	-	92,500
Sale of 1,497,500 (2020: 2,723,500) shares	23,957	33,571
<b>Nishat Chunian Limited</b>		
Purchase of 1,900,000 (2020: Nil) shares	94,510	-
<b>Nishat Mills Limited</b>		
Purchase of 325,000 (2020: 1,531,000) shares	32,294	152,433
<b>Nishat Power Limited</b>		
Purchase of 700,000 (2020: Nil) shares	14,760	-
<b>Pakgen Power Limited</b>		
Purchase of Nil (2020: 32,500) shares	-	558
Sale of Nil (2020: 32,500) shares	-	634
<b>Power Cement Limited</b>		
Sale of 7,192,520 (2020: Nil) shares	63,262	-

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

	(Un-audited) September 30, 2021	(Audited) June 30, 2021
<b>12.3 Balances outstanding at period end:</b>	<b>----- (Rupees in '000) -----</b>	
<b>MCB - Arif Habib Savings and Investment Limited - Management Company</b>		
Remuneration payable	19,992	20,619
Sindh sales tax payable on remuneration	2,599	2,681
Sales load payable including related taxes	1,004	848
Payable against allocated expense	999	1,031
Payable against marketing and selling expenses	40,872	38,437
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	1,082	1,113
Sindh sales tax payable on remuneration	141	145
Security deposit	500	500
<b>MCB Bank Limited</b>		
Balance with bank	632,985	219,105
Profit receivable on bank balances	1,714	680
<b>MCB Bank Limited</b>		
845 shares (2021: Nil shares)	127	-
<b>Adamjee Insurance Co. Limited</b>		
1,034,500 shares (2021: 1,034,500 shares)	36,476	42,901
<b>Aisha Steel Limited</b>		
1,050,000 shares (2021: 4,389,000 shares)	21,851	109,330
<b>Arif Habib Limited</b>		
Nil shares (2021: 68,000 shares)	-	5,516
<b>D.G. Khan Cement Company Limited</b>		
1,312,925 shares (2021: 1,851,480 shares)	116,089	218,327
<b>Nishat Mills Limited</b>		
325,000 shares (2021: Nil shares)	29,530	-
<b>Nishat Chunian Limited</b>		
1,900,000 shares (2021: Nil shares)	94,088	-
<b>Lalpir Power Limited</b>		
5,705,000 shares (2021: 7,202,500 shares)	89,511	128,637
<b>Nishat Power Limited</b>		
1,669,000 shares (2021: 969,000 shares)	33,246	19,041
<b>Power Cement Limited</b>		
480 shares (2021: 7,193,000 shares)	3	69,125
<b>Arif Habib Limited - Brokerage House</b>		
Brokerage payable *	277	776

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

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

## 13. TOTAL EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 4.32% (September 30, 2020:5.79%) and this includes 0.32% (September 30, 2020:1.47%) representing government levy, SECP fee etc.

## 14 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).

## 15 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.

## 16 GENERAL

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

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

## 17 DATE OF AUTHORISATION FOR ISSUE

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

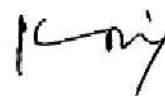
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



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

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

**URL:** [www.mcbah.com](http://www.mcbah.com), **Email:** [info@mcbah.com](mailto:info@mcbah.com)