

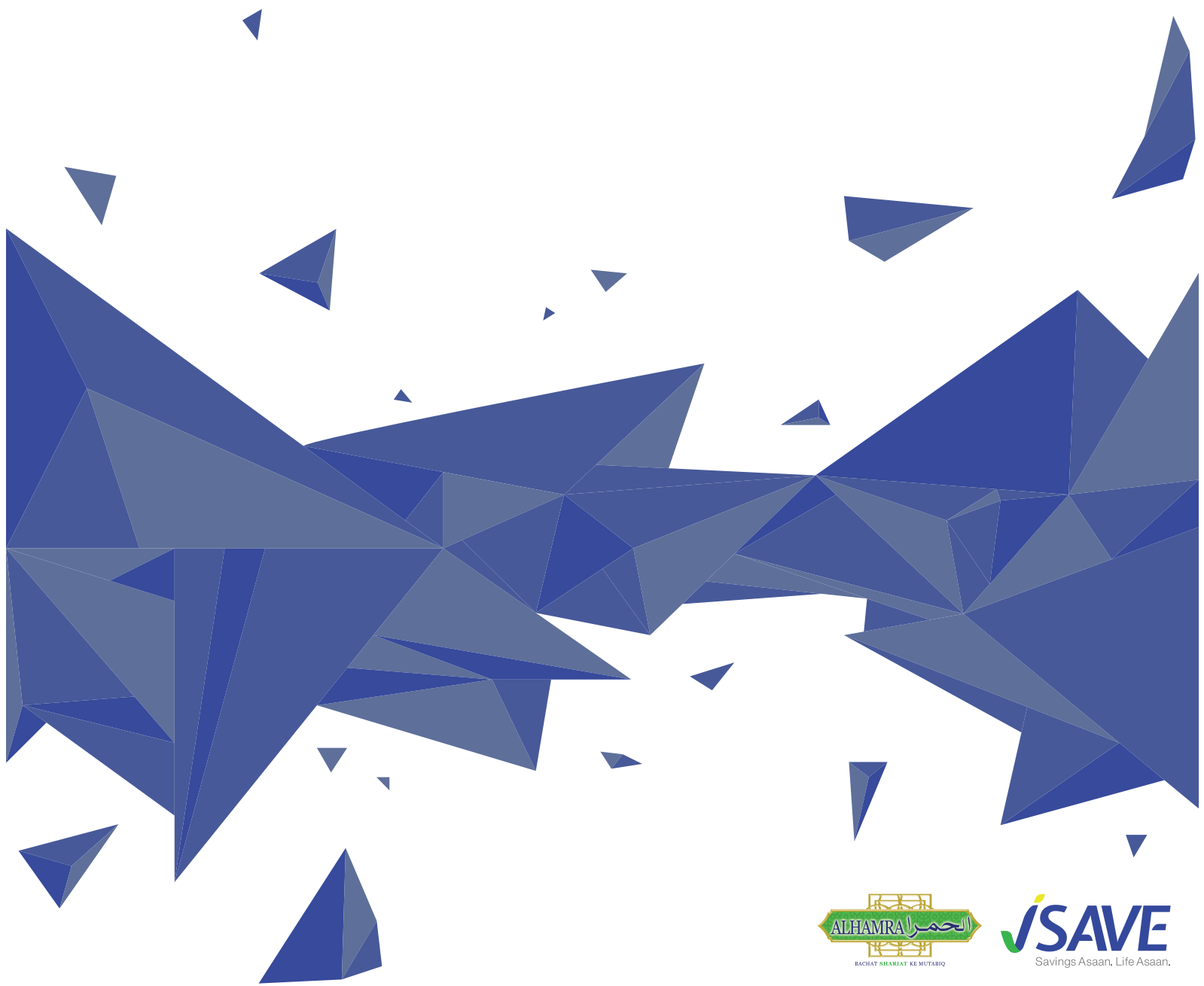


**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

MARCH  
**2022**  
(UNAUDITED)

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



# **MCB CASH MANAGEMENT OPTIMIZER**

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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 Zarai Taraqati Bank Limited Bank Al Falah Limited Meezan Bank Limited Dubai Islamic Bank Pakistan Limited Bank of Punjab Limited Faysal Bank 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

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**Dear Investor,**

On behalf of the Board of Directors, we are pleased to present **MCB Cash Management Optimizer** accounts review for nine months & quarter ended March 31, 2022.

## **ECONOMY AND MONEY MARKET OVERVIEW**

Political turmoil in the country has taken the central stage in past few weeks where we witnessed ruling party coalition government lost majority in the National Assembly and overthrown by opposition led coalition. In the backdrop of weak economic environment, the transition resulted in significant volatility in equity, fixed income and exchange rate markets. In heightened political environment, markets will increasingly focus on efforts of the new government on policies and measures taken to stabilize the economy.

The fiscal year (July – June) started on strong note with government's renewed focus on reviving growth through several incentives in fiscal year 2022 (FY22) budget to spur growth. This was in addition to lagged impact of monetary easing and incentives on capital investment at lower rates (TERF), which further supported to growth premise. However, the sharp recovery in domestic demand, coupled with rising international commodity prices, led to a strong pick-up in imports and a commensurate increase in the current account deficit. The start of Russia Ukraine conflict inflicted additional misery as international commodities prices spiked up further to multi-year high.

The country posted a current account deficit of USD 12.1bn in 8MFY22 compared to a surplus of USD 1.0bn in the corresponding period last year. This was the largest CAD since FY18, when country witnessed a deficit of USD 10.6bn in first eight months of the fiscal year. The deterioration came in primarily on the back of higher imports which grew by 49.1% in 8MFY22 compared to export growth of 28.1%. Trade Deficit increased by 70.2% to USD 27.3bn compared to USD 16.0bn in same period last year. The unprecedented increase in imports mainly came from historic high prices of our commodity basket including crude oil, palm oil, coal coupled with one time vaccines imports. As per our estimates, prices contributed more than two-third of the increase in import bill.

Foreign exchange reserves of central bank saw a decrease of USD 5.3bn on account of higher current account deficit and debt repayments. Pakistan was also unable to timely roll over commercial loan of USD 2.2bn from China which put further pressure on reserves. In addition, a USD 900mn penalty payment to settle Reko Dik case further dragged the reserves to 22 months' low of USD 11.3bn, implying an import cover of hardly a couple of months. These outflows coupled with widening current account deficit led PKR to lost ground against USD by 14.1% since start of the fiscal year.

Inflation remained a concern as rising commodities continued to create challenges for policy makers. Headline inflation represented by CPI averaged 10.7% in 9MFY22 compared to 8.4% in 9MFY21. The rise mainly came from higher food prices, elevated energy costs (both electricity and fuel) and second round impact of PKR depreciation, which keeps the prices of imported commodities high. Core inflation as measured by Non Food Non Energy also depicted an upward trend as it increased to 9.5% in March 2022 compared to 6.9% in June 2021. The SBP increased policy rate by a cumulative 525bps to 12.75% in the fiscal year to counter inflationary pressures and slow aggregate demand.

On the fiscal side FBR tax collection increased by 29.1% in 9MFY22 to PKR 4,382bn compared to PKR 3,394bn during same period last year. This exceeded the target of 4,134bn by 248bn. The improved tax collection was primarily on the back of higher custom duty and sales tax collected on import stage.

Secondary markets yields have increased significantly in 9MFY22 as SBP started the monetary tightening cycle. The recent depreciation in rupee along with persistently high commodity prices

## **REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022**

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will add pressure to inflation and we expect average inflation numbers to remain elevated in medium term. Bond yields for tenors of 3 years, 5 years and 10 years witnessed a rise of 2.4%, 2.1% and 1.4%, respectively during the period.

### **FUND PERFORMANCE**

During the period under review, the fund generated an annualized return of 9.54% as against its benchmark return of 8.17%, a difference of 1.37%. WAM of the fund was 01 day at March end.

The fund was 99.0% in cash as of March end. High cash exposure was due to the fact that banks were offering lucrative rates on bank deposits.

The Net Assets of the Fund as at March 31, 2022 increased by 6.49% to Rs. 36,238 million as compared to Rs. 34,030 million as at June 30, 2021.

The Net Asset Value (NAV) per unit as at March 31, 2022 was Rs. 101.4371 as compared to opening NAV of Rs. 100.9800 per unit as at June 30, 2021 registering an increase of Rs. 0.4571 per unit.

### **FUTURE OUTLOOK**

The ongoing Russia – Ukraine war has kept international commodity prices at elevated levels which have exacerbated fears about the import bill and external outlook going forward. In addition, due to political pressure the government resorted to the populist move to absorb the hike in international energy prices and keep petroleum prices unchanged. This has undermined the structural reform process and put the IMF program on hold. Going forward the new government will have to engage with the IMF and find the right balance of growth and external account sustainability.

We estimate GDP to grow by 4.5% this year, slightly lower than the government target of 4.8%. We expect Agriculture, Industrial and Services sectors to grow by 4.5%, 4.1% and 4.5% respectively. Industrial sector growth is likely to remain robust but below government's target due to demand compression as a result of monetary tightening. Agriculture sector growth on the other hand is likely to exceed government estimates due to growth in wheat and cotton crop. The Covid vaccination roll out has been quite successful which is anticipated to unleash Services growth as this segment was the most affected by the pandemic.

The persistently elevated international commodities prices especially petroleum, palm oil, fertilizers and steel, has led to a strong pick-up in imports and a rise in the current account deficit, which we expect to close the year around USD 19.0bn (5.7% of GDP). This would be the largest current account deficit since fiscal year 2018, when the country posted CAD of USD 19.2bn (6.1% of GDP). Responding to a high CAD, we expect PKR to depreciate further to end the fiscal year near PKR 192 against a dollar.

Successful resumption of the IMF program will be a key prerequisite to keep the financial account in positive zone. The SBP is expected to continue to discourage unnecessary imports and use flexible market determined exchange rate and appropriate monetary policy setting to ensure sustainable external account position. The remittances along with bilateral and multilateral flows would also be crucial in managing our external position.

We expect Average FY22 and FY23 inflation to clock at 11.6% and 13.8% respectively assuming international oil stays above USD 100/bbl. The recent hike in commodity prices and the resultant currency depreciation is likely to keep inflation numbers elevated in near term. In the recent monetary policy held in April-22 SBP increased policy rate by 250bps to 12.25% due to significant uncertainty around outlook for international commodities and global financial condition as result of Russia Ukraine war. As per the SBP the recent rate hike increased forward looking interest rates to mildly positive territory. Thus we may be at the end of monetary tightening cycle.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

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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 interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 13.4%, a discount of 69% from its historical average. Similarly, risk premiums are close to 6.0%, compared to historical average of 1.9% signifying deep discount at which market is trading. 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. The market is currently trading at PER of 5.7x, while offering a dividend yield of 8.3%.

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 remain at elevated levels given inflationary pressure. 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 7.4% during the nine months to PKR 1,093bn. Total money market funds grew by about 11.9% since June 2021. Within the money market sphere, the conventional funds dominated with a growth of about 19.6% to PKR 341bn while Islamic funds declined by 0.2% to PKR 181bn. In addition, the total fixed Income funds increased by about 17.7% since June 2021, as the conventional income funds rose by 21.5% to PKR 153bn. Equity and related funds declined by 11.3% as market witnessed a decline in 9MFY22 eroding AUMS as 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 47.8%, followed by Income funds with a share of 26.4% and Equity and Equity related funds having a share of 24.3% as at the end of 9MFY22.

### Mutual Fund Industry Outlook

The recent increase in interest rates 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  
April 20, 2022



**Nasim Beg**  
Director/Vice Chairman  
April 20, 2022

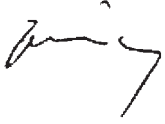
## ڈائریکٹرز رپورٹ

تصحیح سے valuations کھل گئی ہیں اور طویل المیعاد سرمایہ کاران پُرکشش سطحوں پر ایکوٹی میں سرمایہ کاری کرنا 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 سکے۔

اظہارِ شکر

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

من جانب ڈائریکٹرز



نسیم بیگ  
ڈائریکٹر /وائس چیئرمین  
20 اپریل 2022ء



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
20 اپریل 2022ء

باعث بین الاقوامی اشیائی قیمتوں اور عالمی مالی حالات میں غیر یقینی صورتحال پیدا ہو گئی ہے۔ ایس بی پی کے مطابق شرح میں حالیہ اضافے کے نتیجے میں forward looking شروح سود بڑھ کر معتدل حد تک مثبت محل وقوع میں آ گئی ہیں۔ چنانچہ مالیاتی سختی کے دور کا اختتام متوقع ہے۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز کے تناظر سے، اسٹاک کی قیمتوں میں حالیہ تصحیح سے valuation کھل گئی ہے۔ مارکیٹ نے سود کی شرح میں اضافے اور روپے کی قدر میں کمی سے فائدہ اٹھایا ہے۔ مارکیٹ cap کا مجموعی ملکی پیداوار (جی ڈی پی) کے ساتھ تناسب کم ہو کر 13.4 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 69 فیصد کی ہے۔ اسی طرح، ریسک پریمیئم 6.0 فیصد کے قریب ہیں جو اپنے قدیم اوسط 1.9 فیصد کے مقابلے میں مارکیٹ میں جاری تجارت میں گہری رعایت کی نشاندہی کرتے ہیں۔ ہم سمجھتے ہیں کہ سیکٹرز اور اسٹاک کی خورد تصویر اہم رہے گی اور سرمایہ کاری کے انتخاب کا انحصار ایسی کمپنیوں پر ہونا چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ فی الوقت مارکیٹ میں 5.7 گنا PER پر تجارت ہو رہی ہے جبکہ 8.3 فیصد ڈیویڈنڈ منافع پیش کیا جا رہا ہے۔

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز کے منافع جات افراط زر کے دباؤ کے باعث بلند سطحوں پر برقرار رہیں گے۔ ہم بانڈز کے منافعوں کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا پوائنٹس کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

### میوچل فنڈ صنعت کا جائزہ

مالی سال 2022ء کے ابتدائی نو ماہ کے دوران اوپن end میوچل فنڈ صنعت کے net اثاثہ جات تقریباً 7.4 فیصد بڑھ کر 1,093 بلین روپے ہو گئے۔ منی مارکیٹ کے مجموعی فنڈز میں جون 2021ء کے بعد سے تقریباً 11.9 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے جو تقریباً 19.6 فیصد بڑھ کر 341 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 0.2 فیصد کم ہو کر 181 بلین روپے ہو گئے۔ مزید براں، مجموعی فیکسڈ انکم فنڈز میں جون 2021ء سے تقریباً 17.7 فیصد اضافہ ہوا کیونکہ روایتی انکم فنڈز 21.5 فیصد بڑھ کر 153 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں 17.7 فیصد کمی ہوئی کیونکہ مالی سال 2022ء کے ابتدائی نو ماہ کے دوران مارکیٹ تنزل کا شکار رہی جس کے نتیجے میں مجموعی معاشی اور جغرافیائی۔ سیاسی عوامل پر تشویش کے باعث سرمایہ کاروں کی حوصلہ شکنی اثاثہ جات تحت الانظامیہ (AUMs) میں انحطاط کا سبب بنی۔

شعبہ جاتی اعتبار سے منی مارکیٹ فنڈز تقریباً 47.8 فیصد حصے کے ساتھ سب سے آگے رہے، جبکہ انکم فنڈز 26.4 فیصد حصے اور ایکویٹی اور ایکویٹی سے متعلقہ فنڈز 24.3 فیصد حصے کے ساتھ بالترتیب دوسرے اور تیسرے نمبر پر رہے۔

### میوچل فنڈ صنعت کے مستقبل کے امکانات

سود کی شرحوں میں حالیہ اضافے سے منی مارکیٹ فنڈز میں آمدات میں اضافہ ہوگا۔ منی مارکیٹ فنڈز اپنی مختصر میعاد کی بدولت ایسے سرمایہ کاروں کے لیے موزوں ترین ہوں گے جو مختصر مدت کے لیے کم خطرات کے ساتھ چلنا چاہتے ہیں۔ تاہم اسٹاک کی قیمتوں میں حالیہ



## معیشت اور بازار - مستقبل کے امکانات

روس اور یوکرین کے مابین جاری جنگ نے بین الاقوامی اشیائی قیمتوں کو بلند سطحوں پر رکھا ہوا ہے جس کے باعث درآمداتی بل اور خارجی جہت کے امکانات سے متعلق اندیشوں میں اضافہ ہوا ہے۔ مزید برآں، حکومت نے سیاسی دباؤ کے باعث populist (یعنی عوام کی مملکت کا) قدم اٹھایا تاکہ توانائی کی بین الاقوامی قیمتوں کو جذب کیا جاسکے اور پٹرولیم کی قیمتوں کو غیر تبدیل شدہ رکھا جاسکے۔ اس کے نتیجے میں بنیادی ڈھانچے سے متعلق اصلاح کے عمل میں رکاوٹ پیدا ہوئی اور آئی ایم ایف پروگرام التواء کا شکار ہو گیا ہے۔ مستقبل میں نئی حکومت کو آئی ایم ایف کے ساتھ مربوط ہو کر ترقی اور خارجی اکاؤنٹ کے استحکام کے مابین درست توازن تلاش کرنا ہوگا۔

ہمارے اندازے کے مطابق مجموعی ملکی پیداوار (جی ڈی پی) میں اس سال 4.5 فیصد اضافہ ہوگا، جو حکومتی ہدف 4.8 فیصد سے کچھ کم ہے۔ زراعت، صنعت اور خدمات کے شعبوں میں پالترتیب 4.5 فیصد، 4.1 فیصد اور 4.5 فیصد ترقی متوقع ہے۔ صنعتی شعبے کی ترقی تیز رفتار ہو سکتی لیکن حکومتی ہدف سے کم رہے گی کیونکہ مالیاتی سختی کے نتیجے میں طلب مسکڑ گئی ہے۔ البتہ گندم اور کپاس کی بہتر فصل کی بدولت زراعت کے شعبے کی ترقی حکومتی تخمینوں سے سبقت لے جاسکتی ہے۔ کووڈ ویکسینیشن کا دور کافی کامیاب رہا جس کے نتیجے میں خدمات کے شعبے میں بحالی متوقع ہے کیونکہ یہ شعبہ واء سے سب سے زیادہ متاثر ہوا تھا۔

مسلل بڑھی ہوئی بین الاقوامی اشیائی قیمتوں، خصوصاً پٹرولیم، پام تیل، کھاد اور اسٹیل، کے نتیجے میں درآمدات میں بھرپور بحالی اور کرنٹ اکاؤنٹ خسارے میں اضافہ ہوا ہے جو اختتام سال پر ہمارے اندازے کے مطابق تقریباً 19.0 بلین ڈالر (جی ڈی پی کا 5.7 فیصد) ہوگا۔ یہ مالی سال 2018ء میں ہونے والے 19.2 بلین ڈالر خسارے (جی ڈی پی کا 6.1 فیصد) کے بعد تاحال سب سے بڑا خسارہ ہوگا۔ اس بلند خسارے کے رد عمل میں ہم سمجھتے ہیں کہ روپے کی قدر میں مزید کمی ہوگی اور مالی سال کے اختتام پر یہ تقریباً 192 روپے بالمقابل ایک ڈالر ہوگا۔

آئی ایم ایف پروگرام کی کامیابی بحالی مالیاتی اکاؤنٹ کو مثبت محل وقوع میں رکھنے کے لیے کلیدی شرط ہوگی۔ اسٹیٹ بینک آف پاکستان متوقع طور پر غیر ضروری درآمدات کی حوصلہ شکنی جاری رکھے گا اور مارکیٹ سے تعین کردہ لچکدار شرح مبادلہ اور موزوں مالیاتی پالیسی کے ذریعے خارجی اکاؤنٹ کے استحکام کو یقینی بنائے گا۔ ترسیلاتِ زرمع دو جہتی اور کثیر الجہتی آمدات بھی خارجی اکاؤنٹ کو سنبھالنے میں اہم عوامل ثابت ہوں گے۔

افراطِ زر کا اوسط مالی سال 2022ء میں 11.6 فیصد اور مالی سال 2023ء میں 13.8 فیصد متوقع ہے بشرطیکہ تیل کی بین الاقوامی قیمت 100 ڈالر فی بیرل برقرار رہے۔ اشیائی قیمتوں میں حالیہ اضافہ اور اس کے نتیجے میں ہونے والی روپے کی قدر میں کمی کے باعث افراطِ زر کے قریب المیاد میں بلند رہنے کا امکان ہے۔ حالیہ مانیٹری پالیسی منعقدہ اپریل 2022ء میں اسٹیٹ بینک آف پاکستان (ایس بی پی) نے پالیسی شرح میں 250 بی پی ایس اضافہ کر کے اسے 12.25 فیصد کر دیا کیونکہ روس اور یوکرین کے مابین جنگ کے

## ڈائریکٹر رپورٹ

افراط زر باعث تشویش بنی رہی کیونکہ بڑھتی ہوئی اشیائی قیمتوں کی وجہ سے پالیسی ساز مشکلات کا شکار رہے۔ مجموعی افراط زر، جس کی ترجمانی صارفی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط مالی سال 2022ء کے ابتدائی نو ماہ میں 10.7 فیصد تھا، جبکہ مالی سال 2021ء کے ابتدائی نو ماہ میں 8.4 فیصد تھا۔ اس اضافے کی بنیادی وجوہ اشیائے خورد و نوش کی بڑھتی ہوئی قیمتیں، توانائی (بجلی اور ایندھن، دونوں) کی لاگتوں میں اضافہ، اور پاکستانی روپے کی قدر میں کمی کے دوسرے مرحلے کا اثر تھیں، جس سے درآمد شدہ اشیاء کی قیمتیں بلند رہتی ہیں۔ بنیادی افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، میں بھی اضافے کا رجحان رہا اور مارچ 2022ء میں 9.5 فیصد تک جا پہنچی، جبکہ جون 2021ء میں 6.9 فیصد تھی۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) پالیسی شرح میں مجموعی طور پر 525 بیس پوائنٹس (بی پی ایس) کا اضافہ کر کے اسے 12.75 فیصد تک لے گیا تاکہ افراط زر کے دباؤ اور مجموعی طلب میں سست روی کا مقابل کیا جاسکے۔

مالیاتی جہت میں فیڈرل بورڈ آف ریونیو (ایف بی آر) کی ٹیکس وصولی مالی سال 2022ء کے ابتدائی نو ماہ میں 29.1 فیصد بڑھ کر 4,382 بلین روپے تک پہنچ گئی جو 4,134 بلین روپے کے ہدف سے 248 بلین روپے زیادہ تھی، جبکہ گزشتہ سال مماثل مدت کے دوران 3,394 بلین روپے تھی۔ اس بہتر کارکردگی کی بنیادی وجہ درآمد کے مرحلے پر پہلے سے زیادہ کسٹم ڈیوٹی اور سیلز ٹیکس کی وصولی ہے۔

ثانوی مارکیٹوں کے منافع جات میں مالی سال 2022ء میں قابل ذکر اضافہ ہوا ہے کیونکہ ایس بی پی نے مالیاتی سختی کے دور کا آغاز کر دیا۔ روپے کی قدر میں حالیہ کمی کے ساتھ مسلسل بڑھی ہوئی اشیائی قیمتوں سے افراط زر پر دباؤ میں اضافہ ہوگا اور افراط زر کا اوسط درمیانی مدت میں متوقع طور پر بلند رہے گا۔ تین، پانچ اور دس سالہ بانڈز کے منافع جات میں دوران مدت بالترتیب 2.1، 2.4 اور 1.4 فیصد اضافہ ہوا۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 8.17 فیصد کے مقررہ منافع کے مقابلے میں (1.37 فیصد اضافے کے ساتھ) 9.54 فیصد منافع حاصل کیا۔ مارچ کے آخر میں فنڈ کا ڈبلو اے ایم 01 دن تھا۔

مارچ کے آخر میں اس فنڈ کی 99.0 فیصد سرمایہ کاری نقد میں تھی۔ نقد میں زیادہ سرمایہ کاری کی وجہ بینک ڈپازٹس پر منافع بخش شریعت تھی۔ 31 مارچ 2022ء کو فنڈ کے خالص اثاثے 6.49 فیصد اضافے کے ساتھ 36,238 ملین روپے ہو گئے جبکہ 30 جون 2021ء کو فنڈ کے خالص اثاثے 34,030 ملین روپے تھے۔

31 مارچ 2022ء کو خالص اثاثہ قدر (این اے وی) فی یونٹ 101.4371 روپے رہی جبکہ 30 جون 2021ء کو این اے وی 100.9800 روپے فی یونٹ تھی، یعنی 0.4571 روپے فی یونٹ کا اضافہ درج کیا گیا۔

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی کیش مینجمنٹ آپٹیمائزر کے گوشواروں کا جائزہ برائے نومبر اور سہ ماہی مختتمہ 31 مارچ 2022ء پیش خدمت ہے۔

### معیشت اور بازار کا جائزہ

گزشتہ کچھ ہفتوں کے دوران ملک میں سیاسی افراتفری توجہ کا مرکز بنی رہی۔ حکمران جماعت نے قومی اسمبلی میں اکثریت کھودی اور حزب اختلاف کی قیادت میں بننے والے اتحاد کے ہاتھوں حکومت کا تختہ الٹ گیا۔ یہ تبدیلی پہلے سے ہی کمزور معاشی ماحول کے پس منظر میں ایکوٹی، مقررہ آمدنی اور شرح مبادلہ کی مارکیٹوں میں عدم استحکام کا باعث بنی۔ اس مضطرب سیاسی ماحول میں مارکیٹیں نئی حکومت کی معیشت کو مستحکم کرنے کی پالیسیوں اور اقدام کی منتظر ہیں۔

مالی سال (جولائی-جون) کا آغاز مضبوط نوٹ کے ساتھ ہوا جس میں حکومت کی جانب سے مالی سال 2022 (FY22) کے بجٹ میں کئی مراعات کے ذریعے ترقی کی بحالی پر نئی توجہ مرکوز کی گئی۔ یہ مالیاتی تسہیل کے تاخیری اثر اور کم شرحوں (TERF) پر سرمایہ کاری کی ترغیبات پر مستزاد تھا جس سے ترقی کو مزید معاونت حاصل ہوئی۔ تاہم مقامی طلب میں تیز رفتار بحالی اور اس کے ساتھ ساتھ بڑھتی ہوئی بین الاقوامی اشیائی قیمتوں کے نتیجے میں درآمدات میں بھی بھرپور بحالی ہوئی اور کرنٹ اکاؤنٹ خسارے میں متناسب اضافہ ہوا۔ روس اور یوکرین کے مابین تنازعے کے باعث مشکلات میں اضافہ ہوا کیونکہ بین الاقوامی اشیائی قیمتیں کئی برسوں کی بلند ترین سطح پر پہنچ گئیں۔

مالی سال 2022ء کے ابتدائی آٹھ ماہ میں ملک کا کرنٹ اکاؤنٹ خسارہ 12.1 بلین ڈالر تھا، جبکہ گزشتہ سال کی مماثل مدت میں 1.0 بلین ڈالر فاضل (منافع) تھا۔ یہ مالی سال 2018ء کے ابتدائی آٹھ ماہ میں ہونے والے 10.6 بلین ڈالر خسارے سے تاحال سب سے زیادہ خسارہ تھا۔ اس کی بنیادی وجہ ابتدائی آٹھ ماہ درآمدات میں 49.1 فیصد اضافہ تھی، جبکہ برآمدات میں اضافہ 28.1 فیصد تھا۔ تجارتی خسارہ 70.2 فیصد بڑھ کر 27.3 بلین ڈالر ہو گیا، جبکہ گزشتہ سال مماثل مدت میں 16.0 بلین ڈالر تھا۔ درآمدات میں یہ فقید المثال اضافہ ہماری اشیائی basket کی قدیم بلند قیمتوں کی بدولت ہوا، بشمول خام تیل، پام تیل، کونڈہ اور اس کے ساتھ ساتھ ویکسین کی یکبار درآمد۔ ہمارے اندازے کے مطابق درآمداتی بل میں قیمتوں کا دو تہائی حصہ تھا۔

مرکزی بینک کے زیر مبادلہ کے ذخائر میں 5.3 بلین ڈالر کمی ہوئی جس کی وجہ کرنٹ اکاؤنٹ کا بلند تر خسارہ اور ادائیگی عرصہ میں اضافہ تھا۔ علاوہ ازیں، پاکستان چین سے 2.2 بلین ڈالر کے تجارتی قرض کی بروقت تجدید نہیں کر سکا جس کے باعث ذخائر پر مزید باؤ پڑا۔ مزید برآں، ریکوڈک معاملے کو نمٹانے کے لیے 900 ملین ڈالر جرمانے کی ادائیگی کے باعث ذخائر گزشتہ 22 ماہ کی پست ترین سطح 11.3 بلین ڈالر پر پہنچ گئے، یعنی بمشکل کچھ ماہ کا درآمداتی cover۔ یہ اخراجات بمع پھیلتے ہوئے کرنٹ اکاؤنٹ خسارے کے نتیجے میں روپے کی ڈالر کے مقابلے میں قدر مالی سال کے آغاز سے 14.1 فیصد کم ہو گئی۔



# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2022

		March 31, 2022 (Unaudited) ----- (Rupees in '000) -----	June 30, 2021 (Audited) -----
	Note		
<b>ASSETS</b>			
Balances with banks	4	35,942,785	34,046,358
Investments	5	-	-
Advances, deposits, prepayments and other receivables		373,979	193,427
<b>Total assets</b>		36,316,764	34,239,785
<b>LIABILITIES</b>			
Payable to the MCB-Arif Habib Savings and Investments Limited - Management Company	6	9,755	10,199
Payable to Central Depository Company of Pakistan Limited - Trustee		1,789	2,015
Payable to the Securities and Exchange Commission of Pakistan		5,090	6,427
Accrued and other liabilities	7	62,611	191,481
<b>Total liabilities</b>		79,245	210,122
<b>NET ASSETS</b>		<u>36,237,519</u>	<u>34,029,663</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>36,237,519</u>	<u>34,029,663</u>
<b>Contingencies and commitments</b>	8		
		<b>(Number of units)</b>	
<b>NUMBER OF UNITS IN ISSUE</b>		<u>357,241,340</u>	<u>336,994,243</u>
		<b>(Rupees)</b>	
<b>NET ASSET VALUE PER UNIT</b>		<u>101.4371</u>	<u>100.9800</u>

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

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



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

	Nine months period ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Note	(Rupees in '000)			
<b>INCOME</b>				
Capital gain / (loss) on sale of investments - net	79,254	4,529	12,734	12,354
Profit on term deposits	53,557	-	42,542	-
Profit on bank deposits	1,461,057	918,591	534,500	560,996
Income from government securities	774,673	838,191	360,016	585,806
Income on letter of placement	13,370	1,985	13,370	-
	2,381,911	1,763,296	963,162	1,159,156
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'- net	-	(2)	(2,960)	
<b>Total income</b>	2,381,911	1,763,294	960,202	1,159,156
<b>EXPENSES</b>				
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	64,323	75,546	18,769	52,432
Sindh Sales tax on remuneration of the Management Company	8,364	9,820	2,442	6,816
Allocated expenses	18,616	20,042	8,474	11,742
Remuneration of Central Depository Company of Pakistan Limited - Trustee	14,796	15,611	4,832	10,218
Sindh Sales tax on remuneration of Trustee	1,923	2,030	628	1,329
Selling and marketing expenses	26,838	-	-	-
Annual fee to the Securities and Exchange Commission of Pakistan	5,090	4,803	1,758	3,139
Legal and professional charges	514	102	45	67
Brokerage expenses	1,731	289	713	174
Auditor's remuneration	765	853	223	470
Other expenses	1,092	825	407	541
<b>Total operating expenses</b>	144,052	129,921	38,291	86,928
<b>Net income from operating activities</b>	2,237,859	1,633,373	921,911	1,072,228
(Reversal) / Provision for Sindh Workers' Welfare Fund (SWWF) 7.1	(134,276)	32,667	-	21,171
<b>Net income for the period before taxation</b>	2,372,135	1,600,706	921,911	1,051,057
Taxation 9	-	-	-	-
<b>Net income for the period after taxation</b>	2,372,135	1,600,706	921,911	1,051,057
<b>Allocation of net income for the period:</b>				
Net income for the period	2,372,135	1,600,706		
Income already paid on units redeemed	(391,226)	(101,013)		
	1,980,909	1,499,691		
<b>Accounting income available for distribution</b>				
- Relating to capital gains	60,885	4,529		
- Excluding capital gains	1,920,024	1,495,162		
	1,980,909	1,499,691		

Earnings per unit

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

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



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

	<u>Nine months</u>	<u>period ended</u>	<u>Quarter ended</u>	
	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	------(Rupees in '000)-----			
<b>Net income for the period after taxation</b>	2,372,135	1,600,704	921,911	1,051,057
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>2,372,135</u>	<u>1,600,704</u>	<u>921,911</u>	<u>1,051,057</u>

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

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



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Nine months period ended March 31, 2022			Nine months period ended March 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Note	----- (Rupees in '000) -----					
<b>Net assets at the beginning of the period</b>	33,870,518	159,145	34,029,663	27,987,813	117,973	28,105,786
Issue of 1,144,094,072 units - including additional units (2021: 793,316,340 units)						
- Capital value (at net asset value per unit at the beginning of the period)	115,530,619	-	115,530,619	80,010,792	-	80,010,792
- Element of income	350,342	-	350,342	79,304	-	79,304
	115,880,961	-	115,880,961	80,090,096	-	80,090,096
Redemption of 1,123,846,975 units (2021: 734,127,016 units)						
- Capital value (at net asset value per unit at the beginning of the period)	113,486,068	-	113,486,068	74,041,188	-	74,041,188
- Element of income	70,644	391,226	461,870	1,762	101,013	102,775
	113,556,712	391,226	113,947,938	74,042,950	101,013	74,143,963
Total comprehensive income for the period	-	2,372,135	2,372,135	-	1,600,704	1,600,704
Interim distribution during the period (including additional units)	(291,130)	(1,806,172)	(2,097,302)	(77,028)	(1,433,325)	(1,510,353)
14	(291,130)	565,963	274,833	(77,028)	167,379	90,351
<b>Net assets at the end of the period</b>	<b>35,903,637</b>	<b>333,882</b>	<b>36,237,519</b>	<b>33,957,931</b>	<b>184,339</b>	<b>34,142,270</b>
<b>Undistributed income brought forward comprising of:</b>						
- Realised	159,145			117,891		
- Unrealised	-			82		
	159,145			117,973		
<b>Accounting income available for distribution</b>						
- Relating to capital gains	60,885			4,529		
- Excluding capital gains	1,920,024			1,495,162		
	1,980,909			1,499,691		
Cash distribution during the period	1,806,172			1,433,325		
<b>Undistributed income carried forward</b>	<b>333,882</b>			<b>184,339</b>		
<b>Undistributed income carried forward comprising of:</b>						
- Realised	333,882			184,339		
- Unrealised	-			-		
	333,882			184,339		
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the period	100.9800			100.8561		
Net asset value per unit at the end of the period	101.4371			101.0541		

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

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



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

## FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Nine months period ended	
	March 31, 2022	March 31, 2021
Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	2,372,135	1,600,704
<b>Adjustments for:</b>		
(Reversal) / Provision for Sindh Workers' Welfare Fund (SWWF)	(134,276)	32,667
	<u>2,237,859</u>	<u>1,633,371</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	-	33,582
Advances, deposits, prepayments and other receivables	(180,552)	(28,031)
Receivable against sale of investment	-	3,360,717
	<u>(180,552)</u>	<u>3,366,268</u>
<b>(Decrease) / increase in liabilities</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(444)	(5,707)
Payable to Central Depository Company of Pakistan Limited - Trustee	(226)	486
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(1,337)	930
Payable against purchase of investments	-	(3,352,541)
Accrued and other liabilities	5,406	(1,738)
	<u>3,399</u>	<u>(3,358,570)</u>
<b>Net cash generated from operating activities</b>	<u>2,060,706</u>	<u>1,641,069</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units (excluding additional units)	115,589,831	80,013,068
Payments on redemption of units	(113,947,938)	(74,143,963)
Cash distributions made during the period	(1,806,172)	(1,433,325)
<b>Net cash generated from financing activities</b>	<u>(164,279)</u>	<u>4,435,780</u>
<b>Net increase in cash and cash equivalents</b>	<u>1,896,427</u>	<u>6,076,849</u>
Cash and cash equivalents at the beginning of the period	34,046,358	28,023,622
<b>Cash and cash equivalents at the end of the period</b>	<u>10</u> <u>35,942,785</u>	<u>34,100,471</u>

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

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



Chief Executive Officer



Chief Financial Officer



Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Cash Management Optimizer (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated July 09, 2009 consequent to which the trust deed was executed on July 10, 2009, in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) 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 SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-end mutual fund and has been categorised as 'Money Market Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by SECP and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. Unit holders are divided into plan 'A' and plan 'B'. The unit holders under plan "A" are entitled for bonus units as well as cash dividend, whereas unit holders under plan "B" are entitled for cash dividend only. The units are listed on Pakistan Stock Exchange Limited (PSX).
- 1.4 The Fund primarily invests in a mix of short term corporate debt and government securities, repurchase agreements, term deposit and money market placements with scheduled banks.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2021 to the Management Company and a stability rating of 'AA+(f)' dated March 09, 2022 to the Fund.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.7 During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

## 2. BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

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;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements 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.

- 2.2 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. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2022 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2021, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2022.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

- 2.3** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.4** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.
- 2.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES**

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2021.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2021.

<b>4</b>	<b>BALANCES WITH BANKS</b>	<b>Note</b>	<b>March 31, 2022</b>	<b>June 30, 2021</b>
			<b>(Unaudited)</b>	<b>(Audited)</b>
			<b>----- (Rupees in '000) -----</b>	
	In current accounts		43,645	4,223,994
	In saving accounts	4.1	35,899,140	29,822,364
		4.2	<u>35,942,785</u>	<u>34,046,358</u>

- 4.1** These carry mark-up at rates ranging between 8.25% to 12.75% per annum (June 2021: 5.5% to 7.85% per annum).
- 4.2** These include balances of Rs. 55.197 million (June 2021: Rs. 30.109 million) maintained with MCB Bank Limited (a related party).

<b>5</b>	<b>INVESTMENTS</b>	<b>Note</b>	<b>March 31, 2022</b>	<b>June 30, 2021</b>
			<b>(Un-audited)</b>	<b>(Audited)</b>
			<b>----- (Rupees in '000) -----</b>	
<b>5.1</b>	<b>Investments at fair value through profit or loss</b>			
	Market Treasury Bills	5.1.1	-	-
			<u>-</u>	<u>-</u>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

## 5.1.1 Market treasury bills - 'at fair value through profit or loss'

Name of Security	Issue Date	Face value				As at 31 March, 2022			Market value as a percentage of	
		As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at March 31, 2022	Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments

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

### Market treasury

#### bills - 3 months

Market treasury bills	May 6, 2021	-	4,000,000	4,000,000	-	-	-	-	-	-
Market treasury bills	May 20, 2021	-	6,000,000	6,000,000	-	-	-	-	-	-
Market treasury bills	June 3, 2021	-	2,000,000	2,000,000	-	-	-	-	-	-
Market treasury bills	June 17, 2021	-	4,000,000	4,000,000	-	-	-	-	-	-
Market treasury bills	July 2, 2021	-	4,500,000	4,500,000	-	-	-	-	-	-
Market treasury bills	July 15, 2021	-	7,700,000	7,700,000	-	-	-	-	-	-
Market treasury bills	July 29, 2021	-	6,500,000	6,500,000	-	-	-	-	-	-
Market treasury bills	August 12, 2021	-	12,000,000	12,000,000	-	-	-	-	-	-
Market treasury bills	August 26, 2021	-	4,000,000	4,000,000	-	-	-	-	-	-
Market treasury bills	September 9, 2021	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	September 23, 2021	-	3,500,000	3,500,000	-	-	-	-	-	-
Market treasury bills	October 7, 2021	-	5,825,000	5,825,000	-	-	-	-	-	-
Market treasury bills	October 21, 2021	-	5,000,000	5,000,000	-	-	-	-	-	-
Market treasury bills	November 4, 2021	-	400,000	400,000	-	-	-	-	-	-
Market treasury bills	December 2, 2021	-	44,000,000	44,000,000	-	-	-	-	-	-
Market treasury bills	December 16, 2021	-	19,100,000	19,100,000	-	-	-	-	-	-
Market treasury bills	December 30, 2021	-	14,000,000	14,000,000	-	-	-	-	-	-
Market treasury bills	January 13, 2022	-	5,800,000	5,800,000	-	-	-	-	-	-
Market treasury bills	January 27, 2022	-	13,400,000	13,400,000	-	-	-	-	-	-
Market treasury bills	February 24, 2022	-	1,000,000	1,000,000	-	-	-	-	-	-

### Market treasury

#### bills - 6 months

Market treasury bills	February 25, 2021	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	March 11, 2021	-	950,000	950,000	-	-	-	-	-	-
Market treasury bills	March 25, 2021	-	2,000,000	2,000,000	-	-	-	-	-	-
Market treasury bills	April 22, 2021	-	13,100,000	13,100,000	-	-	-	-	-	-
Market treasury bills	May 6, 2021	-	2,424,390	2,424,390	-	-	-	-	-	-
Market treasury bills	May 20, 2021	-	7,000,000	7,000,000	-	-	-	-	-	-
Market treasury bills	June 3, 2021	-	24,285,000	24,285,000	-	-	-	-	-	-
Market treasury bills	June 17, 2021	-	26,000,000	26,000,000	-	-	-	-	-	-
Market treasury bills	July 2, 2021	-	4,500,000	4,500,000	-	-	-	-	-	-
Market treasury bills	July 15, 2021	-	20,273,000	20,273,000	-	-	-	-	-	-
Market treasury bills	July 29, 2021	-	15,566,500	15,566,500	-	-	-	-	-	-
Market treasury bills	August 12, 2021	-	5,500,000	5,500,000	-	-	-	-	-	-
Market treasury bills	August 26, 2021	-	8,500,000	8,500,000	-	-	-	-	-	-
Market treasury bills	September 9, 2021	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	December 2, 2021	-	2,000,000	2,000,000	-	-	-	-	-	-
Market treasury bills	December 16, 2021	-	4,600,000	4,600,000	-	-	-	-	-	-
Market treasury bills	December 30, 2021	-	5,000,000	5,000,000	-	-	-	-	-	-
Market treasury bills	January 13, 2022	-	1,000,000	1,000,000	-	-	-	-	-	-
Market treasury bills	January 27, 2022	-	5,883,000	5,883,000	-	-	-	-	-	-
Market treasury bills	February 10, 2022	-	1,000,000	1,000,000	-	-	-	-	-	-

Total as at March 31, 2022

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Total as at June 30, 2021

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# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

		March 31, 2022 (Unaudited) ---(Rupees in '000)---	June 30, 2021 (Audited)
<b>6</b>	<b>PAYABLE TO MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>	<b>Note</b>	
	Management remuneration payable	6.1	6,086
	Sindh sales tax payable on remuneration of the Management Company	6.2	791
	Allocated expenses payable		2,878
	Selling and marketing expenses payable		995
			-
		<u>9,755</u>	<u>10,199</u>

**6.1** The management company has charged management fee at the rate upto, 7.5% of the gross earnings of scheme, calculated on a daily basis.

**6.2** Sindh sales tax on remuneration of the management company has been charged at the rate of 13% (June 30, 2021: 13%).

		March 31, 2022 (Unaudited) ----- (Rupees in '000) -----	June 30, 2021 (Audited)
<b>7</b>	<b>ACCRUED AND OTHER LIABILITIES</b>	<b>Note</b>	
	Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	-
	Provision for Federal Excise Duty payable on:		134,276
	-Remuneration of the management fee	7.2	54,267
	-Sales load		19
	Brokerage payable		197
	Capital gain tax payable		13
	Auditor's remuneration payable		6,514
	Printing expense payable		1,689
	Other payable		406
			35
		<u>1,173</u>	<u>526</u>
		<u>62,611</u>	<u>191,481</u>

## **7.1 Provision for Sindh Workers' Welfare Fund**

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in the financial statements of the Fund.

## **7.2 Federal Excise Duty on remuneration of the Management Company**

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the period ended March 31, 2022. Had the provision for FED not been made, the Net Asset Value of the Fund as at March 31, 2022 would have been higher by Re 0.1519 (June 30, 2021: Re 0.161) per unit.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

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### 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2022 and June 30, 2021.

### 9 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management intends to distribute atleast 90% of income earned by the Fund in cash during the year ending June 30, 2022 to the unit holders therefore, no provision for taxation has been made in these condensed interim financial statements.

### 11 EARNINGS PER UNIT

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

### 12 EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 0.51% (March 31, 2021: 0.68%) which includes 0.05% (March 31, 2021: 0.21%) representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee.

### 13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

The details of transactions during the current period and balances at period end with related parties / connected persons are as follows:

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

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

	Nine months period ended March 31,	
	2022	2021
	----- (Unaudited) -----	
	----- (Rupees in '000) -----	
<b>MCB-Arif Habib Savings and Investments Limited</b>		
Remuneration of the Management Company and related taxes	72,687	85,366
Allocated expenses	18,616	20,042
Selling and marketing expenses	26,838	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee and related taxes	16,719	17,641
<b>MCB Bank Limited</b>		
Profit on bank deposits	825	1,014
Bank Charges	135	179
<b>Arif Habib Limited - Brokerage House</b>		
Brokerage expense*	245	14
	(Unaudited)	(Audited)
	March 31,	June 30,
	2022	2021
	----- (Rupees in '000) -----	

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

<b>MCB-Arif Habib Savings and Investments Limited</b>		
Remuneration payable	6,086	8,147
Sindh sales tax payable on remuneration of the Management Company	791	1,057
Allocated expenses payable	2,878	995
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	1,583	1,783
Sindh sales tax payable on trustee fee	206	232
<b>MCB Bank Limited</b>		
Bank deposits	43,659	30,109
Profit receivable on bank deposits	335	419
<b>Arif Habib Limited - Brokerage House</b>		
Brokerage payable*	2	-

\* 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 (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

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

For nine months ended March 31, 2022 (Unaudited)								
As at July 01, 2021	Issued for cash	Redeemed	As at March 31, 2022	As at July 01, 2021	Issued for cash	Redeemed	As at March 31, 2022	
Units				(Rupees in '000)				
<b>Associated Companies</b>								
MCB - Arif Habib Savings and Investments Limited - Management Company	64,767	35,503,858	33,754,795	1,813,829	6,540	3,589,770	3,422,581	183,990
Sayyed Engineers Limited	5,981	338	-	6,319	604	24	-	641
Adamjee Life Assurance Company Limited	518,776	28,953	197,811	349,917	52,386	2,924	20,000	35,495
Adamjee Life Assurance IMF	-	1,479,229	-	1,479,229	-	150,000	-	150,049
Adamjee Life Assurance Co.Ltd.(Isf)	-	21,794,007	16,345,024	5,448,983	-	2,202,022	1,656,849	552,729
Adamjee Life Assurance Co Ltd Isf li	-	38,096,480	32,152,823	5,943,657	-	3,848,116	3,256,925	602,907
Adamjee Life Assurance Co. Ltd.-Nuil Fund	-	1,783,013	-	1,783,013	-	180,049	-	180,864
Asghari Beg Memorial Trust	-	2	-	2	-	-	-	-
Nishat Power Limited Employees Provident Fund Trust	111,101	7,421	-	118,522	11,219	749	-	12,023
MCB Financial Seives Limited	862,616	33,409	863,649	32,377	87,107	3,374	87,500	3,284
D.G. Khan Cement Company Limited	3	-	-	3	-	-	-	-
Security General Insurance Company Limited	10,276	122	10,399	-	1,038	12	1,051	-
Adamjee Insurance Company Limited.	-	-	-	-	-	-	-	-
Employees Gratuity Fund	68,133	318,078	386,210	1	6,880	32,119	39,057	-
Adamjee Insurance Company Limited	-	-	-	-	-	-	-	-
Employees Provident Fund	196,012	634,587	830,600	-	19,793	64,081	83,987	-
ITminds Limited	-	99,030	99,030	-	-	10,000	10,042	-
<b>Directors and executives of the management company *</b>	23,011,248	8,385,885	854,329	30,542,805	2,323,676	847,049	86,619	3,098,173
<b>Mandate Under Discretionary Portfolio Services*</b>	1,963,418	59,017,897	46,951,036	14,030,278	198,266	5,962,023	4,764,648	1,423,190
<b>Unit holders holding 10% or more units</b>	82,168,723	477,809,393	498,575,646	61,402,469	8,297,398	64,897,207	30,133,828	6,228,487

\* This reflects the position of related party / connected person status as at March 31, 2021

For nine months ended March 31, 2021 (Unaudited)								
As at July 01, 2020	Issued for cash	Redeemed	As at March 31, 2021	As at July 01, 2020	Issued for cash	Redeemed	As at March 31, 2021	
Units				(Rupees in '000)				
<b>Associated Companies</b>								
MCB - Arif Habib Savings and Investments Limited - Management Company	5,469,446	40,194,334	45,663,779	-	551,627	4,053,867	4,609,992	-
Sayyed Engineers Limited	5,654	235	-	5,889	570	24	-	595
Adamjee Life Assurance Company Limited	-	510,761	-	510,761	-	51,513	-	51,614
Adamjee Life Assurance IMF	-	1,241,626	1,241,626	-	-	125,226	125,447	-
Nishat Power Limited Employees Provident Fund Trust	103,985	4,957,851	4,952,751	109,086	10,488	514	-	11,024
Nishat Mills Limited Employees Provident Fund Trust	-	4,952,751	4,952,751	-	-	500,000	501,543	-
MCB Financial Seives Limited	834,417	34,672	19,799	849,290	84,156	3,497	2,000	85,824
D.G. Khan Cement Company Limited	3	-	-	3	-	-	-	-
Security General Insurance Company Limited	4,517,331	60,175	4,567,388	10,118	455,600	6,069	461,000	1,022
Adamjee Insurance Company Limited.	-	-	-	-	-	-	-	-
Employees Gratuity Fund	267,294	204,626	453,951	17,969	26,958	20,638	45,825	1,816
Adamjee Insurance Company Limited	-	-	-	-	-	-	-	-
Employees Provident Fund	534,504	406,766	941,269	-	53,908	41,025	95,017	-
Hyundai Nishat Motor (Private) Limited	-	-	-	-	-	-	-	-
Employees Provident Fund	22,188	1,088	-	23,276	2,238	2,237	110	2,352
ITminds Limited	-	129,114	129,114	-	-	13,022	13,041	-
Asghari Beg Memorial Trust	-	5,018	5,018	-	-	506	507	-
<b>Directors and executives of the management company *</b>								
	16,141,478	3,324,639	2,751,923	16,714,194	1,627,967	70,200	2,996	1,689,037
<b>Mandate Under Discretionary Portfolio Services*</b>								
	17,113,915	219,734,676	236,088,906	759,685	1,726,043	22,171,936	23,854,557	76,769
<b>Unit holders holding 10% or more units</b>	60,365,689	138,405,736	104,695,761	94,075,665	6,088,248	13,959,063	11,512,129	9,506,729

\* This reflects the position of related party / connected person status as at March 31, 2021

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2022**

**14 INTERIM DISTRIBUTION DURING THE PERIOD**

----- (Unaudited) -----					
-----March 31, 2022-----					
Rate per unit	Declaration date	Refund of capital	Distribution from income	Total distribution	
----- (Rupees in '000) -----					
For the period ended July 27, 2021	0.5378	July 28, 2021	3,437	173,670	177,107
For the period ended August 6, 2021	0.2347	August 9, 2021	603	75,805	76,408
For the period ended August 20, 2021	0.6364	August 23, 2021	833	203,422	204,255
For the period ended September 3, 2021	0.2684	September 6, 2021	4,665	70,657	75,322
For the period ended September 17, 2021	0.2955	September 20, 2021	4,695	85,301	89,996
For the period ended October 4, 2021	0.3346	October 5, 2021	8,952	104,983	113,935
For the period ended October 21, 2021	0.3685	October 22, 2021	8,266	128,925	137,191
For the period ended November 5, 2021	0.3449	November 8, 2021	2,714	103,629	106,343
For the period ended November 19, 2021	0.2783	November 22, 2021	1,946	79,041	80,987
For the period ended December 28, 2021	1.0150	December 29, 2021	105,791	246,708	352,499
For the period ended January 12, 2022	0.4663	January 13, 2022	64,417	124,223	188,640
For the period ended February 25, 2022	1.2644	February 28, 2022	25,991	263,197	289,189
For the period ended March 10, 2022	0.2830	March 11, 2022	33,861	63,557	97,419
For the period ended March 17, 2022	0.2224	March 18, 2022	24,958	83,053	108,012
			291,130	1,806,172	2,097,302

**15 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2022**

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**16 GENERAL**

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

**16.2** Certain prior period's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are material re-arrangements / re-classifications to report.

**17 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on April 20, 2022 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**

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