



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

# QUARTERLY REPORT

MARCH  
**2022**  
(UNAUDITED)

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



# **MCB PAKISTAN ASSET ALLOCATION FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcPakistan.com	
<b>Bankers</b>	Bank Alfalah Limited Habib Metropolitan Bank Limited MCB Bank Limited United Bank limited Zarai Taraqiati Bank Limited JS Bank Limited NRSP Microfinance Bank Limited Mobilink Microfinance Bank Limited U Microfinance Bank Limited Khushali Microfinance Bank Limited Tameer Microfinance Bank Limited Finca Microfinance Bank Limited HBL Microfinance Bank Limited National Bank of Pakistan Allied Bank Limited Faysal Bank Limited Bank Al Habib Limited Habib Bank Limited Silk Bank Limited Soneri Bank Limited	
<b>Auditors</b>	<b>Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
<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 Pakistan Asset Allocation Fund** accounts review for the nine months & quarter ended March 31, 2022.

## **Economy and Money Market Review**

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.

### Equity Market Review

The KSE-100 Index posted a negative return of 5.1% (2,427 points drop) in 9MFY22 compared to a positive return of 29.5% in same period last year. Challenging macros (rising interest rates, depreciating PKR and widening twin deficits), uncertainty on political front, high commodity prices, and MSCI's decision to downgrade Pakistan from Emerging Market to Frontier Market all weighed heavily on the index during the period under review.

Cement, Technology, and Refinery sector remained the major index dampeners, contributing 1,288 points, 733 points, and 542 points to the index fall, respectively. In the cement sector, unprecedented surge in international coal prices (USD 250/ton compared to an average of USD 72.5/ton last year) created a weak near-term earnings outlook for the sector leading to selling pressure. Moreover, decline in Technology sector was largely on the account of a company specific event which led to a sell-off. In the case of Refinery, delay in approval of refinery policy and continuous accumulation of circular debt led to the decline.

Foreign institutional investors continued their selling spree, adding another USD 271.1 million during the 9MFY22. This amount was absorbed primarily by local individuals and corporates with net inflow of USD 82.3mn and USD 81.1mn, respectively. During the 9 months, average trading volumes saw a decline to 305mn shares compared to 483mn shares same period last year. Similarly, average trading value during 9MFY22 saw a drop of 48% over 9MFY21 to ~USD 61mn.

### FUND PERFORMANCE

The fund posted a return of -1.43% during the period under review against the benchmark return of -4.00%. The fund has gradually increased exposure in equities which reached to 75.3% by the end of March, 2022 and at the same time it increased the exposure in cash to 23.0% at the end of March, 2022.

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

The Net Assets of the Fund as at March 31, 2022 stood at Rs. 1,120 million as compared to Rs. 912 million as at June 30, 2021 registering an increase of 22.81%. The Net Asset Value (NAV) per unit as at March 31, 2022 was Rs. 84.8198 as compared to opening NAV of Rs. 86.6497 per unit as at June 30, 2021 registering a decrease of -1.8299 per unit.

### Economy & Market – 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 have 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.

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

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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.

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

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

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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,



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**Muhammad Saqib Saleem**  
Chief Executive Officer  
April 20, 2022



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

## ڈائریکٹرز رپورٹ

منافع پیش کیا جا رہا ہے۔

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شروحوں 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 اسلاک فنڈز 0.2 فیصد کم ہو کر 181 بلین روپے ہو گئے۔ مزید برآں، 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 شروحوں 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 تصحیح سے valuations کھل گئی ہیں اور طویل المیعاد سرمایہ کاران پر کشش سطحوں پر ایکویٹی 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 سکتے۔

### اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابل قدر سرمایہ کاروں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیوں 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



ہے۔ زراعت، صنعت اور خدمات کے شعبوں میں بالترتیب 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 سکڑ 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۔

مسلسل 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۔ ترسیلات زرمع دو جہتی اور کثیر الجہتی آمدات بھی خارجی اکاؤنٹ کو سنبھالنے میں اہم عوامل ثابت ہوں گے۔

افراط 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 افراط 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 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 شروع سود بڑھ کر معتدل حد تک مثبت محل وقوع میں آگئی 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 کمی ہے۔ اسی طرح، رسک پرمیئم 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 تصویراہم 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

## ڈائریکٹر رپورٹ

ڈالرفنی ٹن گزشتہ سال) نے کونلے کے شعبے کے قریب المیعاہ مستقبل کے امکانات کمزور کر دیئے جس کے نتیجے میں اس پرفروخت کا دباؤ پڑا۔ ٹیکنالوجی کے شعبے میں تنزلی کی سب سے بڑی وجہ کمپنی سے متعلق ایک خاص واقعہ تھا جس کے نتیجے میں ایک فروخت ناگزیر ہو گئی۔ ریفائٹری کے شعبے میں ریفائٹری پالیسی کی منظوری میں تاخیر اور گردش قرض کا مسلسل جمع ہونا تنزلی کا سبب بنے۔ غیر ملکی ادارہ جاتی سرمایہ کاروں نے فروخت کا سلسلہ جاری رکھا اور مالی سال 2022ء کے ابتدائی نو ماہ کے دوران مزید 271.1 ملین ڈالر کا اضافہ کیا۔ اس رقم کے بنیادی خریدار مقامی افراد اور کارپوریٹ ادارے تھے۔ جسکی خالص آمدیا لرتربیب 82.3 ملین ڈالر اور 81.1 ملین ڈالر تھی۔ زیر جائزہ مدت کے دوران اوسط تجارتی حجم کم ہو کر 305 ملین حصص ہو گئے، جبکہ گزشتہ سال مماثل مدت میں 483 ملین حصص تھے۔ اسی طرح ابتدائی نو ماہ کے دوران اوسط تجارتی قدر 48 فیصد کم ہو کر 61 ملین ڈالر ہو گئی۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے (4.00) فیصد کے مقررہ منافع کے مقابلے میں (1.43) فیصد کا منافع حاصل کیا۔ فنڈ نے بتدریج ایکویٹیز میں سرمایہ کاری میں اضافہ کیا ہے جو مارچ 2022 کے آخر تک 75.3 فیصد تک پہنچ گیا اور اس کے ساتھ ہی مارچ 2022 کے آخر میں نقد رقم کی سرمایہ کاری میں اضافہ ہو کر 23.0 فیصد کر دیا گیا۔ ایکویٹی سائیڈ پر یہ فنڈ بنیادی طور پر کمرشل بینکوں اور سیمنٹ میں لگایا گیا تھا۔

31 مارچ 2022ء کو فنڈ کے خالص اثاثے 1,120 ملین روپے رہے جبکہ 30 جون 2021ء کو 912 ملین روپے تھے، یعنی 22.81 فیصد کا اضافہ درج کیا گیا۔

31 مارچ 2022ء کو خالص اثاثہ قدر (این اے وی) فی یونٹ 84.8198 روپے رہی جبکہ 30 جون 2021ء کو این اے وی 86.6497 روپے فی یونٹ تھی، یعنی (1.8299) فی یونٹ کی کمی درج کی گئی۔

### 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 براں، 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

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 وجہ 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 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۔

### ایکویٹی مارکیٹ کا جائزہ

مالی سال 2022ء کے ابتدائی نو ماہ میں کراچی اسٹاک ایکسچینج (کے ایس ای) 100 انڈیکس نے 5.1 فیصد منفی منافع پوسٹ کیا (2,427 پوائنٹس کمی) جبکہ گزشتہ سال کی مماثل مدت میں 29.5 فیصد مثبت منافع ہوا تھا۔ دقت آمیز مجموعی عوامل (سود کی بڑھتی ہوئی شرحوں، روپے کی گرتی ہوئی قدر اور پھیلنے ہوئے جڑواں خساروں)، سیاسی میدان میں غیر یقینی صورتحال، بلند اشیائی قیمتوں، اور MSCI کے پاکستان کی درجہ بندی کو امر جنگ مارکیٹ (اُبھرتی ہوئی مارکیٹ) سے کم کر کے 'فرنیچر مارکیٹ' (متوسط درجے کی مارکیٹ) کرنے کے فیصلے، تمام نے زیر جائزہ مدت کے دوران انڈیکس پر شدید بوجھ ڈالا۔

سینٹ، ٹیکنالوجی اور ریفرنسری کے شعبوں نے بالترتیب 1,288 پوائنٹس، 733 پوائنٹس، اور 542 پوائنٹس کمی کے ساتھ انڈیکس کو سب سے زیادہ متاثر کیا۔ کونسل کی بین الاقوامی قیمتوں میں فقید المثال اضافے (250 ڈالر فی ٹن سال رواں بالمقابل اوسطاً 72.5



بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان اثاثہ مختص فنڈ 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

	Note	(Un-audited) March 31, 2022	(Audited) June 30, 2021
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Bank balances	4	268,402	172,930
Investments	5	879,242	764,495
Dividend and profit receivable		12,844	1,544
Receivable against sale of investments		1,547	32,702
Receivable from National Clearing Company of Pakistan Limited		1,134	1,134
Advances, deposits, prepayments and other receivables		4,137	4,111
<b>Total assets</b>		1,167,306	976,916
<b>LIABILITIES</b>			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	6	3,702	2,263
Payable to Central Depository Company of Pakistan Limited - Trustee		202	184
Payable to Securities and Exchange Commission of Pakistan		167	249
Payable against redemption of units		31	31
Payable against purchase of investments		6,300	9,425
Accrued expenses and other liabilities	7	36,961	52,701
<b>Total liabilities</b>		47,363	64,853
<b>NET ASSETS</b>		1,119,943	912,063
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		1,119,943	912,063
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		
----- (Number of units) -----			
<b>NUMBER OF UNITS IN ISSUE</b>		13,203,788	10,525,869
----- (Rupees) -----			
<b>NET ASSET VALUE PER UNIT</b>		84.8198	86.6497

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

Note	Nine months ended March 31,		Quarter ended March 31,	
	2022	2021	2022	2021
----- (Rupees in '000) -----				
<b>INCOME</b>				
Income from government securities	4,499	7,449	1,361	2,002
Capital (loss)/gain on sale of investments - net	(61,324)	274,007	(45,317)	151,790
Income from term finance certificates	-	574	-	(1)
Income from commercial papers	-	-	-	-
Dividend income	42,295	34,603	17,548	17,699
Profit on bank deposits	7,806	4,650	3,718	1,369
Unrealised Appreciation/(Diminution) in fair value of investments classified as fair value through Profit and Loss -Net	10,338	8,914	34,640	(134,787)
Other income	42	867	15	613
<b>Total (Loss)/Income</b>	<b>3,656</b>	<b>331,064</b>	<b>11,965</b>	<b>38,685</b>
<b>EXPENSES</b>				
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	24,532	21,777	6,430	7,544
Sindh Sales Tax on remuneration of Management Company	3,189	2,831	836	981
Allocated expenses	834	996	286	284
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,574	1,745	532	529
Sindh Sales Tax on remuneration of Trustee	205	227	69	69
Annual fee to Securities and Exchange Commission of Pakistan	167	199	57	57
Selling and marketing expenses	-	11,084	-	1,833
Brokerage and settlement charges	3,699	9,783	1,045	4,064
Legal and professional charges	511	101	40	33
Auditors' remuneration	630	569	207	207
Other expenses	466	559	45	60
<b>Total expenses</b>	<b>35,807</b>	<b>49,871</b>	<b>9,547</b>	<b>15,661</b>
<b>Net income from operating expenses</b>	<b>(32,151)</b>	<b>281,193</b>	<b>2,418</b>	<b>23,024</b>
(Reversal) / Provision of provision against Sindh Workers' Welfare Fund	(15,700)	5,624	-	460
<b>Net Income for the period before taxation</b>	<b>(16,451)</b>	<b>275,569</b>	<b>2,418</b>	<b>22,563</b>
Taxation	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>	<b>(16,451)</b>	<b>275,569</b>	<b>2,418</b>	<b>22,563</b>
<b>Allocation of net income for the period</b>				
Net income for the period after taxation		275,569		
Income already paid on units redeemed		(137,491)		
		<u>138,078</u>		
<b>Accounting income available for distribution</b>				
Relating to capital gains		138,078		
Excluding capital gains		-		
		<u>138,078</u>		

Earnings per unit 10

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	Nine months ended March 31,		Quarter ended March 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
<b>Net income for the period after taxation</b>	<b>(16,451)</b>	275,569	<b>2,418</b>	22,563
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(16,451)</b>	275,569	<b>2,418</b>	22,563

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	For Nine months ended March 31,					
	2022			2021		
	(Rupees in '000)					
	Capital Value	Accumulated Losses	Total	Capital Value	Accumulated Losses	Total
Net assets at beginning of the period	1,967,011	(1,054,948)	912,063	2,506,806	(1,207,326)	1,299,480
Issue of 5,794,135 units (2021: 3,410,574 units)						
- Capital value (at net asset value per unit at the beginning of the period)	502,060	-	502,060	234,237	-	234,237
- Element of income	(8,023)	-	(8,023)	38,849	-	38,849
	494,037	-	494,037	273,086	-	273,086
Redemption of 3,116,216 units (2021: 10,007,673 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(270,019)	-	(270,019)	(687,324)	-	(687,324)
- Element of income	6,628	-	6,628	(4,286)	(137,491)	(141,777)
	(263,391)	-	(263,391)	(691,610)	(137,491)	(829,101)
Total comprehensive income for the period	-	(16,451)	(16,451)	-	275,569	275,569
Distribution during the period	-	(6,315)	(6,315)	-	-	-
Net assets at end of the period	2,197,657	(1,077,714)	1,119,943	2,088,282	(1,069,248)	1,019,034
Undistributed loss brought forward						
- Realised		(1,095,583)			(1,136,554)	
- Unrealised		40,635			(70,772)	
		(1,054,948)			(1,207,326)	
Accounting income available for distribution						
- Relating to capital gains	-			138,078		
- Excluding capital gains	-			-		
	-			138,078		
Net loss for the period after Taxation		(16,451)				
Final distribution during the year ended June 30, 2021 at the rate of Rs 0.6 per unit (Declared on July 01, 2021)		(6,315)				
Undistributed loss carried forward		(1,077,714)			(1,069,248)	
Undistributed loss carried forward						
- Realised		(1,088,052)			(1,078,162)	
- Unrealised		10,338			8,914	
		(1,077,714)			(1,069,248)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		86.6497			68.6797	
Net assets value per unit at end of the period		84.8198			82.6885	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

## FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Nine Months ended March 31,	
	2022	2021
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income for the period before taxation	(16,451)	275,569
<b>Adjustments for non cash and other items:</b>		
Unrealised diminution/(appreciation) in fair value of investments classified as 'at fair value through profit or loss' - net	(10,338)	(8,914)
Reversal of Provision against Sindh Workers' Welfare Fund	(15,700)	5,624
Dividend Income	(42,295)	(34,603)
	(84,784)	237,676
<b>(Increase) / decrease in assets</b>		
Investments	(104,410)	393,790
Dividend and profit receivable	(11,812)	2,006
Receivable against sale of investments	31,155	7,160
Receivable from National Clearing Company of Pakistan Limited	-	2,603
Advances, deposits, prepayments and other receivables	(25)	(1,142)
	(85,092)	404,417
<b>Increase / (decrease) in liabilities</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	1,439	(1,581)
Payable to Central Depository Company of Pakistan Limited - Trustee	18	(20)
Payable to Securities and Exchange Commission of Pakistan	(82)	(101)
Payable on redemption of units	-	-
Payable against purchase of investments	(3,125)	(165,692)
Accrued expenses and other liabilities	(40)	(444)
	(1,790)	(167,838)
Dividend received	42,807	33,943
<b>Net cash (Used in)/generated from operating activities</b>	(128,859)	508,198
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	494,037	273,086
Payments against redemption of units	(263,391)	(829,101)
Dividend paid during the period	(6,315)	-
<b>Net cash used in financing activities</b>	224,331	(556,015)
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	95,472	(47,817)
Cash and cash equivalents at beginning of the period	172,930	198,319
<b>Cash and cash equivalents at end of the period</b>	268,402	150,502

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

## 1. LEGAL STATUS AND NATURE OF BUSINESS

MCB Pakistan Asset Allocation Fund (the Fund) was established under a Trust Deed dated November 22, 2007 executed between MCB Asset Management Company Limited as the Management Company and the Central Depository Company of Pakistan Limited as the Trustee. Pursuant to the merger of MCB Asset Management Limited and Arif Habib Investments Limited, the name of the Management Company was changed from MCB Asset Management Company Limited to MCB-Arif Habib Savings and Investments Limited with effect from June 27, 2011. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 17, 2007 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Trust Act, 1882 has been 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.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.

The Fund is an open-end collective investment scheme categorized as an "Asset Allocation" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Management quality rating of "AM1" on October 06, 2021 to the Management Company.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

## 2. BASIS OF PREPARATION

### Statement of compliance

This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 Regulation) 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 IFRS Standards, 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 the requirements of the Trust Deed have been followed.

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 2021.

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.

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

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

## 3. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are same as those applied in preparation of financial statements of the Fund as at and for the year ended June 30, 2021.

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.

	Note	(Un-audited) March 31, 2022 --- (Rupees in '000) ---	(Audited) June 30, 2021
<b>4. BANK BALANCES</b>			
Savings accounts	4.1	260,716	164,510
Current accounts	4.2	7,686	8,420
		<b>268,402</b>	<b>172,930</b>

**4.1** These carry profit at the rates ranging between 8.25% to 12.15% (June 30, 2021: 5.50% to 9.75%) per annum. It includes balance of Rs. 7.692 Million (June 2021- Rs. 0.012 Million) placed with MCB Bank Limited, a related party.

**4.2** This represents the balance placed with MCB Bank Limited, a related party.

	Note	(Un-audited) March 31, 2022 ----- (Rupees in '000) -----	(Audited) June 30, 2021
<b>5. INVESTMENTS</b>			
<b>Financial assets 'at fair value through profit or loss'</b>			
Listed equity securities - Ordinary Shares	5.1.1	856,962	742,095
Listed equity securities - Preference Shares	5.1.1.3	22,280	22,400
		<b>879,242</b>	<b>764,495</b>



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

## 5.1 Financial assets 'at fair value through profit or loss'

### 5.1.1 Listed equity securities - Ordinary Shares

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of investee company	As at July 1, 2021	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2022	As at March 31, 2022			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
(Rupees in '000)											
<b>Automobile Assembler</b>											
Honda Atlas Cars(Pakistan) Limited	-	57,500	-	57,500	-	-	-	-	0.00%	0.00%	0.00%
Indus Motor Company Limited	44,140	-	-	44,140	-	-	-	-	0.00%	0.00%	-
Pak Suzuki Motors Company Limited	-	113,000	-	113,000	-	-	-	-	0.00%	0.00%	0.00%
<b>Automobile Parts and Accessories</b>											
Agriauto Industries Limited	70,000	-	-	15,900	54,100	14,844	9,224	(5,620)	0.82%	1.05%	0.15%
Panther Tyres Limited	213,630	30,000	4,526	243,500	4,656	273	159	(114)	0.01%	0.02%	0.00%
Thal Limited	60,400	10,000	-	24,000	46,400	19,520	16,949	(2,571)	1.51%	1.93%	0.05%
						34,637	26,332	(8,305)			
<b>Cement</b>											
Cherat Cement Company Limited	-	236,300	-	40,000	196,300	28,414	27,655	(759)	2.47%	3.15%	0.10%
D.G. Khan Cement Company Limited*	75,670	290,000	-	200,670	165,000	11,125	12,548	1,424	1.12%	1.43%	0.04%
Fauji Cement Company Limited	-	1,730,000	-	-	1,730,000	30,349	31,348	998	2.80%	3.57%	0.00%
Gharibwal Cement Ltd	-	200,000	-	-	200,000	5,110	5,130	20	0.46%	0.58%	0.00%
Kohat Cement Company Limited	-	94,000	-	55,000	39,000	8,009	6,704	(1,305)	0.60%	0.76%	0.02%
Lucky Cement Limited	69,506	141,200	-	156,405	54,301	31,653	34,554	2,902	3.09%	3.93%	0.14%
Maple Leaf Cement Factory Limited**	697,500	1,218,137	-	715,637	1,200,000	46,568	43,260	(3,308)	3.86%	4.92%	0.14%
Pioneer Cement Limited	-	120,000	-	37,603	82,397	5,345	6,637	1,292	0.59%	0.75%	0.14%
Power Cement Limited	186,000	-	-	186,000	-	-	-	-	0.00%	0.00%	0.14%
						166,573	167,836	1,264			
<b>Commercial Banks</b>											
MCB Bank Limited*	-	120,446	-	120,446	-	-	-	-	0.00%	0.00%	0.00%
Meezan Bank Limited	186,000	75,000	32,400	33,400	260,000	27,780	34,050	6,269	3.04%	3.87%	0.02%
Bank Alfalah Limited**	900,000	140,000	-	78,719	961,281	31,066	32,607	1,541	2.91%	3.71%	0.05%
Bank Al Habib Limited	543,709	85,000	-	628,709	-	-	-	-	0.00%	0.00%	-
Faysal Bank Limited	-	1,850,000	-	117,500	1,732,500	41,808	45,599	3,791	4.07%	5.19%	0.12%
BankIslami Pakistan Limited	-	500,000	-	-	500,000	6,300	6,335	35	-	-	-
Habib Bank Limited	276,731	509,752	-	114,598	671,885	81,958	75,863	(6,096)	6.77%	8.63%	0.04%
Habib Metropolitan Bank Limited	-	765,000	-	-	765,000	32,445	34,043	1,597	3.04%	3.87%	0.07%
United Bank Limited**	327,690	322,310	-	296,000	354,000	44,212	48,282	4,070	4.31%	5.49%	0.03%
						265,570	276,778	11,208			

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

Name of investee company	As at July 1, 2021	Purchased during the period	(Number of shares)			As at March 31, 2022	(Rupees in '000)			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee
			Bonus / right issue during the period	Sold during the period	As at March 31, 2022		Carrying value	Market value	Unrealised appreciation / (diminution)			
Engineering												
Aisha Steel Limited*	-	1,050,000	-	350,000	700,000	9,985	9,968	(17)	0.89%	1.13%	0.09%	
Amreli Steels Limited	-	447,500	-	-	447,500	18,307	14,629	(3,678)	1.31%	1.66%	0.11%	
Mughal Iron and Steel Industries Limited	-	192,500	-	72,500	120,000	11,914	10,944	(970)	0.98%	1.24%	0.03%	
						40,206	35,541	(4,665)				
Food & Personal Care Products												
Murree Brewery Company	21,450	-	-	10,800	10,650	6,196	4,526	(1,670)	0.40%	0.51%	0.04%	
Shezan International Limited	5,115	-	511	-	5,626	1,695	917	(778)	0.08%	0.10%	0.05%	
						7,891	5,443	(2,448)				
Insurance												
Adamjee Insurance Company Limited*	14,000	-	-	14,000	-	-	-	-	-	-	-	
Oil and Gas Exploration Companies												
Oil and Gas Development Company Limited	100,000	67,000	-	167,000	-	-	-	-	0.00%	0.00%	0.00%	
Pakistan Petroleum Limited	-	285,000	-	285,000	-	-	-	-	0.00%	0.00%	0.00%	
Mari Petroleum Company Limited	30,520	25,280	-	10,560	45,240	71,897	80,053	8,156	7.15%	9.10%	0.04%	
						71,897	80,053	8,156				
Oil and Gas Marketing Companies												
Attock Petroleum Limited	90,000	58,000	-	75,400	72,600	22,993	21,901	(1,092)	1.96%	2.49%	0.07%	
Pakistan State Oil Company Limited	-	100,000	-	100,000	-	-	-	-	-	-	-	
						22,993	21,901	(1,092)				
Paper And Board												
Packages Limited	115,300	23,750	-	97,050	42,000	22,574	18,494	(4,080)	1.65%	2.10%	0.04%	
Cherat Packaging Limited	-	7,700	-	7,700	-	-	-	-	-	-	-	
						22,574	18,494	(4,080)				

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

Name of investee company	As at July 1, 2021	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2022	As at March 31, 2022			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
Pharmaceuticals											
Abbot Laboratories (Pakistan) Limited	41,600	-	-	41,600	-	-	-	-	-	-	-
Citi Pharma limited	-	407,500	-	-	407,500	14,639	14,556	(83)	1.30%	1.66%	(0.01)
GlaxoSmithKline Consumer Healthcare Pakistan Limited-	-	96,600	-	11,200	85,400	22,040	21,644	(396)	1.93%	2.46%	0.07%
Highnoon Laboratories Limited	65,900	10,000	-	36,550	39,350	23,554	24,770	1,216	2.21%	2.82%	0.10%
AGP Limited	-	19,000	-	19,000	-	-	-	-	-	-	-
The Searle Company Limited	350	102,580	105	103,035	-	-	-	-	0.00%	0.00%	0.00%
Power Generation and Distribution											
Hub Power Company Limited	2,256	-	-	2,256	-	-	-	-	0.00%	0.00%	0.00%
Lalpir Power Limited*	705,000	-	-	705,000	-	-	-	-	-	-	-
Real Estate Investment Trust											
Dolmen City REIT	1,092,500	-	-	1,092,500	-	-	-	-	-	-	-
Refinery											
Pakistan Refinery Limited	358,000	-	-	358,000	-	-	-	-	-	-	-
Technology and Communication											
Air Link Communication Ltd	-	248,000	-	-	248,000	15,466	13,375	(2,091)	1.19%	1.52%	0.06%
Octopus Digital Limited	-	208,773	-	208,773	-	-	-	-	0.00%	0.00%	0.00%
Systems Limited	-	34,000	34,000	-	68,000	25,378	25,763	385	2.30%	2.93%	0.02%
Textile Composite											
Nishat (Chunian) Limited	-	625,000	-	175,000	450,000	20,941	23,382	2,441	2.09%	2.66%	0.08%
Gul Ahmed Textile Mills Limited	-	159,000	-	37,000	122,000	5,343	5,789	446	0.52%	0.66%	0.02%
Kohinoor Textile Mills Limited	-	180,500	-	-	180,500	11,750	11,236	(514)	1.00%	1.28%	0.38%
Interloop Limited	330,000	173,000	13,950	366,950	150,000	10,348	11,085	737	0.99%	1.26%	0.02%
						48,382	51,492	3,110			

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

Name of investee company	As at July 1, 2021	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2022	As at March 31, 2022			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value appreciation / (diminution)	Unrealised			
(Rupees in '000)											
(Number of shares)											
<b>Leather &amp; Tanneries</b>											
Bata Pakistan Limited	11,200	1,020	-	-	12,220	21,087	29,651	8,564	2.65%	3.37%	0.20%
Service Industries Limited	1	17,250	-	17,250	1	1	1	0	0.00%	0.00%	0.00%
						21,088	29,652	8,564			
<b>Chemicals</b>											
Archroma Pakistan Limited	49,050	2,000	-	41,950	9,100	5,216	5,506	290	0.49%	0.63%	0.03%
						5,216	5,506	290			
<b>Miscellaneous</b>											
Shifa International Hospital Limited	101,000	108,000	2,020	15,020	196,000	38,405	37,828	(577)	3.38%	4.30%	0.33%
Tri-Pak Films	-	2,500	-	2,500	-	-	-	-	-	-	-
						38,405	37,828	(577)			
<b>Total as at March 31, 2022</b>						846,506	856,962	10,458			
						703,680	742,095	38,235			
Total as at June 30, 2021											

\* These denote related parties / connected persons.

\*\* These shares having market value aggregating to Rs 60.212 million (June 2021: Rs 58.8 million) which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

**5.1.1.2** There is no change in the status of matter related to bonus shares as reported in note 5.1.1 to the annual audited financial statements of the Fund for the year ended June 30, 2021. The bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares having market value as at March 31, 2022 amounted to Rs. 1,146 million (June 30, 2021: Rs1,7038 million).

## 5.1.1.3 Listed equity securities - Preference Shares

Name of investee company	As at July 1, 2021	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2022	As at March 31, 2022			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
(Rupees in '000)											
Engro Polymer and Chemicals Limited	2,000,000	-	-	-	2,000,000	22,400	22,280	(120)	1.99%	2.53%	0.04%
Total as at March 31, 2022						22,400	22,280	(120)			

These shares carry dividend at the rate of 6 months KIBOR + 3.5% per annum on cumulative basis. The rate prevailing on June 30 and December 31 will be considered.

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

## 5.1.1.4 Government Securities-Market Treasury Bills

Tenor	Issue date	Face value				As at March 31, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at March 31, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in 000) ----- %										
3 months										
3 months	May 20, 2021	-	200,000	200,000	-	-	-	-	-	-
3 months	June 3, 2021	-	275,000	275,000	-	-	-	-	-	-
3 months	July 2, 2021	-	500,000	500,000	-	-	-	-	-	-
3 months	July 15, 2021	-	700,000	700,000	-	-	-	-	-	-
3 months	July 29, 2021	-	500,000	500,000	-	-	-	-	-	-
3 months	August 12, 2021	-	5,500,000	5,500,000	-	-	-	-	-	-
3 months	August 26, 2021	-	3,000,000	3,000,000	-	-	-	-	-	-
3 months	September 9, 2021	-	500,000	500,000	-	-	-	-	-	-
3 months	October 7, 2021	-	900,000	900,000	-	-	-	-	-	-
3 months	January 27, 2022	-	600,000	600,000	-	-	-	-	-	-

Tenor	Issue date	Face value				As at March 31, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at March 31, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in 000) ----- %										
6 months										
6 months	March 25, 2021	-	100,000	100,000	-	-	-	-	-	-
6 months	April 22, 2021	-	5,500,000	5,500,000	-	-	-	-	-	-
6 months	May 6, 2021	-	200,000	200,000	-	-	-	-	-	-
6 months	July 2, 2021	-	500,000	500,000	-	-	-	-	-	-
6 months	July 15, 2021	-	500,000	500,000	-	-	-	-	-	-
6 months	July 29, 2021	-	1,500,000	1,500,000	-	-	-	-	-	-
6 months	August 12, 2021	-	500,000	500,000	-	-	-	-	-	-
6 months	August 26, 2021	-	2,500,000	2,500,000	-	-	-	-	-	-
6 months	September 9, 2021	-	9,700,000	9,700,000	-	-	-	-	-	-
6 months	January 27, 2022	-	500,000	500,000	-	-	-	-	-	-

Tenor	Issue date	Face value				As at December 31, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at March 31, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in 000) ----- % -----										
12 months										
12 months	September 10, 2020	-	16,000	16,000	-	-	-	-	-	-
As at March 31, 2022						-	-	-		
As at June 30, 2021						-	-	-		

## 5.1.1.5 Government Securities-Pakistan Investment Bonds

Particulars	Issue date	Face value				As at March 31, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at March 31, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)		
----- (Rupees in 000) ----- % -----										
3 years	August 20, 2020	-	550,000	550,000	-	-	-	-	-	-
5 years	October 15, 2020	-	300,000	300,000	-	-	-	-	-	-
5 years	July 20, 2018	-	450,000	450,000	-	-	-	-	-	-
As at March 31, 2022						-	-	-		
As at June 30, 2021						-	-	-		

## 5.1.1.6 Government securities - Pakistan Investment Bonds - Floating Rate Bond

Tenor	Issue date	Face value				As at March 31, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at March 31, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)		
<div>(Rupees in 000) %</div>										
2 years	August 26, 2021	-	250,000	250,000	-	-	-	-	-	-
3 years	June 18, 2020	-	500,000	500,000	-	-	-	-	-	-
As at March 31, 2022						-	-	-		
As at June 30, 2021						-	-	-		

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

		(Un-audited) March 31, 2022 (Rupees in '000)	(Audited) 30 June 2021
<b>6. PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>			
Management remuneration payable	6.1	3,106	1,916
Sindh sales tax payable on management remuneration	6.2	404	249
Sales load payable		98	17
Payable against allocated expenses		94	81
		<u>3,702</u>	<u>2,263</u>

**6.1** The Management Company has charged remuneration at a rate of 3.00% per annum of the average annual net assets of the Fund. The remuneration is paid to the Management Company on a monthly basis in arrears.

**6.2** During the year, Sindh Sales Tax on management fee has been charged at 13% (June 2021: 13%).

	Note	(Un-audited) March 31, 2022 (Rupees in '000)	(Audited) June 30, 2021
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision against Sindh Workers' Welfare Fund	7.1	-	15,700
Provision for Federal Excise Duty and related tax on	7.2		
- Management fee		19,027	19,027
- Sales load		16,173	16,173
Withholding Tax Payable		13	378
Auditors' remuneration payable		347	497
Brokerage payable		498	662
Others		903	264
		<u>36,961</u>	<u>52,701</u>

## **7.1 Provision for Sindh Workers' Welfare Fund (SWWF)**

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. Accordingly all Asset Management Companies, in consultation with SECP, reversed the cumulative provision for SWWF, on August 13, 2021.

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

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual audited financial statements of the Fund for the year ended June 30, 2021. Had the said provision for FED not been recorded in this condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2022 would have been higher by Rs. 2.665 per unit (June 30, 2021: Rs. 1.8076 per unit).

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

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### 8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2022 (June 30, 2021: Nil).

### 9. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions 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 the income earned by the Fund during the year to the unit holders in cash in the manner as explained above, accordingly, no provision for taxation has been made in this condensed interim financial information.

### 10. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

### 11. EXPENSE RATIO

The total annualised expense ratio of the Fund from July 1, 2021 to March 31, 2022 is **4.29%** (March 31, 2021: 5.57%) and this includes **0.43%** (March 31, 2021: 0.89%) representing government levy, Sindh Worker's Welfare Fund, SECP fee etc.

### 12. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons of the Fund include MCB-Arif Habib Savings and Investments Limited (being the Management Company) and its related entities, the Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes and pension schemes managed by the Management Company, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors, key management personnel and officers of the Management Company.

Transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

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

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

For the nine months ended March 31, 2022						
	As at July 1, 2021	Issued for cash	Redeemed	As at March 31, 2022	As at July 1, 2021	Issued for cash
	Units					
	(Rupees in '000)					
MCB-Arif Habib Savings and Investments Limited - Management Company	-	1,572,494	307,912	1,264,582	-	135,000
						25,000
						107,262
<b>Associated companies / undertakings</b>						
Adamjee Life Assurance Company Limited-NUIL Fund	51,887	308	52,195	-	4,496	26
Adamjee Life Assurance Company Limited-Investment Multiplier Fund	1,036,747	3,361,879	520,349	3,878,276	89,834	285,529
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,028	244	-	35,272	3,035	21
						2,992
<b>Mandate Under Discretionary Portfolio Services</b>						
	499,824	295,078	329,094	465,808	43,310	25,200
						28,550
						39,510
<b>Key management personnel</b>						
	22,573	142	22,715	-	1,956	12
						1,918
						-
For the nine months ended March 31, 2021						
	As at July 1, 2020	Issued for cash	Redeemed	As at March 31, 2021	As at July 1, 2020	Issued for cash
	Units					
	(Rupees in '000)					
<b>Associated companies / undertakings</b>						
Adamjee Life Assurance Company Limited (NUIL Fund)	551,649	-	234,326	317,323	45,615	-
						20,000
						26,239
Adamjee Life Assurance Company Limited- Employees Gratuity Fund	28,189	-	-	28,189	2,331	-
						2,331
Adamjee Life Assurance Company Limited-IMF	5,453,035	959,381	4,558,881	1,853,535	450,904	79,000
						390,000
						153,266
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,028	-	-	35,028	2,896	-
						2,896
Adamjee Life Assurance Company Limited - DGF	-	14,358	-	14,358	-	1,200
						1,187
<b>Mandate Under Discretionary Portfolio Services</b>						
	430,757	367,910	257,986	540,681	35,619	28,505
						18,902
						44,708
<b>Directors and Key management personnel</b>						
	-	6,449	6,449	-	-	500
						507
						-



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

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

	(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
	----- (Rupees in '000) -----	
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration of the Management Company (including indirect taxes)	27,722	24,608
Allocated expenses	834	996
Selling and marketing expenses	-	11,084
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee (including indirect taxes)	1,779	1,972
CDC settlement charges	111	175
<b>MCB Bank Limited - holding company of the Management Company</b>		
Purchase of shares 120,446 (2021: 365,000)	18,358	62,870
Sale of shares 120,446 (2021: 628,519)	19,240	115,177
Dividend income	-	10
Profit on bank balances	27	4
Bank charges	6	7
Sale of securities Face Value 2022: NIL (2021: Rs 50 million)	-	106,348
<b>D. G. Khan Cement Company Limited</b>		
Purchase of shares 290,000 (2021: 800,170 )	20,528	87,419
Sale of shares 200,670 (2021: 638,000 )	16,704	67,595
<b>Adamjee Insurance Company Limited</b>		
Sale of shares 14,000 (2021: 746,000)	522	32,876
Dividend income	21	879
<b>Arif Habib Limited</b>		
Brokerage expense *	164	456
<b>Power Cement Limited</b>		
Purchase of Shares NIL (2021: 1,375,000)	-	15,283
Sale of shares 186,000 (2021: 475,000)	1,711	5,140
<b>Aisha Steel Mills Limited</b>		
Purchase of Shares 1,050,000 (2021: 2,446,500)	14,977	38,241
Sale of shares 350,000 (2021: 2,446,500)	5,495	53,785
<b>Lalpir Power Limited</b>		
Purchase of shares NIL (2021: 1,800,000)	-	23,400
Sale of shares 705,000 (2021: 1,095,000)	11,047	18,152
Dividend income	705	1,540
<b>Pakgen power limited</b>		
Purchase of shares NIL (2021: 292,500)	-	4,751
Sale of shares NIL (2021: 292,500)	-	6,081
<b>Nishat (Chunian) Limited</b>		
Purchase of shares 625,000 (2021: NIL)	28,958	
Sale of shares 175,000 (2021: NIL )	9,198	-
Dividend income	990	-
<b>Nishat Mills Limited</b>		
Purchase of Shares NIL (2021: 265,000 )	-	28,622
Sale of shares NIL (2021: 265,000)	-	30,589

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

	(Un-audited) March 31, 2022	(Un-audited) June 30, 2021
<b>12.3 Amount outstanding as at period end / year end</b>		
	----- (Rupees in '000) -----	
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Management remuneration payable	3,106	1,916
Sindh sales tax payable on management remuneration	404	249
Sales load payable	98	17
Payable against allocated expenses	94	81
Payable against selling and marketing expenses	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	179	163
Sindh Sales Tax payable on trustee remuneration	23	21
Security deposits	100	100
<b>MCB Bank Limited - Parent of the Management Company</b>		
Bank balances	7,692	8,432
<b>Arif Habib Limited</b>		
Brokerage payable *	64	173
<b>D.G. Khan Cement Company Limited</b>		
Shares held 165,000 (June 2021: 75,670)	12,548	8,923
<b>Nishat (Chunian) Limited</b>		
Shares held by the Fund 2022: 450,000 (June 2021: 705,000)	23,382	-
<b>Aisha Steel Mills Limited</b>		
Shares held by the Fund 2022: 700,000 (June 2021: NIL)	9,968	-
<b>Lalpir Power Limited</b>		
Shares held by the Fund 2022: NIL (June 2021: 705,000)	-	12,591
<b>Power Cement Limited</b>		
Shares held NIL (June 2021: 186,000)	-	1,787

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

## 13 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 data (unobservable inputs).

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

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**14 CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

**15 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company in the meeting held on April 20, 2022.

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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