



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

# QUARTERLY REPORT

MARCH  
**2022**  
(UNAUDITED)

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



# **PAKISTAN CAPITAL MARKET FUND**

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## FUND'S INFORMATION

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



# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE 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 **Pakistan Capital Market Fund's** 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

During the period under review, the fund posted a return of -2.33% compared to the return of -2.72% posted by the benchmark.

On the equities front, the overall allocation stood at 57.4%. The exposure was mainly held in Commercial Banks, Cement and Oil & Gas Exploration Companies.

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

The Net Assets of the Fund as at March 31, 2022 stood at Rs. 436 million as compared to Rs. 467 million as at June 30, 2021 registering a decrease of 6.64%.

The Net Asset Value (NAV) per unit as at March 31, 2022 was Rs. 11.72 as compared to opening NAV of Rs. 12.00 per unit as at June 30, 2021 showing a decrease of Rs. -0.28 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

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

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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.

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

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

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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,



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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 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۔

### میانچل فنڈ صنعت کا جائزہ

مالی سال 2022ء کے ابتدائی نو ماہ کے دوران اوپن end میانچل 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 الانتظامیہ (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۔

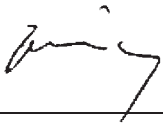
### میانچل فنڈ صنعت کے مستقبل کے امکانات

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 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 سہولت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکیں گے۔

### اظہار تشکر

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 / اوٹس 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 زریعہ دو جہتی اور کثیر الجہتی درآمدات 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

ڈالرفی ٹن گزشتہ سال) نے کونلے کے شعبے کے قریب المیعا د 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۔ ریفائنری کے شعبے میں ریفائنری 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 (2.72) فیصد مقررہ منافع کے مقابلے میں (2.33) فیصد کارپوریشن پوسٹ کیا۔ ایکویٹیز کے محاذ پر مجموعی مختص 57.4 فیصد رہا۔ یہ سرمایہ کاری بنیادی طور پر کمرشل بینکوں، سیمنٹ اور آئل اینڈ گیس دریافت کرنے والی کمپنیوں میں منعقد کی گئی تھی۔ مقررہ آمدنی کی طرف، فنڈ نے بینکوں کی طرف سے پیش کردہ پرکشش نرخوں سے فائدہ اٹھانے کے لئے نقد رقم کی طرف اپنی سرمایہ کاری برقرار رکھی۔

31 مارچ 2022ء کو فنڈ کے خالص اثاثے 436 ملین روپے رہے جبکہ 30 جون 2021ء کو فنڈ کے خالص اثاثے 467 ملین روپے تھے، یعنی 6.64 فیصد کمی درج کی گئی۔

31 مارچ 2022ء کو نیٹ ایسٹ ویلیو (این اے وی) فی یونٹ 11.72 روپے رہی جبکہ 30 جون 2021ء کو این اے وی 12.00 روپے فی یونٹ تھی، یعنی (0.28) روپے فی یونٹ کی کمی ہوئی۔

### 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 پھلتے 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۔

سیمینٹ، 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 پاکستان کیپیٹل مارکیٹ 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 و قرض 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)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Balances with banks	4	183,375	186,376
Investments	5	263,389	273,292
Dividend and profit receivable		6,524	293
Advances, deposits and other receivables		4,819	4,803
Receivable against sale of investments		-	20,614
<b>Total assets</b>		458,107	485,378
<b>LIABILITIES</b>			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	6	1,407	1,379
Payable to Central Depository Company of Pakistan Limited - Trustee		81	89
Payable to the Securities and Exchange Commission of Pakistan (SECP)		69	94
Payable against purchase of investments		9,818	952
Payable against redemption of units		216	216
Accrued and other liabilities	7	10,181	15,985
<b>Total liabilities</b>		21,772	18,715
<b>NET ASSETS</b>		436,335	466,663
<b>Unit holders' fund (as per statement attached)</b>		436,335	466,663
<b>Contingencies and commitments</b>	8		
		----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		37,217,269	38,891,084
		----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>		11.72	12.00

The annexed notes from 1 to 15 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 March 31,		Quarter ended March 31,	
	2022	2021	2022	2021
Note ----- (Rupees in '000) -----				
<b>INCOME</b>				
Capital gain on sale of investments - net	(26,084)	67,906	(15,267)	47,015
Dividend income	14,585	10,480	5,592	7,411
Income from government securities	4,608	4,620	1,362	3,135
Income from term finance certificates	30	35	9	23
Profit on bank deposits	5,188	3,254	2,358	2,367
Income on deposit with NCCPL exposure margin	68	83	27	49
Unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss'	1,387	10,052	12,332	3,305
<b>Total income</b>	<b>(218)</b>	<b>96,430</b>	<b>6,413</b>	<b>63,305</b>
<b>EXPENSES</b>				
Remuneration of MCB-Arif Habib Savings & Investments Limited - Management Company	10,491	7,942	2,698	5,583
Sindh Sales tax on remuneration of the Management Company	1,364	1,032	351	726
Allocated expenses	342	353	109	235
Remuneration of Central Depository Company of Pakistan Limited - Trustee	684	706	219	470
Sindh sales tax on remuneration of the trustee	89	92	29	61
Selling and marketing expenses	-	3,879	-	2,287
Annual fee to the Securities and Exchange Commission of Pakistan	69	71	22	47
Securities transaction cost	1,199	2,302	403	1,660
Settlement and bank charges	438	487	132	335
Fees and subscription	21	33	7	14
Auditors' remuneration	474	538	133	278
Printing and related costs	27	29	14	15
Legal and professional charges	514	102	45	67
<b>Total operating expenses</b>	<b>15,712</b>	<b>17,566</b>	<b>4,162</b>	<b>11,778</b>
<b>Net income from operating activities</b>	<b>(15,930)</b>	<b>78,864</b>	<b>2,251</b>	<b>51,527</b>
(Reversal) / Provision for Sindh Workers' Welfare Fund (SWWF)	7.1 (6,269)	1,577	-	1,030
<b>Net income / (loss) for the period before taxation</b>	<b>(9,661)</b>	<b>77,287</b>	<b>2,251</b>	<b>50,497</b>
Taxation	9 -	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>(9,661)</b>	<b>77,287</b>	<b>2,251</b>	<b>50,497</b>
<i>Allocation of net income for the period:</i>				
Net income for the period after taxation		77,287		
Income already paid on units redeemed		(8,155)		
		<b>69,132</b>		
<i>Accounting income available for distribution:</i>				
- Relating to capital gains		69,132		
- Excluding capital gains		-		
		<b>69,132</b>		

Earnings per unit

10

The annexed notes from 1 to 15 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**

	Nine months period ended March 31,		Quarter ended March 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
<b>Net income /(loss) for the period after taxation</b>	(9,661)	77,287	2,251	50,497
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>(9,661)</u>	<u>77,287</u>	<u>2,251</u>	<u>50,497</u>

The annexed notes from 1 to 15 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 / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)					
<b>Net assets at the beginning of the period</b>	408,071	58,592	466,663	422,186	(7,607)	414,579
Issuance of 6,712,214 units (2021: 5,066,616 units):12						
- Capital value (at net asset value per unit at the beginning of the period)	80,547	-	80,547	51,425	-	51,425
- Element of income	(1,829)	-	(1,829)	3,105	-	3,105
	78,718	-	78,718	54,530	-	54,530
Redemption of 8,386,029 units (2021: 7,893,543 units):						
- Capital value (at net asset value per unit at the beginning of the period)	100,632	-	100,632	80,119	-	80,119
- Element of income / (loss)	(1,247)	-	(1,247)	715	8,155	8,870
	99,385	-	99,385	80,834	8,155	88,989
Total comprehensive income for the period	-	(9,661)	(9,661)	-	77,287	77,287
<b>Net assets at the end of the period</b>	<u>387,404</u>	<u>48,931</u>	<u>436,335</u>	<u>395,882</u>	<u>61,525</u>	<u>457,407</u>
<b>Accumulated Income / (loss) brought forward comprising of:</b>						
- Realised gain	41,469			19,862		
- Unrealised gain / (loss)	17,123			(27,469)		
<b>Accumulated Income</b>	58,592			(7,607)		
<b>Accounting income available for distribution</b>						
- Relating to capital gains	-			69,132		
- Excluding capital gains	-			-		
	-			69,132		
Total Loss for the period		(9,661)			-	
<b>Undistributed income carried forward</b>		<u>48,931</u>			<u>61,525</u>	
<b>Net loss for the period after taxation</b>						
<b>Undistributed income carried forward comprising of:</b>						
- Realised gain	47,544			51,473		
- Unrealised gain	1,387			10,052		
	<u>48,931</u>			<u>61,525</u>		
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the period	<u>12.00</u>			<u>10.15</u>		
Net asset value per unit at the end of the period	<u>11.72</u>			<u>12.03</u>		

The annexed notes from 1 to 15 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 (UN-AUDITED)

## FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Nine months period ended	
	March 31, 2022	March 31, 2021
	------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	(9,661)	77,287
<b>Adjustments for:</b>		
Dividend income	(14,585)	(10,480)
Unrealised appreciation on re-measurement of investments classified as 'at fair value through profit or loss	(1,387)	(10,052)
Provision for Sindh Workers' Welfare Fund (SWWF)	6,269	1,577
	<u>(19,364)</u>	<u>58,332</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	11,290	71,597
Receivable against sale of investments	20,614	4,238
Dividend and profit receivables	(2,870)	1,686
Advances, deposits and other receivables	(16)	206
	<u>29,018</u>	<u>77,727</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	28	(33)
Payable to Central Depository Company of Pakistan Limited - Trustee	(8)	10
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(25)	(22)
Payable against purchase of investments	8,867	(53,998)
Accrued and other liabilities	(12,074)	(401)
	<u>(3,212)</u>	<u>(54,444)</u>
Dividend received	11,224	6,320
<b>Net cash generated from operating activities</b>	<u>17,666</u>	<u>87,935</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	78,718	54,530
Payments on redemption of units	(99,385)	(88,989)
<b>Net cash used in financing activities</b>	<u>(20,667)</u>	<u>(34,459)</u>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<u>(3,001)</u>	<u>53,476</u>
Cash and cash equivalents at the beginning of the period	186,376	99,855
<b>Cash and cash equivalents at the end of the period</b>	<u>183,375</u>	<u>153,331</u>

The annexed notes from 1 to 15 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 Pakistan Capital Market Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB - Arif Habib Savings and Investments Limited) as "Management Company" and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 30, 2003 consequent to which the Trust Deed was executed on October 27, 2003 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the 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 Pakistan Capital Market Fund as a closed-end scheme was authorized by SECP on November 5, 2003. During the year 2005, the Fund was converted from a closed-end scheme to an open-end scheme. The Fund has been categorised as "Balanced Scheme" and offers units for public subscription on continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The Fund primarily invests in a mix of listed equity and debt securities, unlisted government securities, secured debt securities, money market transactions and reverse re-purchase transactions.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2021 to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of 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 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

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

- 2.1.2 This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2021. 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

**2.1.3** 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.

**2.1.4** 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.

**2.1.5** 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, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2021.

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
<b>4</b>	<b>BALANCES WITH BANKS</b>	----- (Rupees in '000) -----	
	In current accounts	171,113	5,050
	In saving accounts	4.1 12,262	181,326
		4.2 183,375	186,376

**4.1** These carry profit at the rates ranging from 9.00% to 12.15% per annum (June 30, 2021: 5.5% to 7.6% per annum).

**4.2** These include balance of Rs. 0.019 million (June 30, 2021: Rs. 3.218 million) maintained with MCB Bank Limited (a related party) that carries profit at the rate of 8.25% per annum (June 30, 2021: 5.5% per annum).

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
<b>5</b>	<b>INVESTMENTS</b>	----- (Rupees in '000) -----	
	<b>Investment by category</b>		
	<b>At fair value through profit or loss</b>		
	Listed equity securities	5.1 263,052	272,708
	Government securities	5.2 -	-
	Unlisted debt security	5.3 337	584
		263,389	273,292



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

## 5.1 Listed equity securities - 'at fair value through profit or loss'

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

Name of the investee company	As at July 1, 2021	Purchases 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 a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
						Carrying Value	Market value	Unrealised appreciation/ (diminution)	Net assets	Total invest-ments	
						Rupees in '000'			%		
<b>Automobile Assembler</b>											
Honda Atlas Cars(Pakistan) Limited	-	13,000	-	13,000	-	-	-	-	0.00%	0.00%	0.00%
Indus Motors Company Limited	4,100	-	-	4,100	-	-	-	-	0.00%	0.00%	0.00%
Pak Suzuki Motors Company Limited	-	23,000	-	23,000	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
<b>Automobile Parts &amp; Accessories</b>											
Agriauto Industries Limited	40,000	-	-	40,000	-	-	-	-	0.00%	0.00%	0.00%
Panther Tyres Limited	90,266	-	53	90,000	319	18	11	(7)	0.00%	0.00%	0.00%
Thal Limited	28,600	-	-	4,500	24,100	10,189	8,803	(1,386)	2.02%	3.34%	0.03%
						10,207	8,814	(1,393)	2.02%	3.35%	0.03%
<b>Cement</b>											
Cherat Cement Company Limited	-	90,500	-	47,500	43,000	5,843	6,058	215	1.39%	2.30%	0.02%
D.G. Khan Cement Company Limited*	38,000	60,000	-	38,000	60,000	4,035	4,563	528	1.05%	1.73%	0.01%
Fauji Cement Company Limited	-	665,000	-	-	665,000	11,673	12,050	377	2.76%	4.57%	0.05%
Gharibwal Cement Ltd	-	90,000	-	-	90,000	2,363	2,309	(54)	0.53%	0.88%	0.02%
Kohat Cement Company Limited	-	20,600	-	20,600	-	-	-	-	0.00%	0.00%	0.00%
Lucky Cement Limited	38,968	34,800	-	51,768	22,000	12,534	14,000	1,466	3.21%	5.32%	0.01%
Maple Leaf Cement Factory Limited	400,000	343,000	-	471,000	272,000	9,871	9,806	(65)	2.25%	3.72%	0.02%
Pioneer Cement Limited	69,000	47,500	-	116,500	-	-	-	-	0.00%	0.00%	0.00%
Power Cement Limited*	450,000	-	-	450,000	-	-	-	-	0.00%	0.00%	0.00%
						46,318	48,784	2,467	11.18%	18.52%	0.13%
<b>Chemicals</b>											
Archroma Pakistan Limited	8,150	2,200	-	10,350	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
<b>Commercial Banks</b>											
Bank Al Habib Limited	140,131	-	-	140,131	-	-	-	-	0.00%	0.00%	0.00%
Bank Alfalah Limited	300,000	30,000	-	30,000	300,000	9,765	10,176	411	2.33%	3.86%	0.02%
Bankislami Pakistan Limited	-	365,000	-	-	365,000	4,257	4,625	367	1.06%	1.76%	0.03%
Faysal Bank Limited	-	650,000	-	85,000	565,000	13,466	14,871	1,405	3.41%	5.65%	0.04%
Habib Bank Limited	139,000	166,500	-	85,500	220,000	27,003	24,840	(2,163)	5.69%	9.43%	0.01%
Habib Metropolitan Bank Limited	-	325,000	-	50,000	275,000	11,613	12,238	624	2.80%	4.65%	0.03%
MCB Bank Limited*	-	38,000	-	38,000	-	-	-	-	0.00%	0.00%	0.00%
Meezan Bank Limited	85,000	39,000	8,250	47,250	85,000	9,696	11,132	1,436	2.55%	4.23%	0.01%
Samba Bank Limited	92,500	-	-	92,500	-	-	-	-	0.00%	0.00%	0.00%
United Bank Limited	165,702	111,798	-	163,500	114,000	14,104	15,548	1,444	3.56%	5.90%	0.01%
						89,905	93,429	3,524	21.41%	35.47%	0.15%
<b>Engineering</b>											
Aisha Steel Mills Limited*	-	533,500	-	343,500	190,000	3,089	2,706	(383)	0.62%	1.03%	0.02%
Amreli Steels Limited	-	200,000	-	54,000	146,000	5,546	4,773	(774)	1.09%	1.81%	0.05%
Mughal Iron & Steel Industries Limited	-	72,800	-	30,800	42,000	4,071	3,830	(240)	0.88%	1.45%	0.01%
					-	12,706	11,309	(1,397)	2.59%	4.29%	0.08%
<b>Fertilizer</b>											
Engro Corporation Limited	-	64,000	-	47,500	16,500	4,901	4,415	(485)	1.01%	1.68%	0.00%
Fatima Fertilizer Company Limited*	-	4,000	-	-	4,000	136	167	31	0.04%	0.06%	0.00%
						5,036	4,582	(454)	1.05%	1.74%	0.00%
<b>Food &amp; Personal Care Products</b>											
Murree Brewery Company	6,700	-	-	6,700	-	-	-	-	0.00%	0.00%	0.00%
Shezan International Limited	9,960	-	996	-	10,956	3,300	1,786	(1,515)	0.41%	0.68%	0.11%
The Organic Meat Company Limited	150,000	-	15,000	165,000	-	-	-	-	0.00%	0.00%	0.00%
						3,300	1,786	(1,515)	0.41%	0.68%	0.11%
<b>Glass &amp; Ceramics</b>											
Shabbir Tiles & Ceramics Limited	-	204,500	-	-	204,500	5,272	3,587	(1,685)	0.82%	1.36%	0.06%
						5,272	3,587	(1,685)	0.82%	1.36%	0.06%
<b>Balance carried forward</b>						172,744	172,291	(453)			

\* These represent transactions in shares of related parties

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

\* These represent transactions in shares of related parties

Name of the investee company	As at July 1, 2020	Purchases 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 a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
						Carrying Value	Market value	Unrealised appreciation/ (diminution)	Net assets	Total invest-ments	
----- Number of shares -----						-----Rupees in '000'-----			----- % -----		
Balance brought forward						172,744	172,291	(453)			
Leather & Tanneries											
Service Global Footwear Limited	426	-	-	-	426	25	20	(5)	0.00%	0.01%	0.00%
Service Industries	13	-	-	-	13	8	6	(1)	0.00%	0.00%	0.00%
						32	27	(6)	0.01%	0.01%	0.00%
Miscellaneous											
Shifa International Hospitals	-	33,000	-	-	33,000	5,994	6,369	375	1.46%	2.42%	0.05%
Synthetic Products Limited	431	465	34	-	930	19	15	(3)	0.00%	0.01%	0.00%
						6,013	6,384	372	1.46%	2.42%	0.05%
Oil & Gas Expoloration Company											
Mari Petroleum Company Limited	10,240	7,400	-	3,040	14,600	22,557	25,835	3,278	5.92%	9.81%	0.01%
Oil & Gas Development Company Limited	-	26,000	-	26,000	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Oilfields Limited	28,924	-	-	28,924	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	-	112,000	-	61,000	51,000	4,123	3,713	(410)	0.85%	1.41%	0.00%
						26,680	29,548	2,868	6.77%	11.22%	0.01%
Oil And Gas Marketing											
Attock Petroleum Limited	24,800	2,800	-	14,400	13,200	4,250	3,982	(268)	0.91%	1.51%	0.01%
						4,250	3,982	(268)	0.91%	1.51%	0.01%
Oil And Gas Marketing Companies											
Pakistan State Oil Company Limited	38,700	-	-	38,700	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
Paper And Board											
Cherat Packaging Limited	-	6,700	-	6,700	-	-	-	-	0.00%	0.00%	0.00%
Packages Limited	32,500	3,400	-	19,200	16,700	9,063	7,354	(1,709)	1.69%	2.79%	0.02%
						9,063	7,354	(1,709)	1.69%	2.79%	0.02%
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	11,750	-	-	11,750	-	-	-	-	0.00%	0.00%	0.00%
Citi Pharma limited	-	145,000	-	-	145,000	5,212	5,179	(33)	1.19%	1.97%	0.06%
Glaxosmithkline Consumer Healthcare Pakistan Limited -	-	19,500	-	-	19,500	4,735	4,942	207	1.13%	1.88%	0.02%
Highnoon Laboratories Limited	1,600	10,800	-	12,400	-	-	-	-	0.00%	0.00%	0.00%
The Searle Company Limited	17,682	26,000	5,304	48,986	-	-	-	-	0.00%	0.00%	0.00%
						9,947	10,121	175	2.32%	3.84%	0.08%
Power Generation & Distribution											
Hub Power Company Limited	35,000	-	-	35,000	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
REAL ESTATE INVESTMENT TRUST											
Dolmen City REIT	423,500	-	-	423,500	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
Technology & Communications											
Air Link Communication Ltd	-	93,000	-	-	93,000	5,783	5,015	(767)	1.15%	1.90%	0.02%
Octopus Digital Limited	-	69,530	-	69,530	-	-	-	-	0.00%	0.00%	0.00%
Systems Limited	-	14,900	13,000	1,900	26,000	9,471	9,851	380	2.26%	3.74%	0.02%
TRG Pakistan Limited	-	20,000	-	20,000	-	-	-	-	0.00%	0.00%	0.00%
						15,254	14,866	(388)	3.41%	5.64%	0.04%
Textile Composite											
Gul Ahmed Textile Mills Limited	-	80,852	-	27,500	53,352	2,335	2,532	196	0.58%	0.96%	0.01%
Kohinoor Textile Mills Limited	41	75,000	-	-	75,041	4,916	4,671	(244)	1.07%	1.77%	0.03%
Nishat (Chunian) Limited*	-	302,000	-	85,000	217,000	10,435	11,275	840	2.58%	4.28%	0.09%
						17,686	18,478	792	4.23%	7.02%	0.13%
Total at March 31, 2021						261,669	263,051	1,383			
Total at June 30, 2021						255,585	272,708	17,123			

\* These represent transactions in shares of related parties

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

**5.1.1** Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by Securities and Exchange Commission of Pakistan (SECP).

Name of security	March 31, 2021	June 30, 2021	March 31, 2021	June 30, 2021
	--- (Number of shares) ---		----- (Rupees in '000) -----	
United Bank Limited	100,000	100,000	13,639	12,220
The Hub Power Company Limited	-	25,000	-	1,992
Maple Leaf Cement Factory Limited	-	200,000	-	9,396
Faysal Bank Limited	250,000	-	6,580	-
Habib Metropolitan Bank Limited	100,000	-	4,450	-
	<u>450,000</u>	<u>325,000</u>	<u>24,669</u>	<u>23,608</u>

**5.1.2** There is no change in the status of matter related to bonus shares as reported in audited 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. 0.2522 million (June 30, 2021: 0.203 million).

	Note	March 31, 2022	June 30, 2021
		----- (Rupees in '000) -----	
<b>5.2 Government securities - 'at fair value through profit or loss'</b>			
Market Treasury Bills	5.2.1	-	-
Pakistan Investment Bonds	5.2.2	-	-
Sukuk Certificate	5.2.3	-	-
		<u>-</u>	<u>-</u>

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

## 5.2.1 Market Treasury Bills - 'at fair value through profit or loss'

Name of security	Date of issue	Face Value				As at March 31, 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	Net assets	Total investments

(Rupees in '000) %

### Market Treasury Bills

- 3 months	May 20, 2021	-	150,000	150,000	-	-	-	-	-	-
- 3 months	June 3, 2021	-	140,000	140,000	-	-	-	-	-	-
- 3 months	July 2, 2021	-	500,000	500,000	-	-	-	-	-	-
- 3 months	July 15, 2021	-	500,000	500,000	-	-	-	-	-	-
- 3 months	July 29, 2021	-	500,000	500,000	-	-	-	-	-	-
- 3 months	August 12, 2021	-	500,000	500,000	-	-	-	-	-	-
- 3 months	August 26, 2021	-	500,000	500,000	-	-	-	-	-	-
- 3 months	September 9, 2021	-	500,000	500,000	-	-	-	-	-	-
- 3 months	October 7, 2021	-	625,000	625,000	-	-	-	-	-	-
- 3 months	January 27, 2022	-	600,000	600,000	-	-	-	-	-	-

### Market Treasury Bills

- 6 months	March 25, 2021	-	100,000	100,000	-	-	-	-	-	-
- 6 months	May 6, 2021	-	110,000	110,000	-	-	-	-	-	-
- 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	-	1,051,500	1,051,500	-	-	-	-	-	-
- 6 months	September 9, 2021	-	3,200,000	3,200,000	-	-	-	-	-	-
- 6 months	January 27, 2022	-	500,000	500,000	-	-	-	-	-	-

Total as at March 31, 2022

- - -

Total as at June 30, 2021

- - -

## 5.2.2 Pakistan Investment Bonds - 'at fair value through profit or loss'

Name of security	Date of issue	Face Value				As at March 31, 2022			Market value as a percentage of	
		As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at March 31, 2022	Carrying value	Market value	Unrealised loss	Net assets	Total investments

(Rupees in '000) %

### Pakistan Investment Bonds

- 02 years	August 26, 2021	-	250,000	250,000	-	-	-	-	-	-
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### Pakistan Investment Bonds

- 03 years	August 20, 2020	-	350,000	350,000	-	-	-	-	-	-
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### Pakistan Investment Bonds

- 05 years	July 12, 2018	-	200,000	200,000	-	-	-	-	-	-
	October 15, 2020	-	200,000	200,000	-	-	-	-	-	-

Total as at March 31, 2022

- - -

Total as at June 30, 2021

- - -

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

## 5.2.3 Sukuk Certificate - 'at fair value through profit or loss'

Particulars	Number of certificates				Balance as at March 31, 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 (loss) / gain	Net assets	Total investments
----- (Rupees in '000) ----- % -----									

GOP Ijara - Sukuk - 5 years  
(December 15, 2021 - December 15, 2026)

Total as at March 31, 2022

Total as at June 30, 2021

## 5.3 Unlisted debt security - 'at fair value through profit or loss'

Certificates have a face value of Rs 100,000 each

Name of investee company	Number of certificates					Balance as at March 31, 2022			Market value as a percentage of	
	As at July 1, 2021	Purchased during the year	Matured during the year	Disposed during the year	As at March 31, 2022	Carrying value	Market Value	Appreciation / (diminution)	Net assets	Total investment
----- (Rupees in '000) -----										

Byco Petroleum Pakistan Limited - Sukuk  
(January 18, 2017)

Total as at March 31, 2022

Total as at June 30, 2021

## 5.4 Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net

	Note	(Un-Audited) March 31, 2022	(Audited) June 30, 2021
Market value of investments	5.1, 5.2 & 5.3	263,389	273,292
Carrying value of investments	5.1, 5.2 & 5.3	262,002	256,169
		<u>1,387</u>	<u>17,123</u>

## 6 PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY

Management remuneration payable	6.1	1,213	1,186
Sindh sales tax payable on management remuneration	6.2	158	154
Allocated expenses payable		36	39
		<u>1,407</u>	<u>1,379</u>

6.1 The Management Company shall be entitled to an accrued remuneration equal to an amount up to 4% per annum of the average annual Net Assets of the Scheme calculated on daily basis, within allowed expense ratio limit.

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

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

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
7	ACCRUED AND OTHER LIABILITIES	----- (Rupees in '000) -----	
	Provision for Sindh Workers' Welfare Fund (SWWF)	-	6,269
	Provision for Federal Excise Duty		
	- on Management fee	5,872	5,872
	- on sales load	393	393
	Legal and professional charges payable	409	22
	Auditors' remuneration payable	260	404
	Dividend payable	2,784	2,784
	Withholding tax payable	20	42
	Brokerage payable	352	160
	Other payables	91	39
		<u>10,181</u>	<u>15,985</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 Provision for Federal Excise Duty payable on Management fee

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the period ended June 30, 2021. Had the provision for FED not been made, the Net Asset Value of the Fund as at March 31, 2022 would have been higher by Re 0.16 (June 30, 2021: Re 0.15) per unit.

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

## 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 the income earned by the Fund in cash during the year ending June 30, 2021 to the unit holders therefore, no provision for taxation has been made in these condensed interim financial statements.

## 10 EARNINGS / LOSS PER UNIT

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

## 11 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 4.6% (March 31, 2021: 5.42%) which includes 0.44% (March 31, 2021: 0.78%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee.

## 12 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

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:

		(Un-Audited)	
		March 31, 2022	March 31, 2021
		----- (Rupees in '000) -----	
<b>12.1</b>	<b>Details of transactions with connected persons are as follows:</b>		
	<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
	Remuneration (including indirect taxes)	11,855	8,974
	Allocated expenses	342	353
	Selling and marketing expenses	-	3,879
	<b>Arif Habib Limited - Brokerage house</b>		
	Brokerage expense*	60	115
	<b>MCB Bank Limited</b>		
	Purchase of 38,000 shares (2021: 92,038 shares)	5,846	15,903
	Sale of 38,000 shares (2021: 174,950 shares)	6,044	31,233
	Bank charges	15	16
	Profit on bank deposit	20	15
	Dividend income	-	1

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

	(Un-Audited)	
	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----	
<b>Nishat Mills Limited</b>		
Purchase of Nil (2021: 89,000) shares	-	9,579
Sale of Nil (2021: 89,000) shares	-	10,366
<b>D.G Khan Cement Company Limited</b>		
Purchase of 60,000 (2021: 172,000) shares	4,035	18,996
Sale of 38,000 (2021: 132,000) shares	3,360	14,310
<b>Adamjee Insurance Company Limited</b>		
Sale of Nil (2021: 250,000) shares	-	10,059
Dividend income	-	194
<b>Power Cement Limited</b>		
Purchase of Nil (2021: 450,000 ) shares	-	4,815
Sale of 450,000 (2021: Nil) shares	4,140	-
<b>Aisha Steel Mills</b>		
Purchase of 533,500 (2021: 1,100,000) shares	8,868	19,781
Sale of 343,500 (2021: 811,000) shares	5,618	14,940
<b>Fatima Fertilizer Limited</b>		
Purchase of 4,000 (2021: Nil) shares	136	-
<b>Nishat (Chunian) Limited</b>		
Purchase of 302,000 (2021: 115,000) shares	14,392	4,910
Sale of 85,000 (2021: Nil) shares	4,415	-
Dividend Income	375	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period (including indirect taxes)	773	798
CDS charges	27	68

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



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

	(Un-Audited) March 31, 2022	Audited June 30, 2021
	-----	-----
	(Rupees in '000)	
<b>12.2 Balances outstanding at period / year end:</b>		
<b>MCB Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration payable	1,213	1,186
Sindh sales tax payable on management remuneration	158	154
Allocated expenses payable	36	39
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable (including indirect taxes)	81	89
Security deposit	300	300
<b>Group / Associated Companies:</b>		
<b>MCB Bank Limited</b>		
Balance with Bank	2,207	3,218
Profit receivable on bank deposit	35	35
<b>Arif Habib Limited - Brokerage house</b>		
Brokerage payable *	8	12
<b>Next Capital Private Limited - Brokerage House</b>		
Brokerage payable *	6	-
<b>D.G. Khan Cement Company Limited</b>		
60,000 shares(June 30, 2021: 38,000)	4,563	4,481
<b>Power Cement Limited</b>		
Nil shares(June 30, 2021: 450,000)	-	17,719
<b>Fatima Fertilizer Limited</b>		
4,000 shares(June 30, 2021: Nil)	167	-
<b>Nishat (Chunian) Limited</b>		
217,000 shares(June 30, 2021: Nil)	11,275	-
<b>Aisha Steel Mills</b>		
190,000 shares(June 30, 2021: Nil)	2,706	-

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

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

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

March 31, 2022 (Un-Audited)							
As at July 01, 2021	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at March 31, 2022	As at July 01, 2021	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at March 31, 2022
(Units)				(Rupees in '000)			
Directors and executives of the Management Company	7	-	7	1	-	-	1

March 31, 2021 (Un-Audited)							
As at July 01, 2020	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at March 31, 2021	As at July 01, 2020	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at March 31, 2021
(Units)				(Rupees in '000)			
Directors and executives of the Management Company*	4,312	-	4,305	7	44	-	50
Mandate Under Discretionary Portfolio	-	21	21	-	245	245	-

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

## 13 GENERAL

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

13.2 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.

## 14 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

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

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Level 3 : those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**15 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**

**Head Office:** 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi

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

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