



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2022
(UNAUDITED)

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



PAKISTAN INCOME ENHANCEMENT FUND

TABLE OF CONTENTS

1	Fund's Information	92
2	Report of the Directors of the Management Company	93
3	Condensed Interim Statement of Assets And Liabilities	101
4	Condensed Interim Income Statement (Un-audited)	102
5	Condensed Interim Statement of Comprehensive Income (Un-audited)	103
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	104
7	Condensed Interim Cash Flow Statement (Un-audited)	105
8	Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)	106

FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	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
Audit Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
Human Resource & Remuneration Committee	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
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Trustee	Central Depository Company of Pakistan Ltd. 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	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited United Bank Limited Allied Bank Limited Silk Bank Limited Bank Al-Habib Limited NRSP Micro Finance Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited Khushali Micro Finance Bank Limited Telenor Micro Finance Bank Limited Finca Micro Finance Bank Limited JS Bank Limited Zarai Taraqati Bank Limited Habib Bank Limited HBL Micro Finance Bank Limited National Bank of Pakistan	
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
Rating	AM1 Asset Manager Rating assigned by PACRA	

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

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Pakistan Income Enhancement 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

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

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 10.21% against its benchmark return of 10.45%.

WAM of fund stood at 1.4 years. The fund was mainly invested in Cash & TFCs.

At period-end, the fund was 64.3% invested in Cash, 15.7% in TFCs.

The Net Assets of the fund as at March 31, 2022 stood at Rs. 1,054 million as compared to Rs. 630 million as at June 30, 2021 registering an increase of 67.30%.

The Net Asset Value (NAV) per unit as at March 31, 2022 was Rs. 58.0308 as compared to opening NAV of Rs. 53.9015 per unit as at June 30, 2021 registering an increase of Rs. 4.1293 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.

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

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

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 digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

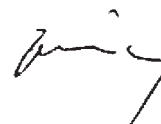
ACKNOWLEDGMENT

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

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
April 20, 2022



Nasim Beg
Director/Vice Chairman
April 20, 2022

ڈائریکٹرز رپورٹ

تصحیح سے valuations کھل گئی ہیں اور طویل المیعاد سرمایہ کاران پُرکشش سطحوں پر ایکوٹی میں سرمایہ کاری کرنا چاہیں گے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکے۔

اظہارِ شکر

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

من جانب ڈائریکٹرز



نسیم بیگ
ڈائریکٹر /وائس چیئرمین
20 اپریل 2022ء



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
20 اپریل 2022ء

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

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

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

میوچل فنڈ صنعت کا جائزہ

مالی سال 2022ء کے ابتدائی نو ماہ کے دوران اوپن end میوچل فنڈ صنعت کے Inet 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 براں، مجموعی فیکسڈ انکم فنڈز میں جون 2021ء سے تقریباً 17.7 فیصد اضافہ ہوا کیونکہ روایتی انکم فنڈز 21.5 فیصد بڑھ کر 153 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں 17.7 فیصد کمی ہوئی کیونکہ مالی سال 2022ء کے ابتدائی نو ماہ کے دوران مارکیٹ تنزل کا شکار رہی جس کے نتیجے میں مجموعی معاشی اور جغرافیائی۔ سیاسی عوامل پر تشویش کے باعث سرمایہ کاروں کی حوصلہ شکنی اثاثہ جات تحت الانظامیہ (AUMs) میں انحطاط کا سبب بنی۔

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

میوچل فنڈ صنعت کے مستقبل کے امکانات

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

معیشت اور بازار - مستقبل کے امکانات

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

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

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

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

ڈائریکٹر رپورٹ

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

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

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

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 10.45 فیصد کے مقررہ منافع کے مقابلے میں 10.21 فیصد سالانہ منافع حاصل کیا۔ فنڈ کا ڈبلیو اے ایم 1.4 سال رہا۔ فنڈ بنیادی طور پر نقد اور ٹی ایف سی میں سرمایہ کاری کی گئی تھی۔ مدت کے اختتام پر فنڈ میں 64.3 فیصد نقد، 15.7 فیصد ٹی ایف سی میں سرمایہ کاری کی گئی۔ 31 مارچ 2022ء کو فنڈ کے خالص اثاثے 1,054 ملین روپے رہے جبکہ 30 جون 2021ء کو 630 ملین روپے تھے، یعنی 67.30 فیصد کا اضافہ درج کیا گیا۔

31 مارچ 2022ء کو خالص اثاثہ قدر (این اے وی) فی یونٹ 58.0308 روپے رہی جبکہ 30 جون 2021ء کو (این اے وی) 53.9015 روپے فی یونٹ تھی، جو کہ 4.1293 روپے فی یونٹ کا اضافہ ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان انکم انہینسمنٹ فنڈ کے گوشواروں کا جائزہ برائے نومبر اور سہ ماہی مختتمہ 31 مارچ 2022ء پیش خدمت ہے۔

معیشیت اور بازار زر 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 فقیہ 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) -----	
ASSETS			
Balances with banks	4	855,192	156,989
Investments	5	457,678	475,217
Mark-up, dividend and other receivables		12,209	5,290
Advances, deposits and prepayments		3,424	3,416
Receivable Against Margin Trading System		-	2,257
Receivables against sale of investment		-	4,699
Receivable from National Clearing Company of Pakistan Limited		2,182	17,470
Total assets		1,330,685	665,338
LIABILITIES			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	6	1,231	1,263
Payable to Central Depository Company of Pakistan Limited - Trustee		79	48
Payable to the Securities and Exchange Commission of Pakistan (SECP)		163	137
Payable against purchase of investments		250,896	-
Payable against redemption of units		2,079	2,079
Accrued and other liabilities	7	22,632	32,215
Total liabilities		277,080	35,742
NET ASSETS		1,053,605	629,596
Unit holders' fund (as per statement attached)		1,053,605	629,596
Contingencies and commitments	8		
(Number of units)			
NUMBER OF UNITS IN ISSUE		18,155,965	11,680,502
----- (Rupees) -----			
NET ASSET VALUE PER UNIT		58.0308	53.9015

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)-----			
INCOME				
Income from government securities	22,778	6,061	11,040	876
Income from term finance certificates	13,786	16,120	5,788	3,564
Capital (loss) / gain on sale of investments - net	(14,141)	(2,493)	(202)	(223)
Mark-up on bank deposits	31,054	12,805	13,591	3,982
Dividend income	7,114	7,091	-	1,844
Income from spread transactions	16,930	3,797	-	14,186
Unrealised appreciation / (diminution) on Derivative	-	4,151	-	4,151
Unrealised appreciation / (diminution) on re-measurement of investments	-	-	-	-
classified as 'financial assets at fair value through profit or loss' - net 5.1 to 5.4	4,061	2,133	(147)	(10,615)
Other income	646	2,341	134	431
Total income	82,228	52,006	30,204	18,196
EXPENSES				
Remuneration of MCB-Arif Habib Savings and Investments Limited- Management Company	7,600	4,581	2,417	2,068
Sindh sales tax on remuneration of Management Company	988	595	314	269
Allocated expenses	816	520	277	164
Remuneration of Central Depository Company of Pakistan Limited - Trustee	614	390	209	124
Sindh sales tax on remuneration of the Trustee	80	51	27	16
Selling and marketing expenses	165	3,195	-	532
Annual fee to the Securities and Exchange Commission of Pakistan	163	104	55	33
Brokerage, settlement charges and bank charges	2,236	3,731	137	1,633
Fees and subscription	804	562	126	7
Auditors' remuneration	462	561	131	188
Legal and professional charges	512	103	40	34
Other expenses	31	-	16	(16)
Total expenses	14,471	14,393	3,749	5,052
Net income from operating activities	67,757	37,613	26,455	13,144
(Reversal) / Provision for Sindh Workers' Welfare Fund (SWWF) 7.1	(9,434)	752	-	(263)
Net income for the period before taxation	77,191	36,861	26,455	12,881
Taxation 9	-	-	-	-
Net income for the period after taxation	77,191	36,861	26,455	12,881
Allocation of net income for the period:				
Net income for the period	77,191	36,861		
Income already paid on units redeemed	(24,736)	(4,988)		
	52,455	31,874		
Accounting income available for distribution				
- Relating to capital gains	-	-		
- Excluding capital gains	52,455	31,874		
	52,455	31,874		

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)-----			
Net income for the period after taxation	77,191	36,861	26,455	12,881
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u><u>77,191</u></u>	<u><u>36,861</u></u>	<u><u>26,455</u></u>	<u><u>12,881</u></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	Total	Capital Value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at the beginning of the period	526,749	102,847	629,596	604,007	102,828	706,835
Issue of 41,520,406 units (2021: 11,339,764 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,238,013	-	2,238,013	611,148	-	611,148
- Element of income	89,111	-	89,111	13,539	-	13,539
	2,327,124	-	2,327,124	624,687	-	624,687
Redemption of 35,044,944 units (2021: 12,992,759 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,888,975	-	1,888,975	700,234	-	700,234
- Element of income	66,595	24,736	91,331	11,310	4,988	16,298
	1,980,306	24,736	1,980,306	711,544	4,988	716,532
Total comprehensive income for the period	-	77,191	77,191	-	36,861	36,861
Net assets at the end of the period	<u>898,303</u>	<u>155,302</u>	<u>1,053,605</u>	<u>517,150</u>	<u>134,702</u>	<u>651,851</u>
Undistributed income brought forward comprising of:						
- Realised		95,758			103,123	
- Unrealised loss		7,089			(295)	
		<u>102,847</u>			<u>102,828</u>	
Accounting income available for distribution						
- Relating to capital gains		-				
- Excluding capital gains		52,455			31,874	
		<u>52,455</u>			<u>31,874</u>	
Undistributed income carried forward		<u>155,302</u>			<u>134,702</u>	
Undistributed income carried forward comprising of:						
- Realised		151,241			132,568	
- Unrealised income / (loss)		4,061			2,133	
		<u>155,302</u>			<u>134,702</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		<u>53.9015</u>			<u>53.8942</u>	
Net asset value per unit at the end of the period		<u>58.0308</u>			<u>56.8694</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
Note	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	77,191	36,861
Adjustments for non cash and other items:		
Unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(4,061)	(2,133)
(Reversal) / Provision for Sindh Workers' Welfare Fund (SWWF)	9,434	752
	<u>82,564</u>	<u>35,480</u>
Decrease / (increase) in assets		
Investments - net	21,600	374,005
Mark-up, dividend and other receivables	(6,919)	7,439
Advances, deposits and prepayments	(8)	(39,746)
Receivables against sale of investment	4,699	-
Receivable Against Margin Trading System	2,257	-
Receivable from National Clearing Company of Pakistan Limited	15,288	(20,920)
	<u>36,917</u>	<u>320,778</u>
Increase / (decrease) in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(31)	1,009
Payable to Central Depository Company of Pakistan Limited - Trustee	31	(4)
Payable to the Securities and Exchange Commission of Pakistan	25	(46)
Payable against purchase of investments	250,896	-
Accrued and other liabilities	(19,017)	(359)
	<u>231,904</u>	<u>600</u>
Net cash generated from / (used in) operating activities	<u>351,385</u>	<u>356,858</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	2,327,124	624,687
Payments on redemption of units	(1,980,306)	(716,532)
Net cash (used in) / generated from financing activities	<u>346,818</u>	<u>(91,845)</u>
Net increase in cash and cash equivalents during the period	<u>698,203</u>	<u>265,013</u>
Cash and cash equivalents at the beginning of the period	156,989	78,377
Cash and cash equivalents at the end of the period	<u>855,192</u>	<u>343,390</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 Income Enhancement Fund (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated June 26, 2008 and July 7, 2008 consequent to which Trust Deed was executed on July 14, 2008 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-ended mutual fund and has been categorised as 'Aggressive Fixed Income Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by SECP and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. Unit holders are divided into plan 'A' and plan 'B'. The unit holders under plan "A" are entitled for bonus units as well as cash dividend, whereas unit holders under plan "B" are entitled for cash dividend only. The units are listed on the Pakistan Stock Exchange Limited (PSX).
- 1.4 The Fund primarily invests in debt securities, unlisted government securities, secured debt securities, money market transactions, reverse repurchase transactions, spread transactions and transactions under Margin Trading System.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM1 dated October 06, 2021 to the Management Company and "A+(f)" as stability rating dated March 09, 2022 to the Fund.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.7 During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for condensed interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise 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.

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

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.
- 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, 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.

4	BALANCES WITH BANKS	Note	March 31, 2022 (Un-audited)	June 30, 2021 (Audited)
			----- (Rupees in '000) -----	
	In current accounts		7,996	7,610
	In saving accounts	4.1	847,196	149,379
		4.2	<u>855,192</u>	<u>156,989</u>

- 4.1** These carry mark-up at rates ranging between 5.5% to 12.15% per annum (June 2021: 5.5% to 9.75% per annum).
- 4.2** These include balances of Rs. 8.054 million (June 30, 2021: Rs. 7.683 million) maintained with MCB Bank Limited (a related party).

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

5 INVESTMENTS	Note	March 31, 2022 (Un-audited) ------(Rupees in '000)-----	June 30, 2021 (Audited)
Investments at fair value through profit or loss			
Government securities	5.1	248,325	74,795
Listed equity securities	5.2	-	236,537
Listed debt securities	5.3	-	-
Unlisted debt securities	5.4	209,353	156,233
Future stock contracts		-	7,652
		<u>457,678</u>	<u>475,217</u>

5.1 Government securities - 'at fair value through profit or loss'

Tenure	Issue Date	Face value				At March 31, 2022			Market value as a percentage of	
		At July 01, 2021	Purchased during the period	Sales / Matured during the period	At March 31, 2022	Carrying value	Market value	(Diminution) / appreciation	net assets	total invest-ments
<div>----- (Rupees in '000) ----- % -----</div>										
Treasury bills - 3 months										
Treasury Bills	April 22, 2021	75,000	-	75,000	-	-	-	-	-	-
Treasury Bills	June 3, 2021	-	30,000	30,000	-	-	-	-	-	-
Treasury Bills	July 2, 2021	-	535,000	535,000	-	-	-	-	-	-
Treasury Bills	July 15, 2021	-	530,000	530,000	-	-	-	-	-	-
Treasury Bills	July 29, 2021	-	500,000	500,000	-	-	-	-	-	-
Treasury Bills	August 12, 2021	-	500,000	500,000	-	-	-	-	-	-
Treasury Bills	August 26, 2021	-	500,000	500,000	-	-	-	-	-	-
Treasury Bills	September 9, 2021	-	500,000	500,000	-	-	-	-	-	-
Treasury Bills	October 7, 2021	-	750,000	750,000	-	-	-	-	-	-
Treasury Bills	November 4, 2021	-	350,000	350,000	-	-	-	-	-	-
Treasury Bills	December 30, 2021	-	500,000	500,000	-	-	-	-	-	-
Treasury Bills	January 27, 2022	-	700,000	700,000	-	-	-	-	-	-
Treasury bills - 6 months										
Treasury Bills	March 25, 2021	-	165,000	165,000	-	-	-	-	-	-
Treasury Bills	April 22, 2021	-	35,000	35,000	-	-	-	-	-	-
Treasury Bills	May 20, 2021	-	35,000	35,000	-	-	-	-	-	-
Treasury Bills	June 3, 2021	-	1,000,000	1,000,000	-	-	-	-	-	-
Treasury Bills	July 2, 2021	-	500,000	500,000	-	-	-	-	-	-
Treasury Bills	July 15, 2021	-	500,000	500,000	-	-	-	-	-	-
Treasury Bills	July 29, 2021	-	500,000	500,000	-	-	-	-	-	-
Treasury Bills	August 12, 2021	-	850,000	850,000	-	-	-	-	-	-
Treasury Bills	August 26, 2021	-	725,000	725,000	-	-	-	-	-	-
Treasury Bills	September 9, 2021	-	2,150,000	2,150,000	-	-	-	-	-	-
Treasury Bills	December 2, 2021	-	300,000	300,000	-	-	-	-	-	-
Treasury Bills	December 16, 2021	-	750,000	750,000	-	-	-	-	-	-
Treasury Bills	January 27, 2022	-	500,000	500,000	-	-	-	-	-	-
Pakistan Investment Bonds										
Pakistan Investment Bonds - 03 years	August 26, 2021	-	1,075,000	825,000	250,000	248,393	248,325	(68.00)	0.24	0.54
Ijara										
GOP Ijara Sukuk - 05 years	December 15, 2021	-	50,000	50,000	-	-	-	-	-	-
As at March 31, 2022						248,393	248,325	(68)		
As at June 30, 2021						74,793	74,795	2		

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

5.2 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 investee company	Number of shares				Balance as at March 31, 2022			Market Value as a percentage of		Percentage in relation to paid- up capital of the investee company
	As at July 01, 2021	Purchased during the period	Sold during the period	As at March 31, 2022	Carrying value	Market value	Unrealised (loss) / gain	net assets	total invest- ments	
----- (Rupees in '000) ----- % -----										
Automobile Assembler										
Sazgar Engineering Works Limited	5,500	25,000	30,500	-	-	-	-	-	-	-
Pak Suzuki Motors Company Limited	1,000	53,500	54,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Cable & electrical goods										
Pak Elektron Limited*	263,500	991,000	1,254,500	-	-	-	-	-	-	-
Waves Singer Pakistan Limited	-	452,500	452,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Cement										
D.G. Khan Cement Company Limited*	37,500	149,000	186,500	-	-	-	-	-	-	-
Fauji Cement Company Limited	35,500	79,500	115,000	-	-	-	-	-	-	-
Lucky Cement Limited	-	23,500	23,500	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	127,500	259,000	386,500	-	-	-	-	-	-	-
Pioneer Cement Limited	25,500	50,500	76,000	-	-	-	-	-	-	-
Power Cement Limited*	-	207,500	207,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Chemicals										
Engro Polymer and Chemicals Limited	34,500	389,000	423,500	-	-	-	-	-	-	-
Ghani Global Holdings Limited	650,000	201,000	851,000	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	178,000	830,500	1,008,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Engineering										
Amreli Steels Limited	14,000	12,000	26,000	-	-	-	-	-	-	-
Aisha Steel Mills Limited*	524,000	536,500	1,060,500	-	-	-	-	-	-	-
International Industries Limited	9,500	390,000	399,500	-	-	-	-	-	-	-
International Steels Limited	196,000	302,000	498,000	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	2,000	515,000	517,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Fertilizer										
Engro Corporation Limited	1,500	7,000	8,500	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	96,000	223,500	319,500	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	1,000	1,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Food & Personal Care Products										
Fauji Foods Limited	-	420,000	420,000	-	-	-	-	-	-	-
The Organic Meat Company Limited	-	404,500	404,500	-	-	-	-	-	-	-
Treet Corporation Limited	-	939,500	939,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Glass & Ceramics										
Tariq Glass Industries	-	2,500	2,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Oil and Gas Exploration Companies										
Oil & Gas Development Company Limited	26,000	528,000	554,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited	8,500	108,000	116,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Oil and Gas Marketing Companies										
Pakistan State Oil Company Limited	6,500	40,500	47,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	93,500	440,000	533,500	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	3,000	-	3,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Pharmaceuticals										
The Searle Company Limited	-	25,500	25,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Power Generation & Distribution										
The Hub Power Company Limited	10,500	365,000	375,500	-	-	-	-	-	-	-
Kot Addu Power Company Limited	181,000	11,500	192,500	-	-	-	-	-	-	-
K-Electric Limited**	202,000	22,500	224,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Balance carried forward					-	-	-	-	-	-

* These transactions relate to shares of related parties

** This has a face value of Rs 3.5 per share.

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

Name of investee company	Number of shares				Balance as at March 31, 2022			Market Value as a percentage of		Percentage in relation to paid- up capital of the investee company
	As at July 01, 2021	Purchased during the period	Sold during the period	As at March 31, 2022	Carrying value	Market value	Unrealised (loss) / gain	net assets	total invest- ments	
----- (Rupees in '000) ----- % -----										
Balance carried forward					-	-	-			
Refinery										
Attock Refinery Limited	110,000	201,000	311,000	-	-	-	-	-	-	-
Cnergyico pk Limited	1,224,500	8,117,500	9,342,000	-	-	-	-	-	-	-
National Refinery Limited	3,000	130,000	133,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	505,500	505,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Technology & Communications										
Avanceon Limited	108,500	1,213,500	1,322,000	-	-	-	-	-	-	-
Hum Network Limited	3,400,000	2,106,500	5,506,500	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	16,500	316,500	333,000	-	-	-	-	-	-	-
Worldcall Telecom Limited	-	147,500	147,500	-	-	-	-	-	-	-
NetSol Technologies Limited	-	363,000	363,000	-	-	-	-	-	-	-
TRG Pakistan Limited	92,000	1,243,500	1,335,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Textile Composite										
Gul Ahmed Textile Mills Limited	26,500	57,000	83,500	-	-	-	-	-	-	-
Nishat (Chunian) Limited*	-	853,500	853,500	-	-	-	-	-	-	-
Nishat Mills Limited*	-	16,500	16,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Transport										
Pakistan Interntional Bulk Terminal Limited	39,000	693,500	732,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Vanaspati & Allied Industries										
Unity Foods Limited	453,500	1,956,000	2,409,500	-	-	-	-	-	-	-
					-	-	-	-	-	-
Miscellaneous										
Siddiqsons Tin Plate Limited	-	285,000	285,000	-	-	-	-	-	-	-
					-	-	-	-	-	-
Total as at March 31, 2022					-	-	-	-	-	-
Total as at June 30, 2021					238,683	236,537	(2,146)			

* These transactions relate to shares of related parties

The movement in equity securities represents spread transactions entered into by the Fund. The fund purchases equity securities in ready settlement market and sells the securities in future settlement market on the same day resulting in spread income/(loss) due to difference in ready and future stock prices.

5.3 Listed debt securities - Term Finance Certificates / Sukuks - 'at fair value through profit or loss'

Certificates have a face value of Rs 5,000 each unless stated otherwise

Name of investee company	Number of Certificates					At March 31, 2022			Market value as a percentage of	
	At July 1, 2021	Purchased during the period	Matured during the period	Disposed during the period	At March 31, 2022	Carrying value	Market value	Appreciation/ (diminution)	Net assets	Total investment
(Rupees in '000) %										
Real Estate investment and services										
Pace Pakistan Limited (15-02-08) (note 5.6)	15,000	-	-	-	15,000	74,910	(74,910)			
Less: Provision for impairment										
As at March 31, 2022						-	-	-		
As at June 30, 2021						-	-	-		

* Face value of the investment is Rs. 100,000

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

5.4 Unlisted debt securities - Term Finance Certificates - 'at fair value through profit or loss'

Certificates have a face value of Rs 5,000 each unless stated otherwise

Name of investee company	Number of Certificates					As At March 31, 2022			Market value as a percentage of	
	As at July 1, 2021	Purchased during the period	Matured during the period	Disposed during the period	As At March 31, 2022	Carrying value	Market value	Appreciation / (diminution)	Net assets	Total investment
----- Rupees in '000 ----- % -----										
Financial Institutions										
Askari Bank Limited VII - TFC (March 17, 2020)**	20	-	-	-	20	19,796	20,300	504	1.93%	4.44%
Samba Bank Limited TFC-I (March 01, 2021)*	400	-	-	-	400	39,984	40,302	318	3.83%	8.81%
The Bank of Punjab Limited TFC - I (December 23, 2016)*	550	-	-	-	550	55,439	57,305	1,866	5.44%	12.52%
Jahangir Siddiqui & Company Limited - TFC -III (July 18, 2017)	17,000	-	-	-	17,000	29,341	30,169	828	2.86%	6.59%
Bank AL-Habib Limited-TFC-II (September 30, 2021)		5,000	-	-	5,000	24,995	25,670	675	2.44%	5.61%
Pak Elektron Limited Sukuk-II (November 15, 2021)**		35	-	-	35	35,000	34,932	(68)	3.32%	7.63%
Construction and Material										
Byco Petroleum Limited - Sukuk (January 18, 2017)*	20	-	-	-	20	667	675	8	0.06%	0.15%
Eden Housing Limited - Sukuk (March 31, 2008) (note 5.6)	10,415	-	-	-	10,415	10,251				
- Due but not received										
Less: Provision for impairment						(10,251)				
						-	-	-	-	-
As at March 31, 2022						205,222	209,353	4,131		
As at June 30, 2021						154,652	156,233	1,581		

* Face value of this sukuk certificate is Rs.100,000 per certificate.

** Face value of this sukuk certificate is Rs.1,000,000 per certificate.

5.5 Details of non-compliant investment with the investment criteria as specified by the Securities and Exchange Commission of Pakistan

In accordance with clause (v) of the investment criteria laid down for 'Aggressive Fixed Income Scheme' in Circular no. 7 of 2009, the Fund is required to invest in any security having rating not lower than the investment grade (credit rating of BBB and above). However, as at March 31, 2022, the Fund is non-compliant with the above mentioned requirement in respect of the following investments. The securities were in compliance of the Circular (i.e. investment grade) at the time of purchase and were subsequently downgraded to non investment grade by MUFAP on default by the respective issuer in repayment of coupon due on respective dates. The Fund holds 100% provision against such investments as enumerated below:

-----Unaudited-----						
Category of non-compliant investment	Name of investee Company	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of gross assets
-----Rupees in '000'----- % -----						
Investment in debt securities	a) Pace Pakistan Limited (note 5.3)	74,910	74,910	-	-	-
	b) Eden Housing Limited (note 5.4)	10,251	10,251	-	-	-

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

		March 31, 2022	June 30, 2021
		(Unaudited)	(Audited)
		----- (Rupees in '000) -----	
6	PAYABLE TO MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY	Note	
	Management remuneration Payable	6.1	903
	Sindh Sales Tax payable on remuneration of the Management Company	6.2	1,052
	Allocated expense payable		117
	Selling and marketing expenses payable		88
	Sales load payable (including indirect taxes)		54
			-
			-
		123	21
		<u>1,231</u>	<u>1,263</u>

6.1 The management company has charged management fee at the rate upto, 15% of the gross earnings of scheme, calculated on daily basis subject to minimum fee of 0.25% of the average daily net assets of the Fund. The aforementioned limit is effective since August 8, 2019. With effect from January 07, 2022, the minimum fee limit of 0.25% has been removed through supplement offering document dated December 31, 2021.

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

		March 31, 2022	June 30, 2021
		(Unaudited)	(Audited)
		----- (Rupees in '000) -----	
7	ACCRUED AND OTHER LIABILITIES	Note	
	Provision for Sindh workers' welfare fund	7.1	-
	Provision for federal excise duty payable on:		9,434
	- Remuneration of the management fee	7.2	16,590
	- Sales load		16,590
	Brokerage payable		4,746
	Capital gain tax payable		443
	Auditors' remuneration payable		261
	Printing expenses payable		231
	Legal advisor fee payable		396
	Other payable		35
			37
		417	31
		338	307
		<u>22,632</u>	<u>32,215</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

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

funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP

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

7.2 Federal Excise Duty on remuneration of the management company and sales load

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 year ended June 30, 2021. Had the provision for FED not been made, the Net Assets Value of the Fund as at March 31, 2022 would have been higher by Rs 1.18 (June 30, 2021: Rs 1.42) per unit.

8 CONTINGENCIES AND COMMITMENTS

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

8.1 Commitments

Future sale transactions of equity securities entered into by the Fund in respect of which the sale transactions have not been settled as at period end

	March 31, 2022 (Un-audited) ----- (Rupees in '000) -----	June 30, 2021 (Audited)
Sell	-	250,704
Buy	-	4,721
Margin Trading sale transactions not settled as at year end	-	2,269

9 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management intends to distribute atleast 90% of income earned by the Fund in cash during the year ending June 30, 2021 to the unit holders therefore, no provision for taxation has been made in these condensed interim financial statements.

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

10 EARNINGS PER UNIT

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

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

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

	For the nine months period ended March 31, 2022 (unaudited)							
	As at July 01, 2021	Issued for cash	Redeemed	As at March 31, 2022	As at July 01, 2021	Issued for cash	Redeemed	As at March 31, 2022
	Units				(Rupees in '000)			
Associated Companies:								
Security General Insurance Company Limited								
Employees Provident Fund Trust	46,809	-	-	46,809	2,523	-	-	2,716
Mandate Under Discretionary Portfolio								
Services *	8	-	8	-	-	-	1	-
Unit holders holding 10% or more units*	1,892,804	-	-	1,892,804	102,011	-	-	109,841

* This reflects the position of related party / connected persons status as at March 31, 2022.

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

	For the nine months period ended March 31, 2021 (unaudited)							
	As at July 01, 2021	Issued for cash	Redeemed	As at March 31, 2021	As at July 01, 2021	Issued for cash	Redeemed	As at March 31, 2021
	----- Units -----				(Rupees in '000) -----			
Associated Companies:								
Security General Insurance Company Limited								
Employees Provident Fund Trust	46,809	-	-	46,809	2,523	-	-	2,662
Mandate Under Discretionary Portfolio								
Services *	8	-	8	-	-	-	1	-
Unit holders holding 10% or more units*	1,892,804	-	-	1,892,804	102,011	-	-	107,643

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

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

	March 31, 2022 (Unaudited) ----- (Rupees in '000) -----	March 31, 2021 (Unaudited) -----
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration including indirect taxes	8,588	5,176
Allocated expenses	816	520
Selling and marketing expenses	165	3,195
Central Depository Company of Pakistan Limited		
Remuneration of the trustee (including indirect taxes)	694	985
CDC settlement charges	177	112
MCB Bank Limited		
Profit on bank deposits	21	71
Bank charges	20	67
D.G. Khan Cement Company Limited		
Purchase of shares 149,000 (March 31, 2021: 386,000)	16,035	42,676
Sale of shares 186,500 (March 31, 2021: 386,000) shares	20,913	43,019
Nishat Mills Limited		
Purchase of shares 16,500 (March 31, 2021: 154,500)	1,590	15,424
Sale of shares 16,500 (March 31, 2021: 154,500)	1,603	15,034
Aisha Steel Mills Limited		
Purchase of Shares 2021: 536,500 (2021: NIL)	13,026	-
Sale of shares 1,060,500 (March 31, 2021: 11,500)	26,766	284
Nishat Chunian Limited		
Purchase of shares 853,500 (March 31, 2021: 23,000) shares	42,693	968
Sale of shares 853,500 (March 31, 2021: 23,000) shares	43,103	980
Power Cement Limited		
Purchase of shares 207,500 (March 31, 2021: 199,000) shares	1,742	1,951
Sale of Shares 2021: 207,500 (March 31, 2021: NIL)	1,758	-

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

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

11.3 Amount outstanding as at period end / year end	March 31, 2022 (Unaudited)	June 30, 2021 (Audited)
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings & Investments Limited - Management Company		
Management remuneration payable	903	1,052
Sindh Sales Tax payable on remuneration of the Management Company	117	136
Allocated expenses payable	88	54
Selling and marketing expenses payable	-	-
Sales load payable (including indirect taxes)	123	21
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	70	42
Sindh Sales tax payable on remuneration of Trustee	9	6
Security deposits	200	200
MCB Bank Limited		
Bank deposits held	8,034	7,683
D.G. Khan Cement Company Limited		
Shares held NIL (2021: 37,500)	-	4,422
Aisha Steel Mills Limited		
Shares held NIL (2021: 524,000)	-	13,053

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

12 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 1.77% (March 31, 2021: 2.92%) which includes 0.16% (March 31, 2021: 0.3%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee.

13 GENERAL

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

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.

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

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).

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, **Email:** info@mcbah.com