

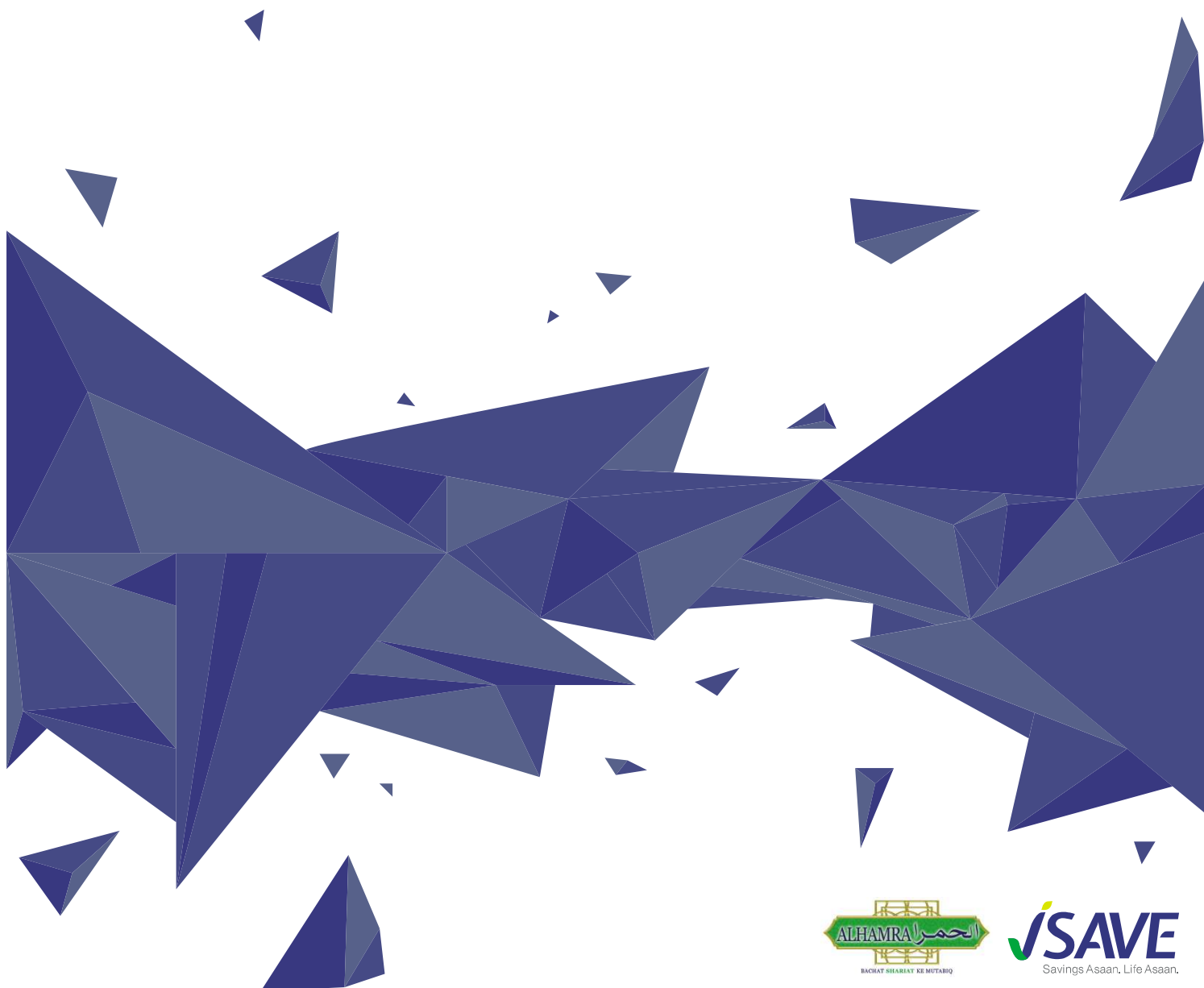


MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

SEPTEMBER
2022
(UNAUDITED)

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



Vision

To become synonymous with Savings

Mission

To become a preferred Saving and Investment Manager in the domestic and regional markets while maximizing stakeholders' value

Core Values

The Company takes pride in its orientation towards client service. it believes that its key success factors include continuous investment in staff, systems and capacity building and its insistence on universal best practices at all times.



CONTENTS

01	MCB DCF Income Fund	03
02	Pakistan Income Fund	30
03	MCB Pakistan Sovereign Fund	57
04	Pakistan Income Enhancement Fund	78
05	Pakistan Cash Management Optimizer	101
06	MCB Cash Management Fund	124
07	MCB Pakistan Stock Market Fund	145
08	ALHAMRA Islamic Stock Fund	171
09	MCB Pakistan Asset Allocation Fund	198
10	Pakistan Capital Market Fund	222
11	ALHAMRA Islamic Asset Allocation Fund	246
12	ALHAMRA Islamic Income Fund	270
13	ALHAMRA Islamic Active Allocation Fund	292
14	MCB Pakistan Frequent Payout Fund	316
15	ALHAMRA Daily Dividend Fund	337
16	ALHAMRA Wada Fund	357
17	MCB Pakistan Fixed Return Fund	376
18	MCB Pakistan Opportunity Fund	404
19	Pakistan Pension Fund	426
20	AL HAMRA Islamic Pension Fund	456

MCB DCF INCOME FUND

TABLE OF CONTENTS

1	Fund's Information	05
2	Report of the Directors of the Management Company	06
3	Condensed Interim Statement of Assets And Liabilities	13
4	Condensed Interim Income Statement (Un-audited)	14
5	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	15
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	16
7	Condensed Interim Cash Flow Statement (Un-audited)	17
8	Notes to and forming part of the Condensed Interim Financial Statements	18

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 Shakra-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 Traqiat Bank Limited Habib Bank Limited HBL Micro Finance Bank Limited National Bank of Pakistan Soneri Bank Limited	
Auditors	A.F. Ferguson & Co. Chartered Accountants (A Members 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 QUARTER ENDED SEPTEMBER 30, 2022

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB DCF Income Fund** accounts review for the quarter ended September 30, 2022.

ECONOMY AND MONEY MARKET REVIEW

The new fiscal year started with unprecedented rainfall and added further woes to the already struggling economy of Pakistan. The country witnessed 3 times more rainfall than 30-year average of 135mm which caused considerable damage to the infrastructure, wiped off crops, devastated livestock and resulted in the loss of precious lives. The floods would directly hit our already fragile economy in the shape of higher inflation, worsening Current Account Deficit (CAD), fiscal strain, and lower GDP growth amid the tough global landscape.

The key crop affected by floods are cotton and rice. We expect the cotton imports to increase by 2.5mn bales which translates into an additional import bill of around USD 1.1bn. Similarly, we expect rice export to decrease by 20% leading to a decline in export of USD 500mn. This would worsen our trade deficit by USD 1.6 billion. The inflation could also escalate in the short term as supply chain disruption would lead to increase in price of perishable food products.

Agriculture contributes around 22.7% to the country's GDP with livestock having a weight of 14.0% in the overall pie followed by crops with a weightage of 7.8%. The floods would trim FY23 GDP growth number by 0.4% to 2.0%. On the fiscal front, the government will have to increase its spending to rehabilitate the peoples affected by floods. This could increase risk of fiscal slippage and cause us to miss our target of achieving a primary budget surplus of PKR 153bn (0.2% of GDP) in FY23.

The country posted a current account deficit of USD 1.9bn in first two months of fiscal year 2023 (2MFY23) compared to a deficit of USD 2.4bn in the corresponding period last year, registering a 20% improvement over last year. Narrowing trade deficit was the major contributor towards improving CAD as an 11.2% jump in exports coupled with 2.1% drop in imports led to 11% contraction in trade deficit. In addition to CAD, debt repayments put further pressure on the FX reserves, which dropped by another USD 1.9 billion to USD 7.9 billion, hardly enough for 6 weeks. This led PKR to lost its ground against the USD by 11% to close the quarter at PKR 227 against a Dollar.

Headline inflation represented by CPI averaged 25.1% during the quarter as compared to 8.6% in the corresponding period last year. Higher food prices as an aftermath of floods coupled with higher electricity tariff and rising petroleum prices were the major contributors towards rising CPI. The inflationary pressure was broad based which is depicted by core inflation increasing to 15.7% compared to 12.3% at the end of last quarter. SBP increased policy rate by a further 125bps in July-22 monetary policy while maintained interest rates in the latest MPS held in Oct-22. On the fiscal side, FBR tax collection increased by 17.1% in 1QFY23 to PKR 1,635 billion compared to PKR 1,396 billion in the same quarter last year. This exceeded the target by 25bn.

Secondary markets yields increased in the quarter on account of monetary tightening and additional bout of inflationary pressure post floods. The 3,6 and 12 Month T-Bills yield increased by 50, 52 and 44 basis points (bps) respectively while 3 and 5 Years Bond yields rose by 38 and 19bps respectively during the quarter.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 13.29% as against its benchmark return of 16.20%. The WAM of the fund increased to 1.8 years because of interest rate outlook which was on a rising trend. The fund allocation remained notably in cash and TFCs at the end of the period under review. At period-end, the fund was invested 62.5% in Cash, 21.7% in PIBs and 13.2% in TFCs. High cash exposure was due to the fact that banks were offering lucrative rates on bank deposits.

The Net Assets of the Fund as at September 30, 2022 stood at Rs. 5,138 million as compared to Rs. 4,617 million as at June 30, 2022 registering an increase of 11.28%.

The Net Asset Value (NAV) per unit as at September 30, 2022 was Rs. 110.9559 as compared to opening NAV of Rs. 107.3596 per unit as at June 30, 2022 registering an increase of Rs. 3.5963 per unit.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2022

ECONOMY & MARKET – FUTURE OUTLOOK

Pakistan GDP growth clocked at 6.0% in FY22 with Agricultural, Industrial and Services sector increasing by 4.4%, 7.2% and 6.2% respectively. The GDP growth is projected to decline to 2.0% in FY23 as monetary tightening, rupee devaluation and the recent floods will lead to slowdown in the economy. The loss of cotton and rice crop would trim agriculture growth to 1.2% while industrial growth is expected at clock at -2.5% owing to demand slowdown. The government is taking administrative measures to control imports which will reduce service sector growth to 3.7%.

The international commodities have eased from their recent high but energy prices remain stubbornly high. We expect the government to keep a tight leash on imports and discourage unnecessary dollar outflows. The imports are expected to decrease by 13% YoY to USD 63bn as we may witness volumetric compression in several segments of the economy. Thus we expect the CAD to ease to USD 7.3bn (2.0% of GDP) in FY23, a massive drop, when compared with USD 17.4bn (4.5% of GDP) in FY22.

The successful resumption of IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. In addition, the aid commitment by multilateral agencies should lend support to foreign inflows. However, our external position still remains precarious as we are unlikely to issue international Eurobond or Sukuk owing to the challenging global conditions. The proceeds from FDI and RDA are also likely to remain muted owing to the current economic challenges. Thus we would have to ensure a sustainable current account this year to stave off external concerns.

The rupee has now recovered from its recent low as more clarity has emerged on foreign assistance from multilateral agencies. In addition, the statement given by the new finance minister regarding the overvaluation of dollar curbed speculation in the market. However, materialization of foreign inflows will be crucial to build sufficient reserve and lend support to the currency. We expect USD/PKR to close at 240 by fiscal year end on an assumed REER of 95.

We expect Average FY23 inflation to clock at 24.7% assuming international oil stays around USD 100/bbl. The government has increased petroleum and electricity prices, which will lead to a bout of inflationary pressure. We will also witness the second round impact of the currency devaluation which will keep inflation numbers elevated for remainder of the year. Food inflation is also expected to stay elevated due to the recent floods. SBP has already increased policy rate to 15.0% to cool aggregate demand and deescalate inflationary pressure. Given the significant economic slowdown and demand curtailment we do not rule out a scenario where SBP keeps real interest rates negative.

From capital market perspective, particularly equities, the correction in stock prices has further opened up valuation. The market appears to have priced in the interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 9.4%, a discount of 55% from its historical average. Similarly, risk premiums are close to 7.8%, compared to historical average of 2.2% 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 5.0x, while offering a dividend yield of 10.2%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. We would continue to monitor the data points and capitalize on opportunities to add government bonds in Income Funds at attractive rates to benefit from the expected monetary easing in the medium term.

MUTUAL FUND INDUSTRY REVIEW

The Net Assets of the open end mutual fund industry increased by about 6.3% during 1QFY23 to PKR 1,291bn. Total money market funds grew by about 7.0% since June 2022. Within the money market sphere, the conventional funds showed a growth of 0.6% to PKR 449bn while Islamic funds increased by 19.6% to PKR 270bn. In addition, the total fixed Income funds increased by about 3.3% since June 2022 to PKR 308bn. Equity and related funds declined by 3.6% as market witnessed a decline in 1QFY23 eroding AUMs as concern over macroeconomic factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 55.6%, followed by Income funds with 23.9% and Equity and Equity related funds having a share of 17.2% as at the end of 1QFY23.

MUTUAL FUND INDUSTRY OUTLOOK

The current interest rates would encourage higher flows in the money market funds as they are ideal for investors with a short term horizon and low risk profile. However, a correction in stock prices has opened

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2022

up valuations and the long term investors may look to add equity exposure at these highly attractive levels. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

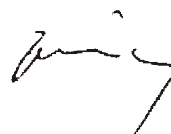
ACKNOWLEDGMENT

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
October 21, 2022

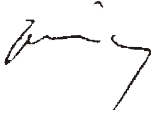


Nasim Beg
Director/ Vice Chairman

ڈائریکٹرز رپورٹ

اظہار تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کے مسلسل تعاون اور حمایت کے لیے شکرگزار ہے۔ نیز، ڈائریکٹرز انتظامیہ ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔



نسیم بیگ
ڈائریکٹر / وائس چیئرمین

من جانب ڈائریکٹرز



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
21 اکتوبر 2022ء

ڈائریکٹر رپورٹ

نے پہلے ہی پالیسی شرح کو بڑھا کر 15.0 فیصد کر دیا ہے تاکہ مجموعی مانگ اور مہنگائی کے دباؤ سے نمٹا جاسکے۔ معیشت میں اچھی خاصی سست رفتاری اور مانگ میں کمی کے باعث ایس بی پی کے حقیقی شرح سود کو منفی رکھنے کا امکان خارج از بحث نہیں ہے۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے اسٹاک کی قیمتوں میں تصحیح سے تعین قدر مزید کھل گئی ہے۔ مارکیٹ نے بظاہر شرح سود میں اضافے اور روپے کی قدر میں کمی کو مد نظر رکھا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 9.4 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 55 فیصد کی ہے۔ اسی طرح، خطرات کے پریئم 7.8 فیصد کے قریب ہیں، اور ان کے قدیم اوسط 2.2 فیصد سے موازنہ کرنے پر اس بھرپور کمی کا پتہ چلتا ہے جس پر مارکیٹ میں تجارت ہو رہی ہے۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے ان کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 5.0x PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی سطح 10.2 فیصد پر ہے۔

حاملین قرض کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ ہم ڈیٹا پوائنٹس کی نگرانی، اور پُرکشش شرحوں پر انکم فنڈز میں حکومتی بانڈز شامل کرنے کے مواقع سے استفادہ جاری رکھیں گے تاکہ درمیانی مدت میں متوقع مالیاتی تسہیل سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے inet اثاثہ جات مالی سال 2023ء کی پہلی سہ ماہی کے دوران تقریباً 6.3 فیصد بڑھ کر 1,291 بلین روپے ہو گئے۔ مجموعی Money مارکیٹ فنڈز میں جون 2022ء سے اب تک تقریباً 7.0 فیصد اضافہ ہوا ہے۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 0.6 فیصد بڑھ کر 449 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 19.6 فیصد بڑھ کر 270 بلین روپے ہو گئے۔ مزید براں، مجموعی فیکسڈ انکم فنڈز جون 2022ء سے اب تک تقریباً 3.3 فیصد بڑھ کر 308 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 3.6 فیصد کم ہو گئے جس کی وجہ مالی سال 2023ء کی پہلی سہ ماہی میں مارکیٹ میں اغلاط اور اثاثہ جات تحت الانظامیہ میں کمی ہے کیونکہ مجموعی معاشی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔

شعبہ جاتی اعتبار سے مالی سال 2023ء کی پہلی سہ ماہی کے اختتام پر Money مارکیٹ فنڈز تقریباً 55.6 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم فنڈز تھے جن کا 23.9 فیصد حصہ تھا، اور تیسرے نمبر پر ایکویٹی اور ایکویٹی سے متعلقہ فنڈز تھے جن کا 17.2 فیصد حصہ تھا۔

میوچل فنڈ کی صنعت کے مستقبل کا منظر

سود کی موجودہ شرحوں سے Money مارکیٹ فنڈز میں آمدورفت میں اضافے کی حوصلہ افزائی ہوگی کیونکہ یہ مختصر المیاد سرمایہ کاروں کے لیے موزوں ترین ہیں جو خطرے کی کم سطح پر رہنا چاہتے ہیں۔ تاہم اسٹاک کی قیمتوں میں تصحیح سے تعینات قدر کھل گئی ہیں اور طویل المیاد سرمایہ کاران بے حد پُرکشش سطحوں پر ایکویٹی میں مزید پیسہ لگانا 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 کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

ڈائریکٹر رپورٹ

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 13.29 فیصد تھا، جبکہ مقررہ معیار کا منافع 16.20 فیصد تھا۔ فنڈ کی بالوزن اوسط میپٹوریٹی بڑھ کر 1.8 سال ہو گئی جس کا سبب سود کی شرح میں کمی کا رجحان تھا۔ زیر جائزہ مدت کے اختتام پر فنڈ کا زیادہ تر اختصاص نقد اور ٹرم فنانس سرٹیفکیٹس (ٹی ایف سی) میں تھا۔ اختتام مدت پر فنڈ کی سرمایہ کاری، نقد میں 62.5 فیصد اور پی آئی بی میں 21.7 فیصد اور ٹی ایف سی میں 13.2 فیصد تھی۔ نقد میں زیادہ شمولیت کی وجہ پینک ڈپازٹس پر منافع بخش شرحیں تھیں۔

30 ستمبر 2022ء کو فنڈ کے net اثاثہ جات 5,138 ملین روپے تھے جو 30 جون 2022ء کی سطح 4,617 ملین روپے کے مقابلے میں 11.28 فیصد کا اضافہ ہے۔

30 ستمبر 2022ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 110.9559 روپے تھی جو 30 جون 2022ء کو ابتدائی این اے وی 107.3596 روپے فی یونٹ کے مقابلے میں 3.5963 روپے فی یونٹ اضافہ ہے۔

معیشت اور بازار - مستقبل کے امکانات

مالی سال 2022ء میں پاکستان کی مجموعی ملکی پیداوار (ج ڈی پی) کی ترقی 6.0 فیصد تھی۔ زراعت، صنعت اور خدمات کے شعبوں نے بالترتیب 4.4 فیصد، 7.2 فیصد اور 6.2 فیصد ترقی کی۔ مالی سال 2023ء میں جی ڈی پی کی ترقی میں 2.0 فیصد کی متوقع ہے کیونکہ مالیاتی سختی، روپے کی قدر میں کمی اور حالیہ سیلابوں کے نتیجے میں معیشت سست رفتاری کا شکار ہوگی۔ کپاس اور چاول کی فصل میں نقصان کے باعث زرعی ترقی سنکڑ کر 1.2 فیصد ہو جائے گی جبکہ صنعتی ترقی (مانگ میں سست رفتاری کے باعث) (2.5) فیصد متوقع ہے۔ حکومت درآمدات پر قابو پانے کے لیے انتظامی اقدامات کر رہی ہے جس سے خدمات کے شعبے کی ترقی سنکڑ کر 3.7 فیصد ہو جائے گی۔

بین الاقوامی اشیاء کی قیمتیں حالیہ بلند سطح سے نیچے آئی ہیں لیکن توانائی کی قیمتیں ابھی تک آسمان سے باتیں کر رہی ہیں۔ ہم اُمید کرتے ہیں کہ حکومت درآمدات پر مضبوط لگام ڈالے رکھے گی اور ڈالر کے غیر ضروری اخراجات، بہاؤ کی حوصلہ شکنی کرے گی۔ درآمدات متوقع طور پر 13 فیصد سال در سال (YoY) کم ہو کر 63 بلین ڈالر ہو جائیں گی کیونکہ معیشت کے متعدد شعبوں میں خجما تھی سنکڑ دیکھا جائے گا۔ چنانچہ مالی سال 2023ء میں سی اے ڈی متوقع طور پر کم ہو کر 7.3 بلین ڈالر (جی ڈی پی کا 2.0 فیصد) ہو جائے گا، جو مالی سال 2022ء (17.4 بلین ڈالر - جی ڈی پی کا 4.5 فیصد) کے مقابلے میں بڑی کمی ہے۔

آئی ایم ایف پروگرام کی کامیابی کا ایک کلیدی مثبت پیش رفت ہے کیونکہ اس کی بدولت ہم دو جہتی اور کثیر الجہتی ذرائع سے رقم حاصل کر سکیں گے۔ علاوہ ازیں، کثیر الجہتی ایجنسیوں کی طرف سے امداد کے وعدے سے غیر ملکی آمداتی بہاؤ کو معاونت حاصل ہوگی۔ تاہم ہماری خارجی حالت اب بھی غیر یقینی ہے کیونکہ وقت طلب عالمی حالات کے باعث اس بات کا امکان کم ہے کہ ہم بین الاقوامی یورو بانڈ یا سنکھک جاری کریں۔ FDI اور RDA سے حاصل ہونے والی آمدنیاں بھی موجودہ معاشی مشکلات کے باعث متوقع طور پر رُک رہی ہیں گی۔ چنانچہ اس سال ہمیں ایک قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی خدشات ختم ہو سکیں۔

روپے کی قدر حالیہ پست سطح سے بحال ہوئی ہے کیونکہ کثیر الجہتی ایجنسیوں سے غیر ملکی امداد کے حوالے سے صورتحال مزید واضح ہوئی ہے۔ علاوہ ازیں، نئے وزیر خزانہ کی ڈالر کی پیش قدری سے متعلق بیان سے بازار میں قیاس آرائی میں کمی ہوئی۔ تاہم خاطر خواہ ذخائر جمع کرنے اور روپے کو سہارا فراہم کرنے کے لیے غیر ملکی آمداتی بہاؤ کا عملی جامہ پہننا بے حد ضروری ہوگا۔ ہماری توقع کے مطابق مالی سال کے اختتام پر (REER کے 95 ہونے کے مفروضے پر) ڈالر کے مقابلے میں روپے کی قدر 240 ہوگی۔

مالی سال 2023ء میں اوسط مہنگائی 24.7 فیصد متوقع ہے، بشرطیکہ تیل بین الاقوامی سطح پر تقریباً 100 ڈالر فی بیرل پر برقرار رہے۔ حکومت نے پٹرول اور بجلی کی قیمتوں میں اضافہ کیا ہے جس کے نتیجے میں مہنگائی کی دباؤ میں شدت آئے گی۔ روپے کی قدر میں کمی کے اثر کا دوسرا دور بھی دیکھنے میں آئے گا جس کے باعث سال کے بقیہ حصے کے دوران مہنگائی کے عدد بلند سطح پر رہیں گے۔ حالیہ سیلابوں کے سبب اشیاء خورد و نوش کی قیمتیں بھی بلند رہنے کا امکان ہے۔ اسٹیٹ بینک آف پاکستان

ڈائریکٹر رپورٹ

عزیز سرمایہ کار

منجانب بورڈ آف ڈائریکٹر ایم سی بی۔ ڈی سی ایف اےکم فنڈ کے اکاؤنٹس کا جائزہ برائے سہ ماہی مختتمہ 30 ستمبر 2022ء پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

نئے مالی سال کا آغاز فقید المثال برسات سے ہوا جس نے پاکستان کی مسائل میں گھری معیشت کو مزید مشکلات سے دوچار کر دیا۔ ملک میں گزشتہ تیس برسوں کی اوسط بارش 135mm سے تین گنا زیادہ بارشیں ہوئیں جس کے نتیجے میں انتظامی ڈھانچے کو گھمبیر نقصان پہنچا، فصلوں کا صفایا ہو گیا، مویشی ہلاک ہوئے اور قیمتی جانیں ضائع ہوئیں۔ سیلاب ہماری پہلے سے خستہ حال معیشت پر براہ راست وار کریں گے جو مہنگائی میں اضافے، کرنٹ اکاؤنٹ خسارے (سی اے ڈی) میں مزید بگاڑ، مالیاتی تناؤ، اور عالمی سطح پر مشکلات کے نتیجے میں مجموعی ملکی پیداوار (جی ڈی پی) کی ترقی میں کمی کی صورت میں ظاہر ہوگا۔

سیلابوں سے سب سے زیادہ متاثر ہونے والی فصلیں کپاس اور چاول ہیں۔ کپاس کی درآمد میں 2.5 ملین گانٹھیں اضافہ متوقع ہے جس کا مطلب درآمداتی بل میں تقریباً 1.1 بلین ڈالر اضافہ ہے۔ اسی طرح، چاول کی درآمد میں 20 فیصد کمی متوقع ہے جس کے نتیجے میں برآمدات میں 500 ملین ڈالر کمی آئے گی۔ جسکے باعث خسارہ میں 1.6 بلین ڈالر اضافہ ہوگا۔ مہنگائی میں بھی مختصر میعاد میں اضافہ ہو سکتا ہے کیونکہ ذخیرہ رسد میں بگاڑ کے نتیجے میں جلد خراب ہو جانے والی اشیائے خورد و نوش کی قیمتیں بڑھ جائیں گی۔

زراعت کا جی ڈی پی میں حصہ تقریباً 22.7 فیصد ہے جس میں مویشیوں کا حصہ 14.0 فیصد اور فصلوں کا حصہ 7.8 فیصد ہے۔ سیلابوں کے باعث مالی سال 2023ء میں ترقی کی شرح 0.4 فیصد کم ہو کر 2.0 فیصد رہ جائے گی۔ مالیاتی جہت میں حکومت کو سیلاب متاثرین کی بحالی کے لیے زیادہ رقم خرچ کرنا ہوگی۔ اس کے نتیجے میں مالیاتی اعتبار سے پھسلنے کا خطرہ بڑھ جائے گا اور مالی سال 2023ء میں 153 بلین روپے (جی ڈی پی کا 0.2 فیصد) پر انٹری بجٹ surplus کا ہمارا ہدف چوک سکتا ہے۔

مالی سال 2023ء کے پہلے دو ماہ میں کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) 1.9 بلین ڈالر تھا، جو گزشتہ سال مماثل مدت میں 2.4 بلین ڈالر کے مقابلے میں 20 فیصد بہتری ہے۔ اس کا اہم ترین سبب تجارتی خسارے میں 11 فیصد کمی ہے جو برآمدات میں 11.2 فیصد اضافے اور درآمدات میں 2.1 فیصد کمی کا مجموعی نتیجہ ہے۔ سی اے ڈی کے علاوہ قرضوں کی ادائیگیوں نے بھی زرمبادلہ کے ذخائر پر مزید دباؤ ڈالا، جو مزید 1.9 بلین ڈالر کم ہو کر 7.9 بلین ڈالر رہ گئے ہیں، اور یہ 6 ہفتوں کے لیے بھی مشکل کافی ہوں گے۔ چنانچہ ڈالر کے مقابلے میں روپے کی قدر 11 فیصد گھٹ کر اختتام سہ ماہی پر 227 روپے فی ڈالر رہ گئی۔

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI سے ہوتی ہے، کا اوسط دوران سہ ماہی 25.1 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 8.6 فیصد تھا۔ سیلابوں کے نتیجے میں اشیائے خورد و نوش کی قیمتوں کے ساتھ ساتھ بجلی کے نرخ میں اضافہ اور پٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے اہم ترین اسباب تھے۔ مہنگائی کا دباؤ وسیع پیمانے پر تھا جس کا اظہار core مہنگائی سے ہوتا ہے۔ جس میں 15.7 فیصد ہوا جو گزشتہ سہ ماہی کے اختتام پر 12.3 فیصد تھا۔ اسٹیٹ بینک آف پاکستان نے پالیسی شرح میں جولائی 2022ء کی مانیٹری پالیسی میں مزید 125 بیسیس پوائنٹس (bps) کا اضافہ کیا جبکہ اکتوبر 2022ء میں منعقدہ تازہ ترین MPS میں سود کی شرحوں کو برقرار رکھا۔ مالیاتی جہت میں فیڈرل بورڈ آف ریونیو کی ٹیکس وصولی میں مالی سال 2023ء کی پہلی سہ ماہی میں 17.1 فیصد اضافہ ہوا اور 1,635 بلین روپے ٹیکس جمع ہوا، جبکہ گزشتہ سال مماثل سہ ماہی میں 1,396 بلین روپے تھے۔ اس طرح ہدف سے 25 بلین روپے زیادہ ٹیکس وصول ہوا۔

ثانوی مارکیٹوں کی پیداوار میں دوران سہ ماہی اضافہ ہوا جس کے اسباب مالیاتی سختی اور بعد از سیلاب مہنگائی کے دباؤ کی نئی لہر ہیں۔ دوران سہ ماہی 3، 6 اور 12 ماہانہ ٹریڈری پلنڈ (ٹی-پلنڈ) کے منافع جات میں بالترتیب 50، 52 اور 44 بی پی ایس، جبکہ 3 اور 5 سالہ بانڈز کے منافع جات میں بالترتیب 38 اور 19 بی پی ایس کا اضافہ ہوا۔

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2022

		September 30, 2022 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2022 (Audited)
	Note		
ASSETS			
Balances with banks	4	3,864,432	3,780,064
Investments	5	2,045,093	1,563,944
Mark-up, dividend and other receivables		121,422	79,685
Advances, deposits and prepayments		149,676	166,522
Total assets		6,180,623	5,590,215
LIABILITIES			
Payable to MCB Arif Habib Savings and Investments Limited - Management Company		15,362	12,172
Payable to Central Depository Company of Pakistan Limited - Trustee		349	316
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		243	866
Payable against purchase of investments		746,012	821,364
Accrued and other liabilities	6	280,462	138,182
Total liabilities		1,042,427	972,900
NET ASSETS		5,138,196	4,617,315
Unit holders' fund (as per statement attached)		5,138,196	4,617,315
Contingencies and commitments	7		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		46,308,430	43,007,935
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		110.9559	107.3596

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

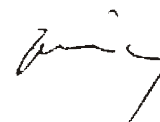
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	September 30,	
	2022	2021
Note	(Rupees in '000)	
INCOME		
Income from Government securities	80,424	27,304
Income from term finance certificates	25,251	11,142
Net gain / (loss) on sale of investments	4,124	(10,187)
Mark-up on bank deposits and term deposit receipt	82,492	27,555
Income from Margin Trading System (MTS) - net	-	3,890
Dividend income	-	22,263
Income from spread transactions	-	41,496
Net unrealised (loss) / gain on derivatives	-	35,692
Unrealised (diminution) on re-measurement of investments classified 'at fair value through profit or loss' - net	(2,767)	(71,462)
Other Income	556	516
Total income	190,080	88,208
EXPENSES		
Remuneration of the Management Company	18,205	15,515
Sindh Sales tax on remuneration of the Management Company	2,367	2,015
Expenses allocated by the Management Company	1,214	1,034
Marketing and Selling Expense	4,733	4,759
Remuneration of the Trustee	910	776
Sindh Sales Tax on trustee fee	118	101
Annual fee to Securities and Exchange Commission of Pakistan	243	207
Brokerage and settlement and bank charges	294	6,068
Auditors' remuneration	191	189
Legal and professional charges	67	1,039
Others	160	151
Total operating expenses	28,502	31,854
Net income from operating activities	161,578	56,354
Sindh Workers' Welfare Fund (SWWF)	-	42,902
Net income for the period before taxation	161,578	99,256
Taxation	8 -	-
Net income for the period	161,578	99,256
<i>Allocation of net income for the period:</i>		
Net income for the period after taxation	161,578	99,256
Income already paid on units redeemed	(4,965)	(2,970)
	156,613	96,286
<i>Accounting income available for distribution:</i>		
- Relating to capital gains	1,317	-
- Excluding capital gains	155,296	96,286
	156,613	96,286
Earnings per unit	9	

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

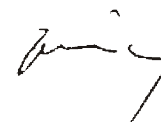
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	September 30,	
	2022	2021
	----- (Rupees in '000) -----	
Net income for the period after taxation	161,578	99,256
Other comprehensive income / (loss) for the period:	-	-
Total comprehensive income for the period	<u>161,578</u>	<u>99,256</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

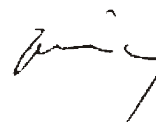
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	September 30, 2022			September 30, 2021		
	(Rupees in '000)					
	Capital value	Undistri- buted income	Total	Capital value	Undistri- buted income	Total
Net assets at beginning of the period	4,197,230	420,085	4,617,315	3,234,571	411,379	3,645,950
	4,197,230	420,085	4,617,315	3,234,571	411,379	3,645,950
Issuance of 6,342,960 units (2020: 66,019,928 units)						
- Capital value (at net asset value per unit at the beginning of the period)	680,978	-	680,978	767,864	-	767,864
- Element of income	10,222	-	10,222	4,505	-	4,505
	691,200	-	691,200	772,369	-	772,369
Redemption of 3,042,465 units (2020: 68,717,997 units)						
- Capital value (at net asset value per unit at the beginning of the period)	326,638	-	326,638	268,863	-	268,863
-Element of loss	295	4,965	5,260	228	2,970	3,198
	326,933	4,965	331,898	269,091	2,970	272,062
Total comprehensive income for the period	-	161,578	161,578	-	99,256	99,256
	-	-	-	-	-	-
	-	161,578	161,578	-	99,256	99,256
Net assets at end of the period	4,561,498	576,698	5,138,196	3,737,849	507,664	4,245,513
Undistributed income brought forward comprising of:						
- Realised gain	413,270			395,044		
- Unrealised loss	6,815			16,335		
	420,085			411,379		
Accounting income available for distribution:						
- Relating to capital gains	1,317			-		
- Excluding capital gains	155,296			96,286		
	156,613			96,286		
Cash distribution during the period	-			-		
Undistributed income carried forward	576,698			507,664		
Undistributed income carried forward comprising of:						
- Realised gain	579,464			543,435		
- Unrealised loss	(2,767)			(35,770)		
	576,698			507,664		
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the period	107.3596			107.0518		
Net assets value per unit at end of the period	110.9559			109.6490		

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

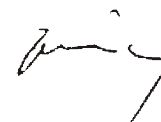
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	September 30,	
	2022	2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	161,578	99,256
Adjustments for:		
Net unrealised loss on revaluation of investments		
'at fair value through profit or loss - held-for-trading'	2,767	35,770
	164,345	135,026
Decrease / (increase) in assets		
Investments	(483,916)	606,448
Mark-up, dividend and other receivables	(41,737)	10,337
Receivable against sale of investment	-	36,786
Receivable against MTS	-	(23,069)
Advances, deposits and prepayments	16,846	(162,448)
	(508,807)	468,054
(Decrease) / Increase in liabilities		
Payable to MCB Arif Habib Savings and Investments Limited -	3,190	896
Payable to Central Depository Company of Pakistan Limited - Trustee	33	11
Annual fee payable to SECP	(623)	(600)
Payable against purchase of investments	(75,352)	(1,376,882)
Accrued and other liabilities	142,280	(17,547)
	69,527	(1,394,122)
Net cash (used in) operating activities	(274,935)	(791,042)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units (excluding additional units)	691,200	772,369
Payments on redemption of units	(331,898)	(272,062)
Net cash generated from operating activities	359,303	500,307
Net Increase / (decrease) in cash and cash equivalents during the period	84,368	(290,735)
Cash and cash equivalents at beginning of the period	3,780,064	3,014,318
Cash and cash equivalents at end of the period	3,864,432	2,723,584

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

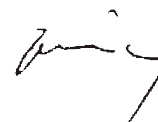
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB DCF Income Fund (the Fund) was established under a Trust Deed dated November 20, 2006 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 as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) as a Collective Investment Scheme vide its letter dated on November 7, 2006 consequent to which the trust deed was executed on November 10, 2006 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). 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.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open ended mutual fund and has been categorised as "Income Scheme" and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The units are listed on the Pakistan Stock Exchange Limited.
- 1.4 The Fund primarily invests in money market and other instruments which includes corporate debt and government securities, repurchase agreements and spread transactions. The Fund may also invest a portion of the funds in medium term assets in order to provide higher return to the unit holders..
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2022 to the Management Company and a stability rating of 'AA-(f)' dated September 9, 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.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

- 2.1.1 This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

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 2022. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2022 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2022, 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 three months ended 30 September 2021.

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 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 for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended June 30, 2022.

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, 2022. 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, 2022.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	------(Rupees in '000)-----	
4	BALANCES WITH BANKS		
Current accounts		1,247	5
Savings accounts	4.1	3,863,186	3,780,059
	4.2	<u>3,864,432</u>	<u>3,780,064</u>

4.1 These carry profit at the rates ranging between 12.25% to 17.05% (June 2022 ; 5.5% to 17.5 %) per annum.

4.2 This includes balances with related parties of Rs. 0.0013 million (Jun 2022: Rs. 0.124 million) maintained with MCB Bank Limited and Rs. 0.00001 million (2022:Rs. 0.011 million) maintained with MCB Islamic Bank Limited.

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	------(Rupees in '000)-----	

5 INVESTMENTS

Investments by Category

At fair value through profit or loss

Government securities	5.1	1,375,807	1,049,684
Listed debt securities	5.2	-	-
Unlisted debt securities	5.3	669,287	514,260
		<u>2,045,093</u>	<u>1,563,944</u>

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

- Market treasury bills '

Name of security	Date of issue	Face value				Balance as at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2022	Purchased during the period	Disposed/ matured during the period	As at September 30, 2022	Carrying value	Market value	Unrealised gain / (loss)		
<div>(Rupees in '000)</div> <div>%</div>										
Market Treasury Bills										
- 3 Months	April 28, 2022	-	2,200,000	2,200,000	-	-	-	-	0.00%	0.00%
- 3 Months	July 28, 2022	-	4,325,000	4,325,000	-	-	-	-	0.00%	0.00%
- 3 Months	July 14, 2022	-	4,364,680	4,364,680	-	-	-	-	0.00%	0.00%
Market Treasury Bills										
- 6 Months	February 10, 2022	-	200,000	200,000	-	-	-	-	0.00%	0.00%
Total as at September 30, 2022							-	-	-	
Total as at June 30, 2022							-	-	-	

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

Pakistan Investment Bonds

Name of security	Date of issue	Face Value				As at September 30, 2022			Market value as a percentage of	
		As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at September 30, 2022	Carrying Value	Market value	Unrealised gain / (loss)	Net assets	Total investments
(Rupees in '000)										
Pakistan Investment Bonds FRB										
- 02 years	November 5, 2020	100,000	100,000	100,000	100,000	99,953	99,850	(106)	1.94%	4.88%
- 02 years	August 26, 2021	475,000	475,000	475,000	475,000	473,326	472,008	(1,318)	9.19%	23.08%
Pakistan Investment Bonds FRB										
- 03 years	April 7, 2022	250,000	500,000	500,000	250,000	244,270	244,250	(20)	4.75%	11.94%
- 03 years	September 8, 2022	-	1,000,000	500,000	500,000	487,322	487,300	(22)	9.48%	23.83%
Pakistan Investment Bonds FRB										
05 years	April 29, 2022	200,000	-	-	200,000	-	-	-	0.00%	0.00%
Pakistan Investment Bonds FRB										
-10 years	August 22, 2019	35,000	35,000	35,000	35,000	35,000	35,000	-	0.68%	1.71%
Pakistan Investment Bonds										
- 02 years	August 4, 2022	-	800,000	800,000	-					
Pakistan Investment Bonds										
- 02 years	August 5, 2021	-	250,000	250,000	-					
Pakistan Investment Bonds										
05 years	April 29, 2022	200,000	600,000	800,000	-					
Total as at September 30, 2022						1,339,874	1,338,408	(1,466)		
Total as at June 30, 2022						642,142	642,679	537		

Government Debt securities

Particulars	Issue Date	Number of certificates				Balance as at September 30, 2022			Market value as a percentage of	
		As at July 01, 2022	Purchased during the period	Sold during the period	As at September 30, 2022	Carrying value	Market value	Unrealised (loss) / gain	Net assets	Total investments
----- (Rupees in '000) -----										
----- % -----										
GOP Ijara - 5 years	June 24, 2020	37,500	-	-	37,500	37,390	37,399	9	0.73%	1.83%
Total as at September 30, 2022						37,390	37,399	9		
Total as at June 30, 2022						37,744	37,725	(19)		

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

5.2 Listed debt securities - term finance certificates of Rs.5,000 each (unless stated otherwise) - 'at fair value through profit or loss'

Name of investee company	Number of certificates				Balance as at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2022	Purchased during the period	Disposed during the period	As at September 30, 2022	Carrying value	Market value	Unrealised (loss) / gain		
					(Rupees in '000)			%	
Financial Services									
Saudi Pak Leasing Company Limited (March 13, 2010)	10,000	-	-	10,000	27,548	-	-	-	-
Less: Provision for impairment					(27,548)	-	-	-	-
					-	-	-	-	-
As at September 30, 2022					-			-	
As at June 30, 2022					-			-	

5.3 Unlisted debt securities - term finance and sukuk certificates of Rs.5,000 each (unless stated otherwise) - 'at fair value through profit or loss'

Name of investee company	Number of certificates				Balance as at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2022	Purchased during the period	Disposed/ Matured during the period	As at September 30, 2022	Carrying value	Market value	Unrealised (loss) / gain		
					(Rupees in '000)			%	
Commercial banks									
Askari Bank Limited VII - TFC ** (March 17, 2020) (see note 5.1.5)	50	-	-	50	50,750	50,750	-	0.99%	2.48%
The Bank of Punjab Limited - TFC I * (December 23, 2016)	1,200	-	-	1,200	120,215	119,877	(338)	2.33%	5.86%
Samba bank limited (March 1, 2021)*	850	-	-	850	85,286	85,304	18	1.66%	4.17%
Bank Al Habib Limited - TFC II (September 30, 2021)	35,000	35,000	-	70,000	358,960	357,907	(1,053)	6.97%	17.50%
					615,210	613,837	(1,373)	11.95%	30.02%
Chemicals									
Ghani Gases Limited - Sukuk *(February 02, 2017)	500	-	-	500	11,500	11,500	-	0.22%	0.56%
					11,500	11,500	-	0.22%	0.56%
Investment Bank									
Jahangir Siddiqui and Company Limited-*** TFC-III- July 18, 2017	10,000	-	-	10,000	12,890	12,848	(42)	0.25%	0.63%
Jahangir Siddiqui & Co. Ltd. - TFC (March 06, 2018)***	18,000	-	-	18,000	30,995	31,102	107	0.61%	1.52%
					43,885	43,950	65	0.86%	2.15%
Household goods									
New Allied Electronics Industries (Private) Limited (May 15, 2007) (refer note 5.4.1)	10,400	-	-	10,400	21,983				
Less: Provision for impairment					(21,983)				
					-	-	-	-	-
New Allied Electronics Industries (Private) Limited Sukuk (July 25, 2007) (refer note 5.4.1)	112,000	-	-	112,000	35,063				
Less: Provision for impairment					(35,063)				
					-	-	-	-	-
As at September 30, 2022					670,596	669,287	(1,308)		
As at June 30, 2022					505,022	514,260	9,238		

* Nominal value of this sukuk certificate is Rs.1000,000 per certificate.

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

*** Nominal value of this sukuk certificate is Rs.5,000 per certificate.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

5.4 Details of non-compliant investments with the investment criteria as specified by the SECP

In accordance with clause (v) of the investment criteria laid down for '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 September 30, 2019, the Fund is non-compliant with the above mentioned requirement in respect of the following investments. The securities were in compliance with the circular (i.e. investment grade) at the time of purchase and were subsequently downgraded to non investment grade by MUFAP on default by respective issuer in repayment of coupon due on respective dates.

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	Percentage of net assets	Percentage of total investments
Listed debt securities						
Saudi Pak Leasing Company Limited	TFC	27,548	(27,548)	-	0.00%	0.00%
Unlisted debt securities						
New Allied Electronics Industries (Private) Limited	TFC	21,983	(21,983)	-	0.00%	0.00%
New Allied Electronics Industries (Private) Limited	Sukuk	35,063	(35,063)	-	0.00%	0.00%

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

		(Un-Audited) September 30, 2022 ----- (Rupees in '000) -----	(Audited) June 30, 2022
6	ACCRUED AND OTHER LIABILITIES	Note	
	Federal Excise Duty on remuneration to the Management Company	6.2	99,060
	Federal Excise Duty and related taxes payable on sales load		27,933
	Auditors' remuneration		739
	Withholding tax payable		297
	Brokerage payable		126
	Dividend Payable		5
	Others		152,302
			280,462
			99,060

6.1 Federal Excise Duty and related tax payable

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, 2022. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2022 would have been higher by Rs. 2.74 per unit (June 30, 2022: Re. 2.95 per unit).

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

On November 03, 2020, DCF Income Fund (DCFIF) received a notice of tax demand for the Tax Year 2018 from the Additional Commissioner (Inland) Revenue (ACIR), whereby the ACIR raised objection on claiming of "income already paid on units redeemed" as part of distribution and thereby challenged the distribution of 90 percent of income and the Fund's eligibility for exemption from tax. The ACIR is of the view that the amount of "Cash Dividend" paid can only be treated as part of distribution and according to his view the amount of "income already paid on units redeemed" is not "Cash Dividend". The ACIR raised tax demand of Rs. 73.376 million on the Fund in respect of the Tax Year 2018. The Management Company on behalf of the Fund filed Appeal and Stay Application in front of Commissioner Appeals (CIRA), Stay Order was duly granted by CIRA. On November 25, 2021, Assessment Order issued by ACIR was remanded back by CIRA. Since then, no notice / Order has yet been issued from FBR.

On December 01, 2021, DCF Income Fund (DCFIF) received a notice of tax demand for the Tax Year 2017 from the Additional Commissioner (Inland) Revenue (ACIR), whereby ACIR raised objections on claiming of "provision against debt securities" amounting to Rs. 7.943 million and adjustment of the "Element of loss and capital losses" amounting to Rs. 151.140 million while arriving at the declared accounting income of the Fund and has challenged the distribution of 90 percent of income and the Fund's eligibility for exemption from tax. The ACIR raised a tax demand of Rs 138.821 million. The Management Company on behalf of the Fund filed Appeal and Stay Application in front of Commissioner Appeals (CIRA).

On March 31, 2022, a favorable Appellate Order was passed by Commissioner Appeals whereby it was directed that the benefit of Element of Loss should be allowed to the Company.

On June 14, 2022, FBR being aggrieved with said Order filed Appeal with Appellate Tribunal Inland Revenue. Management Company, in consultation with its advisor, anticipates a favorable outcome of the case.

7.2 Commitments

There were no commitments outstanding as at September 30, 2022

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

8 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The management intends to distribute at least 90% of income to be earned during current year to the unit holders, therefore, no provision for taxation has been recorded in this condensed interim financial information.

9 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.

10 TOTAL EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 2.34% (September 30, 2021: 3.09%) and this includes 0.20% (September 30, 2021: 0.23%) representing government levy, SECP fee etc.

11 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the holding company of the Management Company, the Trustee, directors and key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Constitutive documents of the Fund.

The transactions with connected persons / related parties are in the normal course of business and are carried out on agreed terms at contracted rates.

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

11.1 Unit Holders' Fund

For the quarter ended September 30, 2022 (Un-Audited)							
	As at July 01, 2022	Issuance	Redeemed	As at September 30, 2022	As at July 01, 2022	Issuance	As at September 30, 2022
	Units			(Rupees in '000)			
Group / associated companies							
MCB Employees' Provident Fund (Pak Staff)	1,823,176	-	-	1,823,176	202,292	-	202,292
MCB Employees' Pension Fund	1,823,176	-	-	1,823,176	195,735	-	202,292
D.G. Khan Cement Company Limited - Employees' Provident Fund Trust	5,484	-	-	5,484	589	-	609
Key Management Personnel	1	-	-	1	-	-	-
Mandate under discretionary portfolio services	6	-	-	6	-	-	1

For the quarter ended September 30, 2021 (Un-Audited)							
	As at July 01, 2021	Issuance	Redeemed	As at September 30, 2021	As at July 01, 2021	Issuance	As at September 30, 2021
	Units			(Rupees in '000)			
Group / associated companies							
MCB Employees' Provident Fund (Pak Staff)	1,677,094	-	-	1,677,094	179,536	-	183,892
MCB Employees' Pension Fund	1,677,094	-	-	1,677,094	179,536	-	183,892
D.G. Khan Cement Company Limited - Employees' Provident Fund Trust	5,045	-	-	5,045	540	-	553
Key Management Personnel	1	-	-	1	-	-	-
Mandate under discretionary portfolio services	2	824	-	826	-	90	91

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	(Un-Audited)	
	September 30, 2022	September 30, 2021
	----- (Rupees in '000) -----	
11.2 Transactions during the period:		
Management Company		
MCB Arif Habib Savings and Investments Limited		
Remuneration (including indirect taxes)	20,572	17,530
Expense allocated by the Management Company	1,214	1,034
Marketing and selling Expense	4,733	4,759
Central Depository Company of Pakistan Limited - Trustee		
Remuneration (including indirect taxes)	1,029	877
Settlement charges	1	241
Group / associated companies		
MCB Bank Limited		
Mark-up on deposit accounts	-	13
Bank charges	9	9
Purchase of Government securities having face value of Nil (2021: 454,000,000)	-	439,007
Arif Habib Limited		
Brokerage expense *	3	-
Nishat (Chunian) Limited		
Purchase of Nil (2021: 25,500) shares	-	1,322
Sale of Nil (2021: 819,500) shares	-	42,850
D.G. Khan Cement Company Limited		
Purchase of Nil (2021: 659,500) shares	-	72,835
Sale of Nil (2021: 663,000) shares	-	74,053
Nishat Mills Limited		
Purchase of Nil (2021: 57,500) shares	-	5,499
Sale of Nil (2020: 42,500) shares	-	4,191
Power Cement Limited		
Purchase of Nil (2021: 3,500) shares	-	29
Sale of Nil (2021: 3000) shares	-	25
Aisha Steel Mills Limited		
Purchase of Nil (2021: 1,069,000) shares	-	26,071
Sale of Nil (2021: 1,251,000) shares	-	30,429

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	(Un-Audited) September 30, 2022	(Audited) June 30 2022
	----- (Rupees in '000) -----	
11.3 Balances outstanding at period end:		
Management Company		
MCB-Arif Habib Savings and Investments Limited		
Management remuneration payable	6,176	5,596
Sindh sales tax payable on remuneration of the management company	803	727
Allocated expenses payable	411	373
Selling and marketing expenses payable	4,733	4,385
Sales load payable	2,918	1,091
Back End Load Payable	320	-
Central Depository Company of Pakistan Limited - Trustee		
Security deposit	200	200
Remuneration payable (including indirect taxes)	349	316
Group / associated companies		
MCB Bank Limited		
Balances with bank	1,263	126
MCB Islamic Bank Limited		
Balances with bank	11	11
Arif Habib - Brokerage House		
Brokerage and settlement charges payable*	3	-

12. GENERAL

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

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

13. FAIR VALUE MEASUREMENTS

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

14. DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on October 21, 2022 by the Board of Directors of the Management Company.

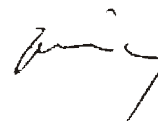
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



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