



MCB-ARIF HABIB
Savings and Investments Limited

AM1
by PACRA

HALF YEARLY REPORT

DECEMBER
2020
(UNAUDITED)

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

JSAVE
Savings Asaan. Life Asaan.

ALHAMRA الحمر
BACHAT SHARI'AT KE MUTABIQ

MCB CASH MANAGEMENT OPTIMIZER

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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
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 United Bank Limited Allied Bank Limited Bank Al-Habib Limited Habib Bank Limited National Bank of Pakistan Zarai Taraqiat Bank Limited Bank Al Falah Limited Meezan Bank Limited Dubai Islamic Bank Pakistan Limited Bank of Punjab Limited Faysal Bank Limited	
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) Sate 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 HALF YEAR ENDED DECEMBER 31, 2020

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **MCB Cash Management Optimizer** accounts review for the half year ended December 31, 2020.

ECONOMY AND MONEY MARKET REVIEW

The first half of fiscal year 2021 has been promising, as economic activities have swung up in full throttle though challenges from Covid may continue to remain in the near term. The economic recovery has been sharper than expectations as lagged impact of monetary easing, pent up demand and higher remittances have provided impetus to economic growth. Covid-19 has not been as detrimental as initially expected and perhaps local demographics and a successful strategy by the government has been able to wither the storm. We therefore expect economic growth to be better than general estimates. Government had initial expectations of lower industrial growth (targeting a growth of 0.1% over last year) due to Covid-19, which we now believe would be better than expectations as cyclical sectors have exhibited strong demand and volumetric growth.

Cement sector saw an impressive growth in local dispatches as they witnessed a growth of ~17% over last year in the first half of FY21. Sales of 2 and 3 wheeler units rose at a more impressive rate of ~19% over last year reflecting on the vibrancy of middle class economic dynamics. Similarly, the demand of white petroleum products increased by near 10% over last year during the half implying a broad based recovery in economy. Overall, Large Scale Manufacturing Index (LSM) has grown by ~7.4% in first five months of the current fiscal year led by the cyclical sectors.

Current account posted a surplus of USD 997 million in the first half of fiscal year compared to a deficit of USD 2,032 million in the corresponding period of the last year. The improvement came in primarily on the back of higher remittances, which grew at a stupendous rate of 25% during the period. Foreign exchange reserves of central bank saw an increase of ~USD 1.3 billion during the half due to improved balance of payment position.

Inflation remained an Achilles heel for the government as rising food prices continued to create challenges for policy makers. Headline inflation represented by CPI averaged ~8.6% over last year during the first six months, with food inflation averaging ~13% during the period. The prices of perishable food items along with the price of wheat continued to advance higher as supply side disruptions and mismanagement caused the prices to soar. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged ~5.9% for the period. Monetary Policy Committee maintained status quo after successive cuts in previous meetings. While real interest rates remained negative, the central bank was cautious with regards to demand side pressures owing to Covid-19.

As the economy started to open up, tax collection also improved and grew by 5% during the first half of the fiscal year and almost met the desired target for the period. Fiscal deficit for the first five months of the period clocked in at 1.8% of GDP, compared to 1.6% of GDP last year. Primary balance was even better at a surplus of 0.5% of GDP compared to last year surplus of 0.3% of GDP.

Yield curve started to slope upward after inflation continued to disappoint investors. The central bank also raised its expectation of inflation as discussed in the minutes of MPC. It now expects it to fall in the upward range of 7-9% compared to earlier expectations of inflation falling in the lower range. 3, 5 and 10 Year bonds saw a rise of 74 bps, 114 bps and 129 bps respectively during the period.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 6.67% as against its benchmark return of 6.68%, a difference of -0.01%. WAM of the fund was 60 days at December end.

The fund was 99.5% in cash as of December end. High cash exposure was due to the fact that banks were offering lucrative rates on bank deposits.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2020

The Net Assets of the Fund as at December 31, 2020 increased by 20% to Rs. 35,148 million as compared to Rs. 28,106 million as at June 30, 2020.

The Net Asset Value (NAV) per unit as at December 31, 2020 was Rs. 100.8953 as compared to opening NAV of Rs. 100.8561 per unit as at June 30, 2020 registering a decrease of Rs. 0.0392 per unit.

FUTURE OUTLOOK

GDP growth for FY21 is projected at 2.1% by government and various institutions. Despite the reemergence of covid cases in the winter season, Pakistan has resiliently kept the growth momentum going. Generally, economy appears to now operating close to pre-covid levels as cyclical sectors have geared up after record monetary easing. We expect growth to fare better than general expectations as industrial growth has revived much earlier than our anticipation. We expect economic growth to recover well above 2.1%.

Balance of Payment worries have subsided for the near term as current account deficit has adjusted to reasonable level since the policy actions taken by the central government. Global economy has started to recover and the reported data and news flow suggests that the exports are gaining momentum. Remittances have also been far above the general expectations and in fact near 25% growth over last year reported in the first half has surprised everyone. We expect Current Account Deficit to settle near 1% of GDP in the FY21, which can be easily financed via flows from foreign investments and debt flows. However, the recent spike in commodity prices from oil to iron ore, coal, etc. pose downside risks to our favorable stance. With Real Effective Rate for Nov-2020 at 99.4, any significant movement in commodities may cause relative inflation and balance of payment to weaken further and thus can cause currency to weaken swiftly. Continuation of IMF program will be a key prerequisite to keep the financial account in positive zone. With the current scenario, we expect foreign exchange reserves to further increase by about USD 550 million from current levels, which will help alleviate any pressure on currency.

Inflation has exceeded our earlier expectations as food prices have sky rocketed. We expect CPI to average near 9.1% for FY21, slightly higher than the expected range (7.0-9.0) of central bank. For the next fiscal year, we expect CPI to average close to 8.5%, slightly lesser than current run rate. Central bank for the first time has provided guidance on interest rates in the short term, which will perhaps bring more certainty in investor expectations. The central authority has vowed to keep interest rates stable in the short run and bring in mildly positive interest rates over the medium term. Given the guidance by central bank, we now expect interest rates to adjust by 100-150 bps over the next fiscal year.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds have priced in the anticipated yield curve. 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 24.0% to PKR 920 billion at the end of the first half of the fiscal year. Money market funds and Fixed Income funds experienced an influx of investment as corporate liquidity swiftly moving towards mutual funds. Total money market funds grew by about 30% during the period to PKR 410 billion. Within the money market sphere, the conventional funds dominated as they grew by about 37% to PKR 281 billion. Equity and related funds surged rapidly by 24% from PKR 224 billion to PKR 278 billion over the quarter. Most of the rise in equity and equity linked fund assets can be attributed to a positive uptick in the market that was up 26% YoY owing to favorable investor sentiments.

In terms of the segment share, Money Market funds were the leader with a share of around 44%, followed by Equity and Equity related funds with a share of 30% and Income funds having a share of 24% as at the end of the calendar year.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2020

Mutual Fund Industry Outlook

Record decline in interest rates have reinstated the confidence in risk asset classes. We expect liquidity to gear up towards equity and related funds. The sustainability of liquidity will however depend on how the economy transitions through this phase of pandemic. 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
February 08, 2021



Nasim Beg
Director / Vice Chairman

ڈائریکٹرز رپورٹ

میوچل فنڈ صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2021ء کے نصف اول کے اختتام پر تقریباً 24.0 فیصد بڑھ کر 920 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز اور فیکسڈ انکم فنڈز میں خطیر سرمایہ کاری ہوئی کیونکہ کارپوریٹ نقدیت تیزی سے میوچل فنڈز کی جانب بڑھ رہی ہے۔ منی مارکیٹ کے مجموعی فنڈز دوران مدت تقریباً 30 فیصد بڑھ کر 410 بلین روپے ہو گئے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور تقریباً 37 فیصد بڑھ کر 281 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں دوران سہ ماہی 24 فیصد کا بھرپور اضافہ ہوا اور وہ 224 بلین روپے سے 278 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز کے اثاثہ جات میں اضافے کا بڑا سبب سرمایہ کاروں کے مثبت جذبات کی بدولت مارکیٹ میں 26 فیصد سال در سال ترقی کو قرار دیا جاسکتا ہے۔

کیلنڈر سال کے اختتام پر شعبہ جاتی سرمایہ کاری کے اعتبار سے منی مارکیٹ فنڈز تقریباً 44 فیصد کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز تقریباً 30 فیصد، اور انکم فنڈز تقریباً 24 فیصد کے حامل تھے۔

میوچل فنڈ صنعت کے مستقبل کے امکانات

سود کی شرحوں میں اب تک کی سب سے زیادہ کمی کی بدولت خطرات کے حامل اثاثہ جات میں اعتماد بحال ہوا ہے۔ ہمیں امید ہے کہ ایکویٹی اور متعلقہ فنڈز کے شعبے میں نقدیت کی صورت حال بہتر ہوگی۔ تاہم نقدیت کی پائیداری کا انحصار اس بات پر ہوگا کہ معیشت اس وباء کے مرحلے سے کس طرح گزرتی ہے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سہولت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کی مسلسل معاونت اور 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

محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
08 فروری 2021ء

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سالہ محیط منافع 6.76 فیصد تھا جبکہ اس کے بالمقابل مقررہ معیار (0.01- فیصد کے فرق سے) 6.68 فیصد تھا۔ فنڈ کی پالوزن اوسط میچورٹی (WAM) دسمبر کے اختتام پر 60 دن تھی۔ دسمبر کے اختتام پر فنڈ 99.5 فیصد نقد میں تھا۔ نقد میں زیادہ سرمایہ کاری کی وجہ بینک ڈپازٹس پر پُرکشش شرحیں تھی۔ 31 دسمبر 2020ء کو فنڈ کے net اثاثہ جات 35,148 ملین روپے تھے جو 30 جون 2020ء (28,106 ملین روپے) کے مقابلے میں 20 فیصد اضافہ ہے۔

31 دسمبر 2020ء کو فنڈ کی net اثاثہ جاتی قدر (این اے وی) فی یونٹ 100.8953 روپے تھی جو 30 جون 2020ء کو ابتدائی این اے وی 100.8561 روپے فی یونٹ کے مقابلے میں 0.0392 روپے فی یونٹ کمی ہے۔

مستقبل کے امکانات

حکومت اور متعدد اداروں کے مطابق مالی سال 2021ء کے لیے مجموعی ملکی پیداوار (جی ڈی پی) میں 2.1 فیصد ترقی متوقع ہے۔ موسم سرما میں کووڈ کے دوبارہ ظہور پذیر ہونے کے باوجود پاکستان نے چیک کا مظاہرہ کرتے ہوئے ترقی کی رفتار برقرار رکھی۔ معیشت اب عمومی طور پر قبل از کووڈ سطحوں پر سرگرم عمل ہے کیونکہ گردش شعبوں نے ریکارڈ مالیاتی تسہیل کے بعد رفتار پکڑ لی ہے۔ ہم سمجھتے ہیں کہ ترقی عمومی توقعات سے بہتر ہوگی کیونکہ صنعتی ترقی ہماری اُمید سے جلد بحال ہوگی ہے۔ ہمیں اُمید ہے کہ معاشی ترقی 2.1 فیصد سے کافی بلند سطح پر بحال ہوگی۔

ادائیگیوں کے توازن کی پریشانیوں فی الوقت ختم ہوگئی ہیں کیونکہ مرکزی حکومت کی جانب سے پالیسی اقدامات کے بعد کرنٹ اکاؤنٹ خسارہ معقول سطح پر آ گیا ہے۔ عالمی معیشت میں بحالی کے عمل کا آغاز ہو گیا ہے اور برآمدات میں بتدریج بہتری کی خبریں گردش میں ہیں۔ ترسیلات زر بھی توقعات سے بہت بلند ہوئی ہیں اور نصف اوّل میں سال گزشتہ کے مقابلے میں 25 فیصد ترقی نے سب کو حیران کر دیا ہے۔ ہم سمجھتے ہیں کہ مالی سال 2021ء میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 1 فیصد پر ٹھہرے گا، اور اس کے لیے مالیات کی فراہمی باآسانی غیر ملکی سرمایہ کاروں اور قرض کے ذریعے ہو سکتی ہے۔ تاہم تیل سے لے کر خام لوہے اور کونکے تک اشیاء کی قیمتوں میں حالیہ اضافہ ہماری خوش آئند صورتحال کے لیے خطرہ ثابت ہو سکتا ہے۔ نومبر 2020ء کا ریٹیل اہیکٹیو ریٹ 99.4 فیصد تھا، اور اشیاء میں کسی بھی قابل ذکر حرکت کے باعث افراط زر اور ادائیگیوں کے توازن کی نسبتاً صورتحال مزید خراب ہو سکتی ہے اور اس کے نتیجے میں روپے کی قدر تیزی سے گر سکتی ہے۔ آئی ایم ایف پروگرام پر عمل درآمد کا سبب رفتاری کے ساتھ جاری رہنا مالیاتی گوشوارے کو مثبت حد میں رکھنے کے لیے کلیدی عامل ثابت ہوگا۔ موجودہ صورتحال میں غیر ملکی زرمبادلہ کے ذخائر کی موجودہ سطحوں میں مزید 550 ملین ڈالر کا اضافہ متوقع ہے جس کی بدولت روپے پر کسی قسم کے دباؤ کو کم کرنے میں مدد ملے گی۔

افراط زر ہماری سابقہ توقعات سے آگے نکل گئی ہے کیونکہ اشیائے خورد و نوش کی قیمتیں آسمان سے باتیں کر رہی ہیں۔ ہمارے نزدیک مالی سال 2021ء کے لیے سی پی آئی کا اوسط 9.1 فیصد ہوگا جو مرکزی بینک کی متوقع حد (7.0 سے 9.0) سے تھوڑا زیادہ ہے۔ اگلے مالی سال کے لیے افراط زر کا اوسط تقریباً 8.5 فیصد رہے گا جو موجودہ سطح سے کچھ کم ہے۔ مرکزی بینک نے پہلی مرتبہ قریب المیعاد میں سود کی شرحوں سے متعلق راہنمائی فراہم کی ہے جس کی بدولت سرمایہ کاروں کی توقعات میں مزید یقینی صورتحال پیدا ہوگی۔ مرکزی محتار ادارے نے سود کی شرحوں کو مختصر مدت میں مستحکم رکھنے اور درمیانی مدت میں کچھ مثبت کرنے کا عزم کیا ہے۔ اب مرکزی بینک کی راہنمائی کے پیش نظر ہمیں اُمید ہے کہ سود کی شرحوں میں اگلے مالی سال کے دوران 100 سے 150 بیسیس پوائنٹس تک ترمیم ہوگی۔

قرض حاصلین 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 متوقع پیداواری خم میں شامل ہو چکے ہیں۔ ہم بانڈز کے منافعوں کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا کے نکات کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

ایم سی بی کیش مینجمنٹ آپٹیمائزر کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2020ء کو اختتام پذیر ہونے والی ششماہی کے گوشواروں کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

مالی سال 2021ء کا نصف اول اُمید افزا رہا کیونکہ معاشی سرگرمیوں نے پوری قوت کے ساتھ سر اٹھایا ہے اگرچہ کووڈ کے باعث پیدا ہونے والی مشکلات قریب المیعا میں برقرار رہیں گی۔ معاشی بحالی توقعات سے تیز تر رہی ہے کیونکہ مالیاتی تسہیل، طلب کی محدودیت اور بہتر ترسیلات نے معاشی ترقی کو محرک فراہم کیا۔ کووڈ-19 اُتنا نقصان دہ ثابت نہیں ہوا جتنا اس بارے میں ابتدائی امکانات تھے، اور شاید مقامی آبادی کے اعداد و شمار اور حکومت کے کامیاب لائحہ عمل کی بدولت یہ طوفان پسپا ہو گیا۔ چنانچہ ہم سمجھتے ہیں کہ معاشی ترقی عمومی تخمینوں کے مقابلے میں بہتر رہے گی۔ حکومت کی ابتدائی توقعات کے مطابق صنعتی ترقی (جس کا ہدف سال گزشتہ کے مقابلے میں 0.1 فیصد ترقی تھا) کووڈ-19 کے باعث پست تر ہوگی، لیکن اب ہم سمجھتے ہیں کہ یہ توقعات سے بہتر ہوگی کیونکہ گردشیں شعبوں میں بھرپور طلب اور حجم کے اعتبار سے ترقی کا مظاہرہ ہوا ہے۔

مالی سال 2021ء کی پہلی ششماہی میں سیمینٹ کے شعبے میں مقامی فروخت میں متاثر کن ترقی ہوئی جو سال گزشتہ سے 17 فیصد زیادہ تھی۔ 2 اور 3 پہیوں والے یونٹس کی فروخت میں مزید متاثر کن ترقی ہوئی جو سال گزشتہ سے 19 فیصد زیادہ تھی جس سے متوسط طبعے کی مشترک مالی صورتحال کی عکاسی ہوتی ہے۔ اسی طرح سفید پٹرولیم مصنوعات کی طلب میں سال گزشتہ کے مقابلے میں تقریباً 10 فیصد اضافہ ہوا جس سے معیشت میں وسیع البینا بحالی کی ترجمانی ہوتی ہے۔ مجموعی طور پر بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) کے انڈیکس میں موجودہ مالی سال کے پہلے پانچ ماہ میں 7.4 فیصد ترقی ہوئی ہے۔

مالی سال کے نصف اول میں کرنٹ اکاؤنٹ میں 997 ملین ڈالر منافع ہوا جبکہ اس کے بالمقابل سال گزشتہ کی مماثل مدت میں 2,032 ملین ڈالر خسارہ ہوا تھا۔ اس بہتری کی بنیادی وجہ ترسیلات میں اضافہ تھا جن میں دوران مدت 25 فیصد ترقی ہوئی۔ سینٹرل بینک کے زرمبادلہ کے ذخائر میں 1.3 بلین ڈالر اضافہ ہوا جس کی وجہ ادائیگی کے توازن کی صورتحال میں بہتری ہے۔

افراط زر حکومت کی دکھتی رگ بنی رہی کیونکہ ایشیائے خورد و نوش کی بڑھتی ہوئی قیمتوں کے باعث پالیسی ساز افراد مشکلات کا شکار رہے۔ مجموعی افراط زر، جس کی ترجمانی صارفی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط پہلے چھ ماہ کے دوران 8.6 فیصد تھا، جبکہ ایشیائے خورد و نوش کے افراط زر کا اوسط دوران مدت 13 فیصد تھا۔ رسد کی جہت میں مسائل اور بدانتظامی کے باعث گندم اور جلد خراب ہو جانے والی ایشیائے خورد و نوش کی قیمتوں میں اضافہ جاری رہا۔ بہر حال بنیادی افراط زر، جس کی پیمائش ایشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، قابو میں تھی اور اس کا اوسط برائے مدت 5.9 فیصد تھا۔ مانیٹری پالیسی کمیٹی (ایم پی سی) نے گزشتہ اجلاسوں میں پے در پے کٹوتیوں کے بعد صورتحال کو برقرار رکھا۔ اگرچہ حقیقی سود کی شرح منفی رہی، مرکزی بینک کووڈ-19 کے باعث طلب کی جہت پر پڑنے والے دباؤ کے حوالے سے محتاط تھا۔

معیشت کے مستحکم ہونے کے آغاز کے ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں مالی سال کے نصف اول کے دوران 5 فیصد اضافہ ہوا جو ہدف برائے مدت کے تقریباً قریب تھا۔ پہلے پانچ ماہ کا مالیاتی خسارہ مجموعی ملکی پیداوار (جی ڈی پی) کا 1.8 فیصد تھا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 1.6 فیصد تھا۔ بنیادی توازن جی ڈی پی (GDP) کے 0.5 فیصد کے ساتھ مزید بہتر رہا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 0.3 فیصد تھا۔

افراط زر نے سرمایہ کاروں کو مایوس کرنے کا سلسلہ جاری رہا جس کے باعث پیداواری خم بلندی کی طرف جانا شروع ہو گیا۔ مرکزی بینک نے بھی افراط زر سے متعلق اپنی توقع کو بڑھایا جیسا کہ ایم پی سی کے منٹس میں مذکور ہے۔ اب مرکزی بینک کو توقع ہے کہ افراط زر 7 سے 9 فیصد کی اوپری سطح میں پہنچ جائے گا، جبکہ پہلے اس کا چلنی سطح میں آنا متوقع تھا۔ دوران مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 74، 114 اور 129 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

TRUSTEE REPORT TO THE UNIT HOLDERS

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MCB CASH MANAGEMENT OPTIMIZER

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of MCB Cash Management Optimizer (the Fund) are of the opinion that MCB-Arif Habib Savings and Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 11, 2021



AUDITOR'S REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS



A.F.FERGUSON & CO.

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS OF MCB CASH MANAGEMENT OPTIMIZER

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **MCB Cash Management Optimizer** (the Fund) as at December 31, 2020 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2020. The Management Company (MCB-Arif Habib Savings and Investments Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 18, 2021

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020**

	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
Note	----- (Rupees in '000) -----	
ASSETS		
Balances with banks	4 35,151,234	28,023,622
Investments	5 -	33,582
Advances, deposits, prepayments and other receivables	184,026	210,500
Receivable against sale of investments	-	3,360,717
Total assets	35,335,260	31,628,421
LIABILITIES		
Payable to the MCB-Arif Habib Savings and Investments Limited - Management Company	6 12,849	17,305
Payable to Central Depository Company of Pakistan Limited - Trustee	7 2,154	1,607
Payable to the Securities and Exchange Commission of Pakistan	8 3,136	3,874
Payable against purchase of investments	-	3,352,541
Accrued and other liabilities	9 169,187	147,308
Total liabilities	187,326	3,522,635
NET ASSETS	<u>35,147,934</u>	<u>28,105,786</u>
Unit holders' fund (as per statement attached)	<u>35,147,934</u>	<u>28,105,786</u>
Contingencies and commitments	10	
	(Number of units)	
NUMBER OF UNITS IN ISSUE	<u>348,360,606</u>	<u>278,672,060</u>
	(Rupees)	
NET ASSET VALUE PER UNIT	<u>100.8953</u>	<u>100.8561</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

	Six months period ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Note------(Rupees in '000)-----				
INCOME				
Capital (loss) / gain on sale of investments - net	(2,437)	41,624	7,825	35,834
Profit on term deposits	-	103,942	-	46,565
Profit on bank deposits	571,385	627,446	357,595	373,615
Income from government securities	570,452	290,222	252,385	157,044
Income from commercial papers	-	19,141	-	-
Income on letter of placement	1,985	5,179	-	5,179
	1,141,385	1,087,554	617,805	618,237
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'- net	-	-	-	(204)
Total income	1,141,385	1,087,554	617,805	618,033
EXPENSES				
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	6.1 49,071	39,571	23,114	21,467
Sindh Sales tax on remuneration of the Management Company	6.2 6,378	5,144	3,004	2,791
Allocated expenses	6.3 15,681	7,809	8,300	4,415
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10,191	5,077	5,393	2,870
Sindh Sales tax on remuneration of Trustee	1,325	661	701	374
Selling and marketing expenses	6.4 -	24,161	-	17,669
Annual fee to the Securities and Exchange Commission of Pakistan	8 3,136	1,563	1,664	885
Legal and professional charges	69	92	35	46
Brokerage expenses	179	456	115	331
Auditor's remuneration	631	690	383	465
Other expenses	561	616	284	307
Total operating expenses	87,222	85,840	42,993	51,620
Net income from operating activities	1,054,163	1,001,714	574,812	566,413
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1 (21,083)	(20,034)	(11,496)	(11,328)
Net income for the period before taxation	1,033,080	981,680	563,316	555,085
Taxation	11 -	-	-	-
Net income for the period after taxation	1,033,080	981,680	563,316	555,085
Allocation of net income for the period:				
Net income for the period	1,033,080	981,680		
Income already paid on units redeemed	(75,394)	(50,543)		
	957,686	931,137		
Accounting income available for distribution				
- Relating to capital gains	-	39,642		
- Excluding capital gains	957,686	891,495		
	957,686	931,137		

Earnings per unit

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The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements .

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020**

	Six months period ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	------(Rupees in '000)-----			
Net income for the period after taxation	1,033,080	981,680	563,316	555,085
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>1,033,080</u>	<u>981,680</u>	<u>563,316</u>	<u>555,085</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements .

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Six months period ended December 31, 2020			Six months period ended December 31, 2019		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the period	27,987,813	117,973	28,105,786	13,846,005	56,611	13,902,616
Issue of 653,484,478 units - including additional units (2019: 266,162,471 units)						
- Capital value (at net asset value per unit at the beginning of the period)	65,907,896	-	65,907,896	26,787,201	-	26,787,201
- Element of income	72,128	-	72,128	54,016	-	54,016
	65,980,024	-	65,980,024	26,841,217	-	26,841,217
Redemption of 583,795,932 units (2019: 203,532,750 units)						
- Capital value (at net asset value per unit at the beginning of the period)	58,879,381	-	58,879,381	20,484,004	-	20,484,004
- Element of income	11,326	75,394	86,720	5,620	50,543	56,163
	58,890,707	75,394	58,966,101	20,489,624	50,543	20,540,167
Total comprehensive income for the period	-	1,033,080	1,033,080	-	981,680	981,680
Interim distribution during the period (including additional units)	(60,570)	(944,285)	(1,004,855)	(46,701)	(867,276)	(913,977)
	(60,570)	88,795	28,225	(46,701)	114,404	67,703
Net assets at the end of the period	<u>35,016,560</u>	<u>131,374</u>	<u>35,147,934</u>	<u>20,150,897</u>	<u>120,472</u>	<u>20,271,369</u>
Undistributed income brought forward comprising of:						
- Realised		117,891			56,611	
- Unrealised		82			-	
		<u>117,973</u>			<u>56,611</u>	
Accounting income available for distribution						
- Relating to capital gains		-			39,642	
- Excluding capital gains		957,686			891,495	
		957,686			931,137	
Cash distribution during the period		944,285			867,276	
Undistributed income carried forward		<u>131,374</u>			<u>120,472</u>	
Undistributed income carried forward comprising of:						
- Realised		131,374			120,472	
- Unrealised		-			-	
		<u>131,374</u>			<u>120,472</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		<u>100.8561</u>			<u>100.6423</u>	
Net asset value per unit at the end of the period		<u>100.8953</u>			<u>100.9688</u>	

Note

(Rupees in '000)

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements .

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	<u>Six months period ended</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Note	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,033,080	981,680
Adjustments for:		
Provision for Sindh Workers' Welfare Fund (SWWF)	21,083	20,034
	<u>1,054,163</u>	<u>1,001,714</u>
Decrease / (increase) in assets		
Investments - net	33,582	980,860
Advances, deposits, prepayments and other receivables	26,474	(120,654)
Receivable against sale of investments	3,360,717	-
	<u>3,420,773</u>	<u>860,206</u>
(Decrease) / increase in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(4,456)	13,182
Payable to Central Depository Company of Pakistan Limited - Trustee	547	276
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(738)	(8,926)
Payable against purchase of investments	(3,352,541)	-
Accrued and other liabilities	796	1,151
	<u>(3,356,392)</u>	<u>5,683</u>
Net cash generated from operating activities	<u>1,118,544</u>	<u>1,867,603</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units (excluding additional units)	65,919,454	26,794,516
Payments on redemption of units	(58,966,101)	(20,540,167)
Cash distributions made during the period	(944,285)	(867,276)
Net cash generated from financing activities	<u>6,009,068</u>	<u>5,387,073</u>
Net increase in cash and cash equivalents	<u>7,127,612</u>	<u>7,254,676</u>
Cash and cash equivalents at the beginning of the period	28,023,622	12,912,614
Cash and cash equivalents at the end of the period	<u>12</u> <u>35,151,234</u>	<u>20,167,290</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements .

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Cash Management Optimizer (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated July 09, 2009 consequent to which the trust deed was executed on July 10, 2009, in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-end mutual fund and has been categorised as 'Money Market Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by SECP and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. Unit holders are divided into plan 'A' and plan 'B'. The unit holders under plan "A" are entitled for bonus units as well as cash dividend, whereas unit holders under plan "B" are entitled for cash dividend only. The units are listed on Pakistan Stock Exchange Limited (PSX).
- 1.4 The Fund primarily invests in a mix of short term corporate debt and government securities, repurchase agreements, term deposit and money market placements with scheduled banks.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2020 to the Management Company and a stability rating of 'AA+(f)' dated October 19, 2020 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 current period, The Trust Act, 1882 has been repealed due to promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirement under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for 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;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2020.

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, 2020.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2020.

3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2021. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2020 (Unaudited)		June 30, 2020 (Audited)
		------(Rupees in '000)-----		
4 BALANCES WITH BANKS	Note			
In current accounts		31,367		519,995
In saving accounts	4.1	35,119,867		27,503,627
	4.2	<u>35,151,234</u>		<u>28,023,622</u>

4.1 These carry mark-up at rates ranging between 5.5% to 7.82% per annum (June 2020: 5.5% to 14.45% per annum).

4.2 These include balances of Rs. 55.700 million (June 2020: Rs. 43.089 million) maintained with MCB Bank Limited (a related party).

		December 31, 2020 (Un-audited)		June 30, 2020 (Audited)
		------(Rupees in '000)-----		
5 INVESTMENTS	Note			
5.1 Investments at fair value through profit or loss				
Market Treasury Bills	5.1.1	-		33,582
Letter of placements	5.1.2	-		-
		<u>-</u>		<u>33,582</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

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

Name of Security	Issue Date	Face value				As at 31 December, 2020			Market value as a percentage of	
		As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments
(Rupees in '000)										
----- % -----										
Market treasury bills - 3 months										
Market treasury bills	October 22, 2020	-	4,500,000	4,500,000	-	-	-	-	-	-
Market treasury bills	December 3, 2020	-	1,475,000	1,475,000	-	-	-	-	-	-
Market treasury bills	October 8, 2020	-	16,550,000	16,550,000	-	-	-	-	-	-
Market treasury bills	July 16, 2020	-	18,025,000	18,025,000	-	-	-	-	-	-
Market treasury bills	September 24, 2020	-	10,525,000	10,525,000	-	-	-	-	-	-
Market treasury bills	July 2, 2020	-	375,000	375,000	-	-	-	-	-	-
Market treasury bills	November 5, 2020	-	4,250,000	4,250,000	-	-	-	-	-	-
Market treasury bills	December 17, 2020	-	3,500,000	3,500,000	-	-	-	-	-	-
Market treasury bills	November 19, 2020	-	3,450,000	3,450,000	-	-	-	-	-	-
Market treasury bills	May 7, 2020	-	3,000,000	3,000,000	-	-	-	-	-	-
Market treasury bills	May 21, 2020	-	1,600,000	1,600,000	-	-	-	-	-	-
Market treasury bills	August 27, 2020	-	9,000,000	9,000,000	-	-	-	-	-	-
Market treasury bills - 6 months										
Market treasury bills	July 16, 2020	-	13,150,000	13,150,000	-	-	-	-	-	-
Market treasury bills	April 23, 2020	-	5,145,000	5,145,000	-	-	-	-	-	-
Market treasury bills	April 9, 2020	-	1,375,000	1,375,000	-	-	-	-	-	-
Market treasury bills	May 7, 2020	15,000	3,000,000	3,015,000	-	-	-	-	-	-
Market treasury bills	March 26, 2020	-	7,345,000	7,345,000	-	-	-	-	-	-
Market treasury bills	July 2, 2020	-	450,000	450,000	-	-	-	-	-	-
Market treasury bills	June 18, 2020	-	4,400,000	4,400,000	-	-	-	-	-	-
Market treasury bills - 12 months										
Market treasury bills	November 7, 2019	10,335	-	10,335	-	-	-	-	-	-
Market treasury bills	September 26, 2019	9,000	5,254,745	5,263,745	-	-	-	-	-	-
Market treasury bills	January 30, 2020	-	202,270	202,270	-	-	-	-	-	-
Market treasury bills	December 5, 2019	-	6,850,000	6,850,000	-	-	-	-	-	-
Market treasury bills	October 24, 2019	-	625,000	625,000	-	-	-	-	-	-
Market treasury bills	September 12, 2019	-	3,800,000	3,800,000	-	-	-	-	-	-
Market treasury bills	October 10, 2019	-	13,100,000	13,100,000	-	-	-	-	-	-
Market treasury bills	August 16, 2019	-	900,000	900,000	-	-	-	-	-	-
Market treasury bills	December 19, 2019	-	13,825,000	13,825,000	-	-	-	-	-	-
Market treasury bills	August 29, 2019	-	1,450,000	1,450,000	-	-	-	-	-	-
Market treasury bills	January 2, 2020	-	700,000	700,000	-	-	-	-	-	-
Total as at December 31, 2020					-					
Total as at June 30, 2020					33,500			33,582	82	

5.1.2 Letter of placements

Name of Investee Company	Face value				At December 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments	
	At July 01, 2020	Purchases during the period	Matured during the period	At December 31, 2020	Face Value	Carrying Value	Appreciation			
(Rupees in '000)										
----- % -----										
Pak Kuwait Investment Company (Pvt.) Limited	-	1,500,000	1,500,000	-	-	-	-	-	-	-
As at December 31, 2020					-					
As at June 30, 2020					-					

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Note	December 31, 2020 (Unaudited) ---(Rupees in '000)---	June 30, 2020 (Audited)
6	PAYABLE TO MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY		
	Management remuneration payable	6.1	8,778
	Sindh sales tax payable on remuneration of the Management Company	6.2	1,139
	Allocated expenses payable	6.3	2,932
	Selling and marketing expenses payable	6.4	-
		<u>12,849</u>	<u>17,305</u>

6.1 The management company has charged management fee at the rate upto, 7.5% 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 was revised in the prior period and is effective since August 8, 2019. Previously, the management fee was charged at the rate of 7.5% 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 and maximum fee of 1% of the average daily net assets of the fund.

6.2 Sindh sales tax on remuneration of the management company has been charged at the rate of 13% (June 30, 2020: 13%).

6.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company has allocated expenses to the Fund based on its discretion subject to not being higher than actual expense which have also been approved by the Board of Directors of the Management Company.

6.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the year ended June 30, 2020, SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

The Management Company has not charged any selling and marketing expenses to the Fund during the current period. During the prior period, the Management Company charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense, which was also approved by the Board of Directors of the Management Company.

7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has charged Trustee Fee at the rate of 0.065% (December 31, 2019: 0.065%) of average daily net assets of the Fund during the period.

8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

In accordance with SRO No. 685(I)/2019 dated June 28, 2019 issued by SECP, the Fund has charged SECP fee at the rate of 0.02% (Dec 31, 2019: 0.02%) of average daily net assets of the Fund during the period.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

9	ACCRUED AND OTHER LIABILITIES	Note	December 31,	June 30,
			2020 (Unaudited)	2020 (Audited)
			----- (Rupees in '000) -----	
	Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	110,988	89,905
	Provision for Federal Excise Duty payable on:			
	-Remuneration of the management fee	9.2	54,267	54,267
	-Sales load		19	19
	Brokerage payable		115	101
	Capital gain tax payable		2,741	1,807
	Auditor's remuneration payable		496	653
	Printing expense payable		30	40
	Other payable		531	516
			<u>169,187</u>	<u>147,308</u>

9.1 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, was 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 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 the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP 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 SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2020 would have been higher by Re.0.3186 (June 30, 2020: Re.0.3226) per unit.

9.2 Federal Excise Duty on remuneration of the Management Company

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 54.267 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2020 would have been higher by Re 0.1558 (June 30, 2020: Re 0.1947) per unit.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

11 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.

	December 31, 2020	December 31, 2019
	------(Unaudited)-----	
	------(Rupees in '000)-----	
12 CASH AND CASH EQUIVALENTS		
Balances with banks	35,151,234	18,867,290
Term deposit receipts	-	1,300,000
	<u>35,151,234</u>	<u>20,167,290</u>

13 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.

14 EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 0.69% (December 31, 2019: 1.35%) which includes 0.20% (December 31, 2019: 0.35%) representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee. The prescribed limit for the ratio is 2% (December 31, 2019: 2%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a money market scheme.

15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

15.1 Details of transactions with the connected persons / related parties during the period are as follow s:

	Six months period ended	
	December 31,	
	2020	2019
	----- (Unaudited) -----	
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited		
Remuneration of the Management Company and related taxes	55,449	44,715
Allocated expenses	15,681	7,809
Selling and marketing expenses	-	24,161
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee and related taxes	11,516	5,738
MCB Bank Limited		
Profit on bank deposits	760	3,209
Bank Charges	122	60
Sale of securities - Face value of Rs Nil (2019: Rs. 1,000,000,000)	-	997,827
Arif Habib Limited - Brokerage House		
Brokerage expense*	14	6
	(Unaudited)	(Audited)
	December 31,	June 30,
	2020	2020
	----- (Rupees in '000) -----	

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

MCB-Arif Habib Savings and Investments Limited		
Remuneration payable	8,778	9,263
Sindh sales tax payable on remuneration of the Management Company	1,139	1,203
Allocated expenses payable	2,932	2,185
Selling and marketing expenses payable	-	4,654
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,906	1,422
Sindh sales tax payable on trustee fee	248	185
MCB Bank Limited		
Bank deposits	55,700	43,089
Profit receivable on bank deposits	404	4,641
Arif Habib Limited - Brokerage House		
Brokerage payable*	6	44

* 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 HALF YEAR ENDED DECEMBER 31, 2020**

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

For half year ended December 31, 2020 (Unaudited)								
As at July 01, 2020	Issued for cash	Redeemed	As at December 31, 2020	As at July 01, 2020	Issued for cash	Redeemed	As at December 31, 2020	
Units				(Rupees in '000)				
Associated Companies								
MCB - Arif Habib Savings and Investments Limited - Management Company								
5,469,446	32,014,239	37,384,120	99,564	551,627	3,228,831	3,774,339	10,046	
5,654	159	-	5,813	570	16	-	587	
-	504,207	-	504,207	-	50,852	-	50,872	
Nishat Power Limited Employees Provident Fund Trust								
103,985	3,456	-	107,441	10,488	10,485	349	10,840	
834,417	23,519	-	857,936	84,156	2,372	-	86,562	
2	-	-	2	-	-	-	-	
4,517,331	56,222	3,962,680	610,874	455,601	5,670	400,000	61,634	
Adamjee Insurance Company Limited. Employees Gratuity Fund								
267,294	202,516	273,024	196,786	26,958	20,425	27,565	19,855	
Adamjee Insurance Company Limited Employees Provident Fund								
534,504	404,695	545,954	393,245	53,908	40,816	55,121	39,677	
Hyundai Nishat Motor (Private) Limited Employees Provident Fund								
22,187	737	-	22,924	2,238	74	-	2,313	
-	129,113	129,113	-	-	13,021	13,040	-	
-	5,015	4,453	562	-	505	450	57	
Directors and executives of the management company *								
16,141,421	1,145,146	1,592,767	15,693,800	1,627,961	115,551	160,762	1,583,431	
Mandate Under Discretionary Portfolio Services*								
20,805,826	204,622,139	220,448,986	4,978,979	2,098,394	20,649,054	22,272,097	502,356	
Unit holders holding 10% or more units								
60,365,689	117,969,092	81,598,252	96,736,529	6,088,248	11,897,902	8,229,588	9,760,261	

* This reflects the position of related party / connected person status as at December 31, 2020

For half year ended December 31, 2019 (Unaudited)								
As at July 01, 2019	Issued for cash	Redeemed	As at December 31, 2019	As at July 01, 2019	Issued for cash	Redeemed	As at December 31, 2019	
Units				(Rupees in '000)				
Associated Companies								
MCB - Arif Habib Savings and Investments Limited - Management Company								
2,108,505	36,252,910	36,184,337	2,177,078	212,205	3,651,065	3,654,768	219,817	
5,116	268	-	5,384	515	26,935	-	544	
25,705	2,023,332	2,049,037	-	2,587	203,633	206,846	-	
Nishat Mills Limited Employees Provident Fund Trust								
141,826	2,952,021	3,072,069	21,778	14,274	297,098	310,000	2,199	
Nishat Power Limited Employees Provident Fund Trust								
110,634	6,837	-	117,471	11,134	688	-	11,861	
730,103	88,428	-	818,531	73,479	8,900	-	82,646	
2	-	-	2	1	15	-	-	
-	1,001,021	1,001,021	-	-	100,745	100,999	-	
Adamjee Insurance Company Limited. Employees Gratuity Fund								
244,831	15,092	7,572	252,351	24,640	1,519	765	25,480	
Adamjee Insurance Company Limited Employees Provident Fund								
489,204	30,157	14,740	504,621	49,235	3,035	1,489	50,951	
Security General Insurance Company Limited Employees Provident Fund Trust								
46,297	2,286	48,583	-	4,659	230	4,895	-	
Hyundai Nishat Motor (Private) Limited Employees Provident Fund								
-	20,947	-	20,947	-	2,108	-	2,115	
Directors and executives of the management company *								
124,071	15,984,688	699,454	15,409,305	12,487	76,541	70,609	1,555,859	
Mandate Under Discretionary Portfolio Services*								
11,321,859	29,257,251	31,701,104	8,878,006	1,139,458	2,945,492	3,200,135	896,402	
Unit holders holding 10% or more units								
30,635,528	50,200,486	4,893,563	75,942,451	3,083,230	5,053,157	492,846	7,667,818	

* This reflects the position of related party / connected person status as at December 31, 2019

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at 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.

16.1 Fair value hierarchy

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:

- 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)
- Level 3: inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs).

The Fund holds the following financial instruments measured at fair values:

-----Unaudited-----				
-----December 31, 2020-----				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000') -----				
Financial assets at fair value through profit or loss				
Market Treasury Bills	-	-	-	-
	-	-	-	-
-----Audited-----				
-----June 30, 2020-----				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000') -----				
Financial assets at fair value through profit or loss				
Market Treasury Bills	-	33,582	-	33,582
	-	33,582	-	33,582

17 INTERIM DISTRIBUTION DURING THE PERIOD

----- (Unaudited) -----					
-----December 31, 2020-----					
	Rate per unit	Declaration date	Refund of capital	Distribution from income	Total distribution
----- (Rupees in '000') -----					
For the period ended July 10, 2020	0.2642	July 13, 2020	3,167	65,679	68,846
For the period ended July 17, 2020	0.1400	July 20, 2020	844	37,644	38,488
For the period ended August 11, 2020	0.3082	August 12, 2020	9,581	83,076	92,657
For the period ended August 21, 2020	0.2357	August 24, 2020	3,716	65,176	68,892
For the period ended September 4, 2020	0.2290	September 7, 2020	11,703	55,995	67,698
For the period ended September 18, 2020	0.2539	September 21, 2020	1,801	72,854	74,655
For the period ended October 2, 2020	0.2621	October 5, 2020	3,115	74,342	77,457
For the period ended October 16, 2020	0.2752	October 19, 2020	3,901	79,409	83,310
For the period ended November 6, 2020	0.3941	November 9, 2020	9,612	115,281	124,893
For the period ended November 20, 2020	0.2524	November 23, 2020	3,411	77,838	81,249
For the period ended December 4, 2020	0.2542	December 7, 2020	4,689	78,986	83,675
For the period ended December 18, 2020	0.2582	December 21, 2020	2,611	81,246	83,857
For the period ended December 29, 2020	0.1747	December 30, 2020	2,419	56,759	59,178
			60,570	944,285	1,004,855

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

----- (Audited) -----					
----- December 31, 2019 -----					
Rate per unit	Declaration date	Refund of capital	Distribution from income	Total distribution	
----- (Rupees in '000) -----					
For the period ended July 19, 2019	Re 0.6999	July 22, 2019	3,997	91,659	95,656
For the period ended August 2, 2019	Re 0.4732	August 5, 2019	5,224	54,102	59,326
For the period ended August 16, 2019	Re 0.4808	August 19, 2019	1,665	60,254	61,919
For the period ended September 6, 2019	Re 0.8042	September 11, 2019	6,557	102,019	108,576
For the period ended September 20, 2019	Re 0.4381	September 23, 2019	1,267	54,905	56,172
For the period ended October 4, 2019	Re 0.5100	October 7, 2019	1,666	64,984	66,650
For the period ended October 18, 2019	Re 0.5122	October 21, 2019	2,453	67,638	70,091
For the period ended November 1, 2019	Re 0.4950	November 4, 2019	4,449	66,881	71,330
For the period ended November 15, 2019	Re 0.4501	November 18, 2019	6,388	76,107	82,495
For the period ended December 6, 2019	Re 0.6885	December 9, 2019	9,195	129,272	138,467
For the period ended December 20, 2019	Re 0.4998	December 23, 2019	3,840	99,455	103,295
			46,701	867,276	913,977

18 GENERAL

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

18.2 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 08, 2021 by the Board of Directors of the Management Company.

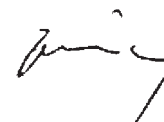
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB Arif Habib Savings and Investments Limited

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