



MCB-ARIF HABIB  
Savings and Investments Limited

# QUARTERLY REPORT

MARCH  
**2021**  
(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	04
02	Pakistan Income Fund	30
03	MCB Pakistan Sovereign Fund	58
04	Pakistan Income Enhancement Fund	83
05	Pakistan Cash Management Optimizer	108
06	MCB Cash Management Fund	132
07	MCB Pakistan Stock Market Fund	153
08	ALHAMRA Islamic Stock Fund	183
09	MCB Pakistan Asset Allocation Fund	210
10	Pakistan Capital Market Fund	240
11	ALHAMRA Islamic Asset Allocation Fund	269
12	ALHAMRA Islamic Income Fund	293
13	ALHAMRA Islamic Active Allocation Fund	316
14	MCB Pakistan Frequent Payout Fund	342
15	Pakistan Pension Fund	366
16	ALHAMRA Islamic Pension Fund	398
17	ALHAMRA Daily Dividend Fund	428

# **MCB DCF INCOME FUND**

## **TABLE OF CONTENTS**

---

<b>1</b>	<b>Fund's Information</b>	<b>06</b>
<b>2</b>	<b>Report of the Directors of the Management Company</b>	<b>07</b>
<b>3</b>	<b>Condensed Interim Statement of Assets And Liabilities</b>	<b>13</b>
<b>4</b>	<b>Condensed Interim Income Statement (Un-audited)</b>	<b>14</b>
<b>5</b>	<b>Condensed Interim Statement of Comprehensive Income (Un-audited)</b>	<b>15</b>
<b>6</b>	<b>Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)</b>	<b>16</b>
<b>7</b>	<b>Condensed Interim Cash Flow Statement ( Un-audited)</b>	<b>17</b>
<b>8</b>	<b>Notes to and forming part of the Condensed Interim Financial Statements (Unaudited)</b>	<b>18</b>

## FUND'S INFORMATION

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

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

---

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **MCB DCF Income Fund accounts** review for the nine months ended March 31, 2021.

## Economy and Money Market Review

The first nine months of fiscal year 2021 have been relatively stronger as economic activities resumed to a large extent though challenges from Covid continue to pose risks in the near term. The economic recovery has been better than expectations as stable interest rates and supportive financing schemes from SBP, amnesty to encourage construction sector, resumption in demand and continued strong inflow of remittances have supported economic growth. We therefore expect economic growth to be higher than estimates shared by multilateral agencies. 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 also 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 about 18% over last year in the first nine months of FY21. Sales of 2 and 3 wheeler units also rose at an impressive rate of near 17% over last year in the first eight months of FY21 reflecting on the resilience of economy. Similarly, the demand of petrol and diesel also increased by about 9.5% and 17% respectively over last year during the first nine months indicating a broader recovery in economy. Overall, Large Scale Manufacturing Index (LSM) has grown by about 7.9% in first seven months of the current fiscal year led by the cyclical sectors.

Current account posted a surplus of USD 881 million in the first eight months of fiscal year compared to a deficit of USD 2,741 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 about 24% during the first eight months of this fiscal year. Foreign exchange reserves of central bank saw an increase of about USD 2.2 billion during the first eight months due to improved balance of payment position. Subsequently, the PKR/USD appreciated by about 9% during the period.

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 8.4% over last year during the first nine months, with food inflation averaging about 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 6.1% for the period. Monetary Policy Committee maintained status quo throughout the year 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 well as comfort drawn from better external position.

As the economy started to open up, tax collection also improved and grew by about 10% during the first nine months of the fiscal year which exceeded the target by PKR 100 bn. Fiscal deficit for the first seven months of the period clocked in at 2.9% of GDP, compared to 3.2% of GDP last year. Primary balance was even better at a surplus of 0.9% 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 182 bps, 175 bps and 173 bps respectively during the period.

## FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 6.55% as against its benchmark return of 7.54%. The WAM of the fund increased to 1.4 years because of interest rate outlook which was on a dropping trend. The fund allocation remained notably in cash and TFCs at the end of the period under review. At period-end, the fund was 9.3% invested in T-Bills, 47.3% in Cash and 11.4% 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 March 31, 2021 stood at Rs. 3,968 million as compared to Rs. 4,033 million as at June 30, 2020 registering a decrease of 1.61%.



## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

---

The Net Asset Value (NAV) per unit as at March 31, 2021 was Rs.112.2229 as compared to opening NAV of Rs. 106.9649 per unit as at June 30, 2020 registering an increase of Rs. 5.258 per unit.

### **Economy & Market – Future Outlook**

GDP growth for FY21 is now projected at around 3% by central bank. We expect GDP growth to be better than general consensus of government and institutions as industrial growth has revived much earlier than our anticipation. Generally, economy appears to be operating close to pre-covid levels gauged by LSM growth, cement sales, auto sales, etc.

Balance of Payment worries are at bay for the near term with current account deficit expected to be about USD 1.1 bn for this fiscal year. We expect Current Account Deficit to settle near 0.4% of GDP in FY21 which could be easily financed from foreign investments and debt flows. However, the recent surge in commodity prices and growth momentum would require better financial management to fund the current account deficit over next year. Any reversal in trend of remittances would also be a concern for Balance of Payment management next year. With Real Effective Rate for Feb-2021 at 97.1 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 the IMF program is a good omen which would allow better financial flows from various institutions allowing better financial management. We expect foreign exchange reserves to further increase by about USD 2.7 bn from current levels by year end.

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 9.1%. 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 vowed to keep the existing accommodative monetary policy stance to support recovery while keeping inflation expectations well anchored. 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 28.6% to PKR 954 billion at the end of the first nine months 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 33% during the period to PKR 418 billion. Within the money market sphere, the conventional funds dominated as they grew by about 31% to PKR 271 billion. Equity and related funds surged rapidly by 27% from PKR 224 billion to PKR 284 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 ~29% 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 26% as at the end of the calendar year.

### **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.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

---

### ACKNOWLEDGMENT

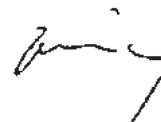
The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



---

Muhammad Saqib Saleem  
Chief Executive Officer  
April 16, 2021



---

Nasim Beg  
Director/Vice Chairman

### میوچل فنڈ صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2021ء کے ابتدائی نو ماہ کے اختتام پر تقریباً 28.6 فیصد بڑھ کر 954 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز اور فکسڈ انکم فنڈز میں خطیر سرمایہ کاری ہوئی کیونکہ کارپوریٹ نقدیت تیزی سے میوچل فنڈز کی جانب بڑھ رہی ہے۔ منی مارکیٹ کے مجموعی فنڈز دورانِ مدت تقریباً 33 فیصد بڑھ کر 418 بلین روپے ہو گئے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور تقریباً 31 فیصد بڑھ کر 271 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں دورانِ سہ ماہی 27 فیصد کا بھرپور اضافہ ہوا اور وہ 224 بلین روپے سے 284 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 29 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 26 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 اُمید ہے کہ ایکویٹی اور متعلقہ فنڈز کے شعبے میں نقدیت کی صورتحال 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 سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکیں۔

### اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابلِ قدر سرمایہ کاروں، سکیورٹیز 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

16 اپریل 2021

## فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 6.55 فیصد تھا جبکہ اس کے بالمقابل مقررہ معیار 7.54 فیصد تھا۔ فنڈ کی بالوزن اوسط میچورٹی بڑھ کر 1.4 سال ہو گئی کیونکہ سود کی شرح میں گرنے کا رجحان تھا۔ زیر جائزہ مدت کے اختتام پر فنڈ کا اکثر حصہ نقد اور ٹرم فنانس سٹرٹگیٹس (ٹی ایف سی) میں مختص تھا۔ اختتام مدت پر فنڈ کی سرمایہ کاری 9.3 فیصد ٹریڈری بلو (ٹی بلو) میں، 47.3 فیصد نقد میں اور 11.4 فیصد ٹی ایف سی میں تھی۔ نقد میں زیادہ شمولیت کی وجہ بینک میں جمع رقم پر پُرکشش شرحیں تھیں۔

31 مارچ 2021ء کو فنڈ کے net اثاثہ جات 3,968 ملین روپے تھے جبکہ 30 جون 2020ء کو 4,033 ملین روپے تھے (یعنی net اثاثہ جات میں 1.61 فیصد کمی ہوئی)۔

31 مارچ 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 112.2229 روپے تھی جو 30 جون 2020ء کو ابتدائی این اے وی، جو کہ 106.9649، روپے فی یونٹ تھی، کے مقابلے میں 5.258 روپے فی یونٹ اضافہ ہے۔

## معیشت اور بازار - مستقبل کے امکانات

مرکزی بینک کے مطابق مالی سال 2021ء کے لیے مجموعی ملکی پیداوار (جی ڈی پی) میں 3 فیصد ترقی متوقع ہے۔ ہمیں اُمید ہے کہ جی ڈی پی کی ترقی حکومت اور اداروں کے عمومی اتفاق رائے سے بہتر ہوگی کیونکہ صنعتی ترقی ہماری توقعات سے کافی قبل بحال ہو گئی ہے۔ معیشت اب عمومی طور پر قبل از کووڈ سطحوں کے قریب سرگرم عمل ہے جس کا اندازہ ایل ایس ایم کی ترقی اور سیمنٹ اور آٹو مو بائل کے شعبے کی فروخت کے ذریعے لگایا جاسکتا ہے۔

ادائیگیوں کے توازن کی پریشانیوں قریب المیہ میں ختم ہو گئی ہیں کیونکہ موجودہ مالی سال کے لیے کرنٹ اکاؤنٹ کا متوقع خسارہ تقریباً 1.1 بلین ڈالر ہے۔ ہم سمجھتے ہیں کہ مالی سال 2021ء میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 0.4 فیصد پر ٹھہرے گا، اور اس کے لیے مالیات کی فراہمی باسانی غیر ملکی سرمایہ کاریوں اور قرض کے ذریعے ہو سکتی ہے۔ تاہم اشیاء کی قیمتوں اور ترقی کی رفتار میں حالیہ اضافے کے باعث اگلے سال کے دوران کرنٹ اکاؤنٹ خسارے کے لیے مالیات کی فراہمی کے لیے بہتر مالیاتی انتظام درکار ہے۔ ترسیلات زر کے رجحان میں ذرا بھی واپسی کے باعث اگلے سال ادائیگی کے توازن کے انتظام میں رکاوٹ حائل ہو سکتی ہے۔

فروری 2021ء کارینل افسیکیو ریٹ 97.1 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 کا جاری رہنا اچھا شگون ہے جس کی بدولت متعدد اداروں سے بہتر مالیاتی آمدات ممکن ہوگی اور اس کے نتیجے میں بہتر مالیاتی انتظام ممکن ہوگا۔ غیر ملکی زرمبادلہ کے ذخائر میں اختتام مدت تک موجودہ سطحوں کے مقابلے میں تقریباً 2.7 بلین ڈالر کا مزید اضافہ متوقع ہے۔

افراط زر ہماری سابقہ توقعات سے آگے نکل گئی ہے کیونکہ اشیاء 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 9.1 فیصد متوقع ہے۔ مرکزی بینک نے پہلی مرتبہ قریب المیہ میں سود کی شرحوں سے متعلق راہنمائی فراہم کی ہے جس کی بدولت سرمایہ کاروں کی توقعات میں مزید یقینی صورتحال پیدا ہوگی۔ مرکزی مختار ادارے نے گنجائش پیدا کرنے والی موجودہ مالیاتی پالیسی کا موقف برقرار رکھنے کا عزم کیا تا کہ وصولی کے لیے معاونت فراہم ہو، جبکہ افراط زر کی توقعات کو قابو میں رکھا۔ مرکزی بینک کی راہنمائی کے پیش نظر اب ہمیں اُمید ہے کہ سود کی شرحوں میں اگلے مالی سال کے دوران 100 سے 150 بیسیس پوائنٹس تک ترمیم ہوگی۔

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز 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 اُٹھایا جاسکے۔

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی ڈی سی ایف انکم فنڈ کے اکاؤنٹس کا جائزہ برائے نو ماہ مختتمہ 31 مارچ 2021ء پیش خدمت ہے۔

## معیشت اور بازار کا جائزہ

مالی سال 2021ء کے ابتدائی نو ماہ مستحکم رہے کیونکہ معاشی سرگرمیاں کافی حد تک بحال ہوئیں اگرچہ قریب المیاد میں کووڈ کے باعث پیدا ہونے والی مشکلات کے باعث خطرات ابھی بھی لاحق ہیں۔ معاشی بحالی توقعات سے بہتر رہی کیونکہ سود کی مستحکم شرحوں اور اسٹیٹ بینک آف پاکستان (ایس بی پی) کی معاونتی مالیاتی اسکیموں، تعمیرات کے شعبے کی حوصلہ افزائی کے لیے رعایات، مانگ میں بحالی، اور ترسیلات زر کی مسلسل اور مستحکم آمد سے معاشی ترقی کو سہارا ملا ہے۔ چنانچہ ہمیں اُمید ہے کہ معاشی ترقی کثیر الجہتی ایجنسیوں کے پیش کردہ تخمینوں سے بلند تر ہوگی۔ 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 گردش شعبوں میں بھرپور طلب اور حجم کے اعتبار سے ترقی کا مظاہرہ ہوا ہے۔

سینٹ کے شعبے میں مقامی فروخت میں متاثر کن ترقی ہوئی جو مالی سال 2021ء کے ابتدائی نو ماہ میں سال گزشتہ سے 18 فیصد زیادہ تھی۔ 2 اور 3 پہوں والے نیٹس کی فروخت میں بھی مزید متاثر کن ترقی ہوئی جو مالی سال 2021ء کے ابتدائی آٹھ ماہ میں سال گزشتہ سے تقریباً 17 فیصد زیادہ تھی جس سے معیشت کی چلک کی عکاسی ہوتی ہے۔ اسی طرح ابتدائی نو ماہ کے دوران پٹرول اور ڈیزل کی طلب میں بھی سال گزشتہ کے مقابلے میں بالترتیب تقریباً 9.5 فیصد اور 17 فیصد اضافہ ہوا جس سے معیشت میں وسیع تر بحالی کی ترجمانی ہوتی ہے۔ مجموعی طور پر بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) میں موجود مالی سال کے ابتدائی سات ماہ میں 7.9 فیصد ترقی ہوئی ہے جس میں گردش شعبے سب سے آگے رہے ہیں۔

مالی سال کے ابتدائی آٹھ ماہ میں کرنٹ اکاؤنٹ 881 ملین ڈالر منافع ہوا جبکہ اس کے بالمقابل سال گزشتہ کی مماثل مدت میں 2,741 ملین ڈالر خسارہ ہوا تھا۔ اس بہتری کی بنیادی وجہ ترسیلات زر میں اضافہ تھا جن میں مالی سال کے ابتدائی آٹھ ماہ کے دوران 24 فیصد کی زبردست شرح سے ترقی ہوئی۔ مرکزی بینک کے زرمبادلہ کے ذخائر میں ابتدائی آٹھ ماہ کے دوران تقریباً 2.2 بلین ڈالر اضافہ ہوا جس کی وجہ ادائیگی کے توازن کی صورتحال میں بہتری ہے۔ بعد ازاں، پاکستانی روپے / امریکی ڈالر میں دورانِ مدت تقریباً 9 فیصد ترقی ہوئی۔

افراط زر حکومت کی دکھتی رگ بنی رہی کیونکہ اشیائے 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 ابتدائی نو ماہ کے دوران 8.4 فیصد تھا، جبکہ اشیائے خورد و نوش کے افراط زر کا اوسط دورانِ مدت 13 فیصد تھا۔ رسد کی جہت میں مسائل اور بدانتظامی کے باعث جلد خراب ہو جانے والی اشیائے خورد و نوش اور گندم کی قیمتوں میں اضافہ جاری رہا۔ بہر حال بنیادی افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، قابو میں تھی اور اس کا اوسط برائے مدت 6.1 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 لیکن مرکزی بینک کووڈ کے باعث طلب کی جہت پر پڑنے والے دباؤ اور بہتر خارجی صورتحال کی بدولت پیدا ہونے والی سہولت کے حوالے سے محتاط تھا۔

معیشت کے مستحکم ہونے کے آغاز کے ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں مالی سال کے ابتدائی نو ماہ کے دوران 10 فیصد اضافہ ہوا جو ہدف سے 100 بلین روپے زیادہ تھا۔ ابتدائی سات ماہ کا مالیاتی خسارہ مجموعی ملکی پیداوار (جی ڈی پی) کا 2.9 فیصد تھا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 3.2 فیصد تھا۔ بنیادی توازن جی ڈی پی (GDP) کے 0.9 فیصد کے ساتھ مزید بہتر ہوا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 0.3 فیصد تھا۔

مہنگائی کے بعد سرمایہ کاروں کو مایوس کرنے کے بعد پیداوار کی قیمت میں اضافی ہونا شروع ہوا۔ 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 نچلی سطح میں آنا متوقع تھا۔ دورانِ مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 182، 175 اور 173 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2021

		March 31, 2021 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2020 (Audited)
Note			
<b>ASSETS</b>			
	Balances with banks	4 2,296,464	1,643,631
	Investments	5 2,234,181	3,437,545
	Mark-up, dividend and other receivables	28,336	33,893
	Receivable against sale of investments	-	-
	Receivable against margin trading system (MTS)	28,553	-
	Advances, deposits and prepayments	264,078	145,206
	<b>Total assets</b>	4,851,614	5,260,275
<b>LIABILITIES</b>			
	Payable to MCB-Arif Habib Savings & Investments Limited - Management Company	6 11,353	11,493
	Payable to Central Depository Company of Pakistan Limited - Trustee	281	317
	Payable to the Securities and Exchange Commission of Pakistan	606	887
	Payable against purchase of investments	642,430	1,046,022
	Accrued and other liabilities	7 229,219	168,781
	<b>Total liabilities</b>	883,889	1,227,500
	<b>NET ASSETS</b>	3,967,724	4,032,775
	<b>Unit holders' fund (as per statement attached)</b>	3,967,724	4,032,775
	<b>Contingencies and commitments</b>	8	
		----- (Number of units) -----	
	<b>NUMBER OF UNITS IN ISSUE</b>	35,355,757	37,701,847
		----- (Rupees) -----	
	<b>NET ASSETS VALUE PER UNIT</b>	112.2229	106.9649

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

		Nine months period ended March 31,		Quarter ended March 31,		
		2021	2020	2021	2020	
Note		(Rupees in '000)				
<b>INCOME</b>						
		14,410	8,552	15,830	15,250	
	Net gain / (loss) on sale of investments	64,291	97,649	23,115	16,990	
	Profit on bank deposits and term deposit receipts	52,255	197,443	17,972	77,478	
	Income from government securities	75,756	131,228	13,802	45,160	
	Income from term finance certificates and sukuk certificates	22,434	26,795	889	9,085	
	Dividend income	24,005	2,361	47,568	7,475	
	Income / (Loss) from spread transactions - net	11,218	-	3,169	-	
	Profit on margin trading system					
	Unrealised diminution on re-measurement of investments classified as					
	' financial assets at fair value through profit or loss' - net	19,549	7,353	(32,526)	9,758	
	Other income	5,760		2,003		
	<b>Total income</b>	289,678	471,381	91,822	181,195	
<b>EXPENSES</b>						
	Remuneration of the Management Company	45,438	48,400	14,133	16,571	
	Sindh Sales tax on remuneration of the Management Company	5,907	6,292	1,837	2,154	
	Expenses allocated by the Management Company	3,029	3,227	942	1,105	
	Remuneration of the Trustee	2,272	2,420	707	828	
	Sindh Sales Tax on trustee fee	295	315	91	108	
	Selling and marketing expenses	11,813	9,256	3,674	4,308	
	Annual fee to Securities and Exchange Commission of Pakistan	606	645	189	221	
	Brokerage and settlement and bank charges	22,973	5,410	8,727	2,531	
	Auditors' remuneration	627	668	185	178	
	Legal and professional charges	412	49	321	(42)	
	Others	1,632	436	1,063	96	
	<b>Total operating expenses</b>	95,005	77,118	31,870	28,058	
	<b>Net income from operating activities</b>	194,673	394,263	59,952	153,137	
	Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	(3,893)	(7,885)	(1,199)	(3,037)
	<b>Net income for the period before taxation</b>	190,779	386,378	58,752	150,100	
	Taxation	9	-	-	-	-
	<b>Net income for the period after taxation</b>	190,779	386,378	58,752	150,100	
<i>Allocation of net income for the period:</i>						
	Net income for the period after taxation	190,779	386,378			
	Income already paid on units redeemed	(25,550)	(56,972)			
		165,229	329,406			
<i>Accounting income available for distribution:</i>						
	- Relating to capital gains	27,747	15,906			
	- Excluding capital gains	137,482	313,500			
		165,229	329,406			

## Earnings per unit

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021**

	Nine months period ended March 31,		Quarter ended March 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
<b>Net income for the period after taxation</b>	190,779	386,378	58,752	150,100
Other comprehensive (loss) for the period:	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>190,779</u>	<u>386,378</u>	<u>58,752</u>	<u>150,100</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director



# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine Months ended March 31, 2021			Nine Months ended March 31, 2020		
	(Rupees in '000)					
	Capital value	Undistri-buted income	Total	Capital value	Undistri-buted income	Total
Net assets at beginning of the period	3,623,649	409,126	4,032,775	3,539,191	394,254	3,933,445
Issuance of 121,264,398 units (2020: 71,367,962 units)						
- Capital value (at net asset value per unit at the beginning of the period)	12,971,034	-	12,971,034	7,604,556	-	7,604,556
- Element of income	195,502	-	195,502	448,010	-	448,010
	13,166,536	-	13,166,536	8,052,566	-	8,052,566
Redemption of 123,610,488 units (2020: 72,027,088 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(13,221,983)	-	(13,221,983)	(7,674,789)	-	(7,674,789)
-Element of income	(174,833)	(25,550)	(200,383)	(414,234)	(56,972)	(471,206)
	(13,396,816)	(25,550)	(13,422,366)	(8,089,023)	(56,972)	(8,145,995)
Total comprehensive income for the period	-	190,779	190,779	-	386,378	386,378
Distribution During the period	-	-	-	-	-	-
	-	190,779	190,779	-	386,378	386,378
Net assets at end of the period	3,393,369	574,355	3,967,724	3,502,734	723,660	4,226,394
Undistributed income brought forward comprising of:						
- Realised gain	420,055			407,880		
- Unrealised loss	(10,929)			(13,626)		
	409,126			394,254		
Undistributed income - restated		409,126			394,254	
Accounting income available for distribution:						
- Relating to capital gains	27,747			15,906		
- Excluding capital gains	137,482			313,500		
	165,229			329,406		
Cash distribution during the period	-			-		
Undistributed income carried forward		574,355			723,660	
Undistributed income carried forward comprising of:						
- Realised gain	554,806			716,306		
- Unrealised loss	19,549			7,354		
	574,355			723,660		
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the period	106.9649			106.5542		
Net assets value per unit at end of the period	112.2229			116.5714		

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

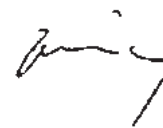
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

## FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine Months ended	
	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	190,779	386,378
<b>Adjustments for:</b>		
Dividend Income	(22,434)	(26,795)
Provision for Sindh Worker's Welfare Fund (SWWF)	3,893	7,885
Net unrealised loss on revaluation of investments 'at fair value through profit or loss - held-for-trading'	(19,549)	(7,785)
	152,691	359,683
<b>Decrease / (increase) in assets</b>		
Investments	1,222,915	(1,146,492)
Mark-up, dividend and other receivables	5,591	1,118
Receivable against sale of investments	-	22,840
Receivable against Margin Trading System (MTS)	(28,553)	-
Advances, deposits and prepayments	(118,872)	(149,367)
	1,081,080	(1,271,901)
<b>Increase / (Decrease) in liabilities</b>		
Payable to MCB Arif Habib Savings and Investments Limited -	(140)	5,053
Payable to Central Depository Company of Pakistan Limited - Trustee	(36)	(67)
Annual fee payable to SECP	(281)	(2,294)
Payable against purchase of investments	(403,592)	544,370
Accrued and other liabilities	56,545	(25,690)
	(347,504)	521,373
Dividend Received	22,400	19,037
<b>Net cash generated from / (used in) operating activities</b>	908,666	(371,809)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units (excluding additional units)	13,166,536	8,052,566
Payments on redemption of units	(13,422,366)	(8,145,995)
Dividend paid	-	-
<b>Net cash used in from financing activities</b>	(255,831)	(93,429)
<b>Net decrease in cash and cash equivalents during the period</b>	652,836	(465,237)
Cash and cash equivalents at beginning of the period	1,643,631	2,779,853
<b>Cash and cash equivalents at end of the period</b>	2,296,464	2,314,616

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

---

## 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).
- 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, 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 and provincial trust acts have been issued in consequence to the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements 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

- 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 (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

- 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 2020. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2021 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2020, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2021
- 2.1.3** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.1.4** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.
- 2.1.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES**

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 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 Funds for the year ended June 30, 2020.

		<b>March 31, 2021 (Un-audited)</b>	<b>June 30, 2020 (Audited)</b>
	<b>Note</b>	<b>------(Rupees in '000)-----</b>	
<b>4 BALANCES WITH BANKS</b>			
Current accounts	4.1	6,463	21,598
Savings accounts	4.2	2,290,001	1,622,033
		<u>2,296,464</u>	<u>1,643,631</u>

- 4.1** These carry profit at rates ranging from 5.5% to 9% per annum (June 30, 2020: 4.5% to 14.45% per annum).
- 4.2** These includes balances with related parties of Rs. 7.5 million (June 30, 2020: Rs. 22.634 million) maintained with MCB Bank Limited and Rs. 0.011 million (June 30, 2020: Rs. 0.011 million) maintained with MCB Islamic Bank Limited.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

---

		<b>March 31, 2021 (Un-audited)</b>	<b>June 30, 2020 (Audited)</b>
	<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>5</b>	<b>INVESTMENTS</b>		
	<b>Investments by Category</b>		
	<b>At fair value through profit or loss</b>		
Government securities	5.1	985,016	2,167,473
Listed equity securities	5.2	882,811	325,426
Listed debt securities	5.3	-	333,290
Unlisted debt securities	5.4	366,754	614,897
Future stock contracts		<u>(400)</u>	<u>(3,541)</u>
		2,234,181	3,437,545

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

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

Name of security	Note	Date of issue	Face value				Balance as at March 31, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments	
			As at July 01, 2020	Purchased during the period	Disposed/ matured during the period	As at March 31, 2021	Carrying value	Market value	Unrealised gain / (loss)			
(Rupees in '000)												
%												
Market treasury bills-3 months	5.1.1	December 31, 2020	-	3,100,000	3,100,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		November 5, 2020	-	2,475,000	2,475,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		September 12, 2019	-	500,000	500,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		November 19, 2020	-	525,000	525,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		April 23, 2020	1,000,000	-	1,000,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		September 24, 2020	-	2,400,000	2,400,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		December 3, 2020	-	3,075,000	3,075,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		July 2, 2020	-	150,000	150,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		January 14, 2021	-	1,350,000	925,000	425,000	424,416	424,418	2.55	10.70%	19.00%	
Market treasury bills-3 months		September 10, 2020	-	1,500,000	1,500,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		June 18, 2020	-	500,000	500,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		December 17, 2020	-	500,000	500,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		August 27, 2020	-	2,500,000	2,500,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		June 4, 2020	-	250,000	250,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-3 months		October 8, 2020	-	2,000,000	2,000,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		July 16, 2020	-	8,625,000	8,625,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		April 23, 2020	-	300,900	300,900	-	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		June 18, 2020	-	3,265,000	3,265,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		July 16, 2020	-	1,875,000	1,875,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		September 10, 2020	-	340,000	340,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-6 months		July 2, 2020	-	75,000	75,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-12 months		February 25, 2021	-	4,250,000	4,250,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-12 months		August 29, 2019	-	1,000,000	1,000,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-12 months		May 21, 2020	-	2,000,000	2,000,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-12 months		October 24, 2019	-	11,400	11,400	-	-	-	-	0.00%	0.00%	
Market treasury bills-12 months		December 19, 2019	-	4,500,000	4,500,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-12 months		April 9, 2020	30,000	-	-	30,000	29,962	29,959	(2.59)	0.76%	1.34%	
Market treasury bills-12 months		October 10, 2019	-	8,160,000	8,160,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-12 months		March 12, 2020	50,000	410,000	460,000	-	-	-	-	0.00%	0.00%	
Market treasury bills-12 months		December 5, 2019	-	1,450,000	1,450,000	-	-	-	-	0.00%	0.00%	
Pakistan Investment Bond- 3 Years			July 12, 2018	11,000	-	-	11,000	11,006	10,991	(14.53)	0.28%	0.49%
Pakistan Investment Bond- 3 Years			September 19, 2019	19,000	200,000	219,000	-	-	-	-	0.00%	0.00%
Pakistan Investment Bond- 10 Years		September 19, 2019	-	200,000	100,000	100,000	100,138	99,994	(144.10)	2.52%	4.48%	
Pakistan Investment Bond- 10 Years		July 12, 2018	-	250,000	100,000	150,000	146,808	147,243	435.83	3.71%	6.59%	
Pakistan Investment Bond- 10 Years		October 15, 2020	-	250,000	250,000	-	-	-	-	0.00%	0.00%	
Pakistan Investment Bond- 10 Years		August 22, 2019	-	70,000	35,000	35,000	35,004	35,000	(3.50)	0.88%	1.57%	
Pakistan Investment Bond- 10 Years		June 18, 2020	375,000	950,000	1,175,000	150,000	149,949	149,970	21.28	3.78%	6.71%	
Pakistan Investment Bond- 10 Years		October 22, 2020	-	250,000	250,000	-	-	-	-	0.00%	0.00%	
Pakistan Investment Bond- 10 Years		November 5, 2020	-	100,000	50,000	50,000	49,853	49,825	(27.73)	1.26%	2.23%	
GOP Ijara Sukuk - 05 Years		June 24, 2020	187,500	-	150,000	37,500	37,573	37,616	42.99	0.95%	1.68%	
GOP Ijara Sukuk - 05 Years		July 29, 2020	-	552,500	552,500	-	-	-	-	0.00%	0.00%	
GOP Ijara Sukuk - 05 Years		July 29, 2020	-	552,500	552,500	-	-	-	-	0.00%	0.00%	
GOP Ijara Sukuk - 05 Years		July 28, 2020	-	365,000	365,000	-	-	-	-	0.00%	0.00%	
Ijara												
Pakistan Energy Sukuk - 10 years***		May 21, 2020	100,000	25,000	125,000	-	-	-	-	0.00%	0.00%	
As at March 31, 2021							984,706	985,016	310			
June 30, 2020							1,071,726	1,073,409	1,683			

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

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

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

Name of investee company	Number of shares			Balance as at March 31, 2021				Market Value	
	As at July 01, 2020	Purchased during the period	Sold during the period	As at March 31, 2021	Carrying value	Market value	Unrealised (loss) / gain	As a percentage of net assets	As a percentage of total investments
----- (Rupees in '000) ----- % -----									
<b>Automobile Assembler</b>	-	-	-	-	-	-	-	-	-
Ghandhara Industries Limited	-	140,000	140,000	-	-	-	-	0.00%	0.00%
Ghandhara Nissan Limited	-	47,500	47,500	-	-	-	-	0.00%	0.00%
Pak Suzuki Motors Company Limited	-	251,000	69,500	181,500	50,667	57,151	6,484	1.44%	0.00%
				<b>181,500</b>	<b>50,667</b>	<b>57,151</b>	<b>6,484</b>	<b>1.44%</b>	<b>0.00%</b>
<b>Automobile Parts &amp; Accessories</b>	-	-	-	-	-	-	-	-	-
General Tyre & Rubber Company Limited	-	143,000	135,500	7,500	677	657	(20)	0.02%	0.03%
				<b>7,500</b>	<b>677</b>	<b>657</b>	<b>(20)</b>	<b>0.02%</b>	<b>0.03%</b>
<b>Cable &amp; Electrical Goods</b>	-	-	-	-	-	-	-	-	-
Pak Elektron Limited	1,714,000	12,813,500	14,165,000	362,500	12,085	11,977	(108)	0.30%	0.54%
				<b>362,500</b>	<b>12,085</b>	<b>11,977</b>	<b>(108)</b>	<b>0.30%</b>	<b>0.54%</b>
<b>Cement</b>	-	-	-	-	-	-	-	-	-
Cherat Cement Company Limited	-	411,500	407,500	4,000	679	642	(37)	0.02%	0.03%
D.G. Khan Cement Company Limited	514,500	3,620,000	4,086,500	48,000	6,041	5,784	(257)	0.15%	0.26%
Fauji Cement Company Limited	320,500	3,726,000	4,015,500	31,000	712	707	(4)	0.02%	0.03%
Lucky Cement Limited	32,500	407,500	439,000	1,000	839	818	(21)	0.02%	0.04%
Maple Leaf Cement Factory Limited	1,081,500	10,388,500	11,465,000	5,000	227	224	(3)	0.01%	0.01%
Pioneer Cement Limited	-	1,507,500	1,435,000	72,500	9,198	8,631	(567)	0.22%	0.40%
Power Cement Limited	-	1,873,500	1,836,000	37,500	358	345	(13)	0.01%	0.02%
				<b>199,000</b>	<b>18,054</b>	<b>17,352</b>	<b>(702)</b>	<b>0.44%</b>	<b>0.78%</b>
<b>Chemicals</b>	-	-	-	-	-	-	-	-	-
Engro Polymer and Chemicals Limited	137,500	4,130,500	2,624,000	1,644,000	85,450	90,404	4,953	2.28%	4.05%
Lotte Chemical Pakistan Limited	371,000	7,572,500	6,911,500	1,032,000	16,016	16,460	445	0.41%	0.74%
				<b>2,676,000</b>	<b>101,466</b>	<b>106,864</b>	<b>5,398</b>	<b>2.69%</b>	<b>4.78%</b>
<b>Engineering</b>	-	-	-	-	-	-	-	-	-
Aisha Steel Limited	-	3,095,000	2,000	3,093,000	77,706	73,459	(4,247)	1.85%	3.29%
Amreli Steels Limited	-	2,046,000	1,778,500	267,500	11,730	11,149	(581)	0.28%	0.50%
International Industries Limited	2,000	919,500	900,500	21,000	4,314	4,267	(48)	0.11%	0.19%
International Steels Limited	92,500	3,231,500	3,298,000	26,000	2,490	2,225	(265)	0.06%	0.10%
Mughal Iron & Steel Industries Limited	-	1,007,000	1,004,000	3,000	287	279	(8)	0.01%	0.01%
				<b>3,410,500</b>	<b>96,528</b>	<b>91,379</b>	<b>(5,149)</b>	<b>2.30%</b>	<b>4.09%</b>
<b>Fertilizer</b>	-	-	-	-	-	-	-	-	-
Engro Corporation Limited	50,000	492,500	491,000	51,500	14,900	14,282	(619)	0.36%	0.64%
Engro Fertilizer Limited	-	1,208,500	1,208,500	-	-	-	-	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	28,500	6,873,000	4,665,000	2,236,500	60,450	61,280	830	1.54%	2.74%
Fauji Fertilizer Company Limited	154,000	240,000	394,000	-	-	-	-	0.00%	0.00%
				<b>2,288,000</b>	<b>75,350</b>	<b>75,562</b>	<b>212</b>	<b>1.90%</b>	<b>3.38%</b>
<b>Oil &amp; Gas Exploration Companies</b>	-	-	-	-	-	-	-	-	-
Oil & Gas Development Company Limited	57,000	2,322,500	2,064,000	315,500	33,014	32,058	(956)	0.81%	1.43%
Pakistan Oilfields Limited	-	86,500	86,500	-	-	-	-	0.00%	0.00%
Pakistan Petroleum Limited	642,500	4,168,500	4,334,000	477,000	43,364	41,656	(1,707)	1.05%	1.86%
				<b>792,500</b>	<b>76,378</b>	<b>73,714</b>	<b>(2,663)</b>	<b>1.86%</b>	<b>3.30%</b>
<b>Oil And Gas Marketing Companies</b>	-	-	-	-	-	-	-	-	-
Hascol Petroleum Limited	-	22,889,500	20,279,500	2,610,000	30,919	26,753	(4,167)	0.67%	1.20%
Pakistan State Oil Company Limited	286,500	1,390,000	1,664,000	12,500	2,984	2,883	(101)	0.07%	0.13%
Sui Northern Gas Pipelines Limited	-	980,500	615,500	365,000	15,156	14,315	(840)	0.01%	0.02%
Sui Southern Gas Company Limited	119,500	832,500	913,000	39,000	527	501	(26)	0.01%	0.02%
				<b>3,026,500</b>	<b>49,585</b>	<b>44,451</b>	<b>(5,134)</b>	<b>0.76%</b>	<b>1.35%</b>
<b>Pharmaceuticals</b>	-	-	-	-	-	-	-	-	-
The Searle Company Limited	26,500	1,202,000	1,218,500	10,000	2,537	2,470	(67)	0.06%	0.11%
				<b>10,000</b>	<b>2,537</b>	<b>2,470</b>	<b>(67)</b>	<b>0.06%</b>	<b>0.11%</b>
<b>Power Generation &amp; Distribution</b>	-	-	-	-	-	-	-	-	-
Hub Power Company Limited	1,500	3,090,000	2,868,500	223,000	18,963	18,094	(869)	0.46%	0.81%
K-Electric Limited	1,000	14,900,000	14,900,000	1,000	4	4	(0)	0.00%	0.00%
Kot Addu Power Co. Limited	84,500	3,846,000	3,772,000	158,500	6,728	6,299	(429)	0.16%	0.28%
				<b>382,500</b>	<b>25,695</b>	<b>24,397</b>	<b>(1,298)</b>	<b>0.61%</b>	<b>1.09%</b>
<b>Refinery</b>	-	-	-	-	-	-	-	-	-
Attock Refinery Limited	203,500	3,877,500	3,463,000	618,000	146,706	157,825	11,119	3.98%	7.06%
Byco Petroleum Pakistan Limited	-	7,381,500	3,119,500	4,262,000	45,822	44,581	(1,242)	1.12%	0.00%
National Refinery Limited	17,500	1,126,000	1,143,500	-	-	-	-	0.00%	0.00%
Pakistan Refinery Limited	-	15,020,000	15,020,000	-	-	-	-	0.00%	0.00%
				<b>4,880,000</b>	<b>192,528</b>	<b>202,405</b>	<b>9,877</b>	<b>5.10%</b>	<b>7.06%</b>
<b>Technology &amp; Communications</b>	-	-	-	-	-	-	-	-	-
Avanceon Limited	45,500	5,002,500	4,793,500	254,500	24,433	22,490	(1,943)	0.57%	1.01%
Pakistan Telecommunication Company Limited	-	928,500	-	928,500	8,752	8,616	(135)	0.22%	0.39%
Trg Pakistan	-	10,681,500	9,981,500	700,000	98,265	105,147	6,882	2.65%	4.71%
				<b>1,883,000</b>	<b>131,450</b>	<b>136,254</b>	<b>4,804</b>	<b>3.43%</b>	<b>6.10%</b>
<b>Textile Composite</b>	-	-	-	-	-	-	-	-	-
Gul Ahmed Textile Mills Limited	48,500	725,000	767,500	6,000	322	284	(38)	0.01%	0.01%
Nishat (Chunian) Limited	-	609,000	508,000	101,000	4,810	4,656	(154)	0.12%	0.21%
Nishat Mills Limited	64,000	1,571,500	1,626,000	9,500	1,008	879	(129)	0.02%	0.04%
				<b>116,500</b>	<b>6,140</b>	<b>5,819</b>	<b>(321)</b>	<b>0.15%</b>	<b>0.26%</b>
<b>Transport</b>	-	-	-	-	-	-	-	-	-
Pakistan International Bulk Terminal Limited	531,500	40,237,500	37,672,500	3,096,500	33,411	32,358	(1,052)	0.82%	1.45%
				<b>3,096,500</b>	<b>33,411</b>	<b>32,358</b>	<b>(1,052)</b>	<b>0.82%</b>	<b>1.45%</b>
<b>Total as at March 31, 2021</b>					<b>872,551</b>	<b>882,811</b>	<b>10,260</b>		
<b>Total as at June 30, 2020</b>					<b>323,075</b>	<b>325,426</b>	<b>2,351</b>		

\*\*\*These Shares has been pledged with National Clearing Company of Pakistan Limited as security against exposure margin / MTM losses as per Circular no. 11 dated October 23, 2007 issued by the SECP.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

## 5.3 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 March 31, 2021			Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 01, 2020	Purchased during the period	Disposed during the period	As at March 31, 2021	Carrying value	Market value	Unrealised (loss) / gain		
----- (Rupees in '000) ----- % -----									
<b>Commercial banks</b>									
Habib Bank Limited - TFC (February 19, 2016)*	425	-	425	-	-	-	-	0.00%	0.00%
					-	-	-	0.00%	0.00%
<b>Fertilizer</b>									
Dawood Hercules Corporation Limited - Sukuk (November 16, 2017)	2,500	-	2,500	-	-	-	-	0.00%	0.00%
Dawood Hercules Corporation Limited - Sukuk (March 01, 2018)	1,412	-	1,412	-	-	-	-	0.00%	0.00%
					-	-	-	0.00%	0.00%
<b>Leasing companies</b>									
Saudi Pak Leasing Company Limited (March 13, 2010) (refer note 5.4.1)	10,000	-	-	10,000	27,548	-	-	-	-
Less: Provision for impairment					(27,548)	-	-	-	-
					-	-	-	-	-
<b>As at March 31, 2021</b>					-	-	-		
					329,507	333,290	3,783		
As at June 30, 2020									

\* Nominal value of these term finance certificates is Rs.100,000 per certificate.

## 5.4 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 March 31, 2021			Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 01, 2020	Purchased during the period	Disposed/ Matured during the period	As at March 31, 2021	Carrying value	Market value	Unrealise d (loss) / gain		
----- (Rupees in '000) ----- % -----									
<b>Commercial banks</b>									
Askari Bank Limited IV - TFC (September 30, 2014)	39,000	-	39,000	-	-	-	-	0.00%	0.00%
Askari Bank Limited VII - TFC (March 17, 2020)**	50	-	-	50	50,000	47,181	(2,819)	1.19%	2.11%
Bank AL Habib Limited (March 17, 2016) TFC-II	10,480	-	10,480	-	-	-	-	0.00%	0.00%
The Bank of Punjab Limited - TFC II - Issue Date April 23, 2018	850	-	-	850	74,076	84,915	10,839	2.14%	3.80%
The Bank of Punjab Limited TFC-I * (December 23, 2016)	1,200	-	-	1,200	117,557	119,041	1,484	3.00%	5.33%
		-			241,632	251,137	9,505	6.33%	11.24%
<b>Chemicals</b>									
Ghani Gases Limited - Sukuk *-(February 02, 2017)	500	-	-	500	21,109	21,478	369	0.54%	0.96%
					21,109	21,478	369	0.54%	0.96%
<b>Investment Bank</b>									
Jahangir Siddiqui and Company Limited- TFC-III- July 18, 2017	10,000	-	-	10,000	23,217	23,827	611	0.60%	1.07%
Jahangir Siddiqui & Co. Ltd. - TFC (March 06, 2018)	18,000	-	-	18,000	71,418	70,311	(1,107)	1.77%	3.15%
					94,635	94,139	(496)	2.37%	4.21%
<b>Household goods</b>									
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	35,001				
Less: Provision for impairment					(35,001)				
					-	-	-	-	-
<b>As at March 31, 2021</b>					357,376	366,754	9,378	9%	16%
As at June 30, 2020					633,484	614,897	(18,587)		

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



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

## 5.4.1 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 March 31, 2021, 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
<b>Listed debt securities</b>						
Saudi Pak Leasing Company Limited	TFC	27,548	(27,548)	-	0.00%	0.00%
<b>Unlisted debt securities</b>						
New Allied Electronics Industries (Private) Limited	TFC	21,983	(21,983)	-	0.00%	0.00%
New Allied Electronics Industries (Private) Limited	Sukuk	35,001	(35,001)	-	0.00%	0.00%

	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
<b>6 PAYABLE TO MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>	<b>----- (Rupees in '000) -----</b>	
Remuneration payable	4,968	5,612
Sindh sales tax on management fee	648	730
Sale load Payable	1,732	56
Allocated expenses payable	331	374
Back end load payable	-	-
Selling and marketing expenses payable	3,674	4,721
	<u>11,353</u>	<u>11,493</u>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

		March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
		----- (Rupees in '000) -----	
<b>7</b>	<b>ACCRUED AND OTHER LIABILITIES</b>		
	<b>Note</b>		
	Provision for Sindh Workers' Welfare Fund (SWWF)	41,522	37,629
	Federal Excise Duty on remuneration to the Management Company	99,060	99,060
	Federal Excise Duty and related taxes payable on sales load	27,933	27,933
	Sale load payable to MCB Bank Limited (a related party)	-	390
	Auditors' remuneration	357	535
	Withholding tax payable	151	1,464
	Brokerage payable	2,402	1,209
	Dividend payable	2	2
	Others	57,792	559
		<u>229,219</u>	<u>168,781</u>

## 7.1 Provision for Sindh Workers' Welfare Fund

There is no change in the status of the SWWF as reported in the audited annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2020 would have been higher/lower by Rs. 1.17 per unit (June 30, 2020 Rs 1.00 per unit).

## 7.2 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, 2020. 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 March 31, 2020 would have been higher by Rs. 3.59 per unit (June 30, 2020: Re. 3.37 per unit).

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at March 31, 2021 and June 30, 2020 except for the following mentioned below:

	March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
	----- (Rupees in '000) -----	
<b>8.1</b>	<b>Commitments</b>	
	Future sale transactions of equity securities entered into by the Fund in respect of which the sale transactions have not been settled as at period end	<u>886,454</u> <u>323,536</u>

## 9 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income 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 the income to be earned by the Fund during the nine year ending March 31, 2021 to the unit holders in cash in the manner as explained above. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

## 10 EARNINGS PER UNIT

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

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

## 11 TOTAL EXPENSE RATIO

The Annualized total expense ratio of the Fund is 3.26% as on March 31, 2021 (March 31, 2020: 2.63%) and this includes 0.34% (March 31, 2020: 0.35%) representing Government Levy, Sindh Workers' Welfare Fund (SWWF) and SECP fee.

## 12 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:

### 12.1 Unit Holders' Fund

For the Nine Months ended March 31, 2021 (Un-Audited)								
	As at July 01, 2020	Issuance (including additional units)	Redeemed	As at March 31, 2021	As at July 01, 2020	Issuance	Redeemed	As at March 31, 2021
	Units				(Rupees in '000)			
<b>Group / associated companies</b>								
Mcb-Arif Habib Savings And Investments Limited	-	9,344	9,344	-		1,015	1,016	
Mcb Employees Provident Fund (Pak Staff)	1,573,657	-	-	1,573,657	168,326	-	-	176,600
Mcb Employees Pension Fund	1,573,657	-	-	1,573,657	168,326	-	-	176,600
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	4,734	-	-	4,734	506			531
<b>Mandate under discretionary portfolio services*</b>	10,285	110,241,802	110,252,086	2	1,100	11,954,526	11,961,585	0

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

For the nine months ended March 31, 2020 (Un-Audited)								
	As at July 01, 2019	Issuance	Redeemed	As at March 31, 2020	As at July 01, 2019	Issuance	Redeemed	As at March 31, 2020
	Units				(Rupees in '000)			
<b>Group / associated companies</b>								
MCB-Arif Habib Savings and Investments limited	-	725,403	277,121	448,282	-	80,128	30,176	52,257
MCB Employees' Provident Fund	1,414,434	-	-	1,414,434	150,714	-	-	164,883
MCB Employees' Pension Fund	1,414,434	-	-	1,414,434	150,714	-	-	164,883
D.G. Khan Cement Company Limited - Employees' Provident Fund Trust	4,255	-	-	4,255	453	-	-	496
<b>Mandate under discretionary portfolio services*</b>	-	55,379,720	55,379,720	0	-	6,290,526	6,296,555	-
<b>Key management personnel*</b>	-	24,861	24,859	2	-	2,659	2,671	-

\* This reflects the position of related party / connected persons status as at March 31, 2020.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

	(Un-Audited)	
	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----	
<b>12.2 Transactions during the period:</b>		
<b>Management Company</b>		
<b>MCB Arif Habib Savings and Investments Limited</b>		
Remuneration (including indirect taxes)	51,345	54,692
Marketing and Selling Expense	11,813	9,256
Expense allocated by the Management	3,029	3,227
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration (including indirect taxes)	2,567	2,735
Settlement charges	1,032	111
<b>Group / associated companies</b>		
<b>MCB Bank Limited</b>		
Mark-up on deposit accounts	66	426
Purchase of securities face value Rs.146,900,000 (2020: Sale Rs.146,900,000)	1,034,327	127,956
Bank charges	27	24
<b>Next Capital Limited - Brokerage House</b>		
Brokerage and settlement charges *	204	48
<b>Arif Habib Limited</b>		
Brokerage expense *	-	18
<b>Nishat (Chunian) Limited</b>		
Purchase of 609,000 (2020: 334,500) shares	25,733	12,585
Sale of 508,000 (2020: 334,500) shares	21,159	12,377
Dividend income	-	378
<b>D.G. Khan Cement Company Limited</b>		
Purchase of 3,620,000 (2020: 1,044,500) shares	399,442	79,210
Sale of 4,086,500 (2020:1,044,500) shares	438,384	79,898
Dividend income	-	-
<b>Nishat Mills Limited</b>		
Purchase of 1,571,500 (2020: 352,500) shares	156,367	32,935
Sale of 1,626,000 (2020: 349,500) shares	158,819	32,537
Dividend income	2,792	740
<b>Power Cement Limited</b>		
Purchase of 1,873,500 (2020: Nil) shares	19,058	-
Sale of 1,836,000 (2020: Nil) shares	18,885	-

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

	(Un-Audited) March 31, 2021	(Audited) June 30 2020
	----- (Rupees in '000) -----	
<b>12.3 Balances outstanding at period end:</b>		
<b>Management Company</b>		
<b>MCB-Arif Habib Savings and Investments Limited</b>		
Remuneration payable	4,968	5,612
Sindh sales tax payable on remuneration payable	648	730
Sales load payable	1,732	56
Expense allocated by the Management Company	331	374
Selling and marketing expenses payable	3,674	4,721
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Security deposit	200	200
Remuneration payable (including indirect taxes)	281	317
<b>MCB Bank Limited</b>		
Balances with Bank	7,514	22,634
Sales load payable	-	390
<b>MCB Islamic Bank Limited</b>		
Balances with bank	10	11
<b>Nishat (Chunian) Limited</b>		
101,100 shares (2020: Nil shares) held	4,656	-
<b>D.G. Khan Cement Company Limited</b>		
48,000 shares (2020: 514,500 shares) held	5,784	43,902
<b>Nishat Mills Limited</b>		
9,500 shares (2020: 64,000 shares) held	879	4,993
<b>Power Cement Limited</b>		
37,500 shares (2020: Nil shares) held	345	-

**13. GENERAL**

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

**13.2.** 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.

**14. IMPACT OF COVID-19**

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

---

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended 31 December 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

### 15. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e., period end. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognized at fair value based on:

**Level 1** : quoted prices in active markets for identical assets or liabilities;

**Level 2** : those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

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

### 16. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on April 16, 2021 by the Board of Directors of the Management Company.

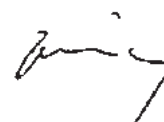
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

## **MCB-Arif Habib Savings and Investments Limited**

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

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

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