

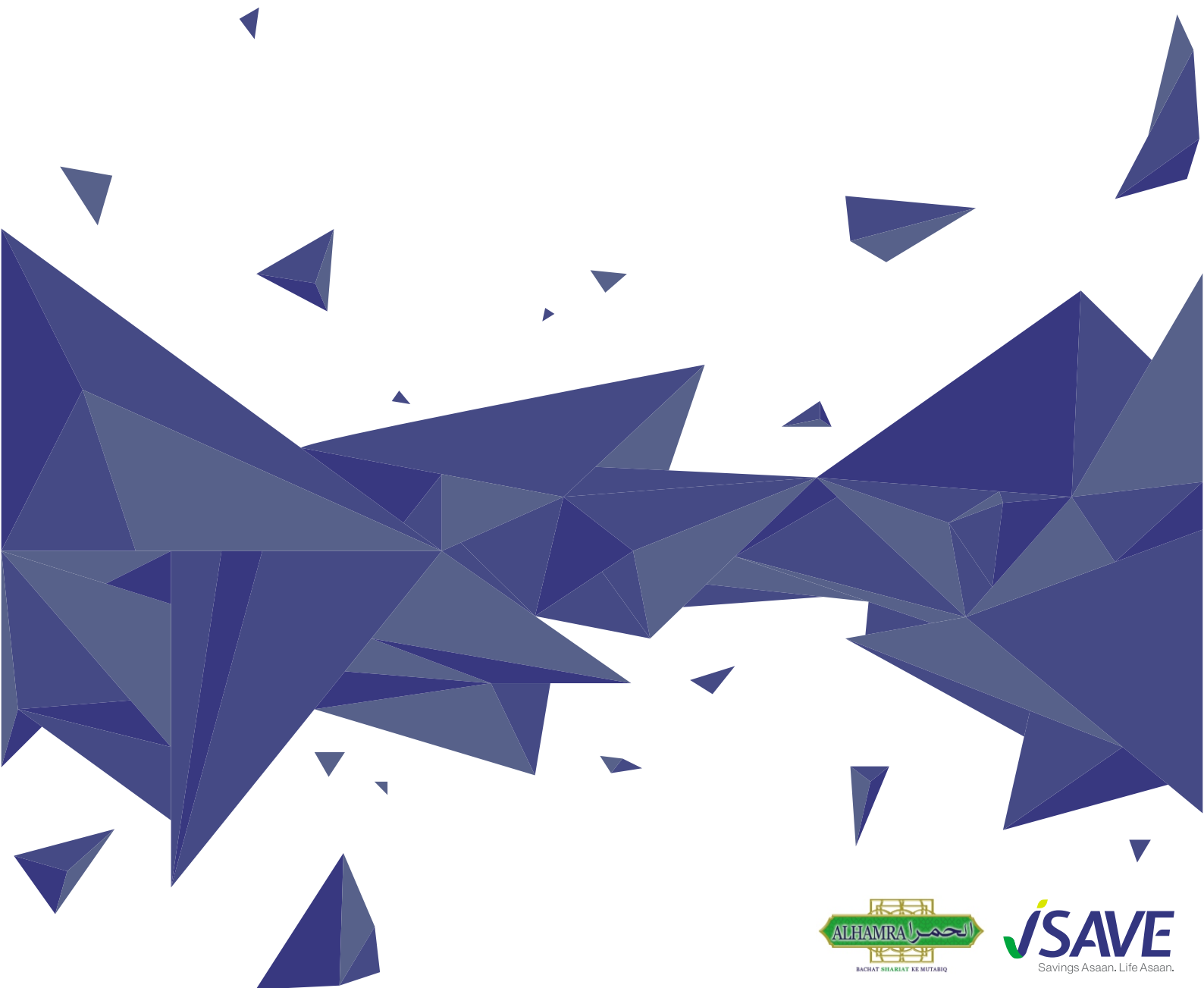


**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

SEPTEMBER  
**2022**  
(UNAUDITED)

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



# **MCB PAKISTAN ASSET ALLOCATION FUND**

## **TABLE OF CONTENTS**

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<b>1</b>	<b>Fund's Information</b>	<b>200</b>
<b>2</b>	<b>Report of the Directors of the Management Company</b>	<b>201</b>
<b>3</b>	<b>Condensed Interim Statement of Assets And Liabilities</b>	<b>208</b>
<b>4</b>	<b>Condensed Interim Income Statement (Un-audited)</b>	<b>209</b>
<b>5</b>	<b>Condensed Interim Statement of Other Comprehensive Income (Un-audited)</b>	<b>210</b>
<b>6</b>	<b>Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)</b>	<b>211</b>
<b>7</b>	<b>Condensed Interim Cash Flow Statement ( Un-audited)</b>	<b>212</b>
<b>8</b>	<b>Notes to and forming part of the Condensed Interim Financial Statements</b>	<b>213</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 Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
<b>Bankers</b>	Bank Alfalah Limited Habib Metropolitan Bank Limited MCB Bank Limited United Bank limited Zarai Taraqiati Bank Limited JS Bank Limited NRSP Microfinance Bank Limited Mobilink Microfinance Bank Limited U Microfinance Bank Limited Khushali Microfinance Bank Limited Tameer Microfinance Bank Limited Finca Microfinance Bank Limited HBL Microfinance Bank Limited National Bank of Pakistan Allied Bank Limited Faysal Bank Limited Bank Al Habib Limited Habib Bank Limited Silk Bank Limited Soneri Bank Limited The Bank of Khyber	
<b>Auditors</b>	<b>Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
<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 QUARTER ENDED SEPTEMBER 30, 2022

Dear Investor,

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

### **ECONOMY AND MONEY MARKET REVIEW**

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

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

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

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

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

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

### **EQUITY MARKET REVIEW**

The KSE-100 index declined by 1.0% to close the quarter at 41,129 points. The period was marked with high volatility whereby initial exuberance on the completion of Pakistan's seventh & eighth review with the IMF and financial support assurances worth ~USD4bn from friendly countries soon vanished due to the catastrophic floods in the country. The quarter also witnessed extreme volatility of Rupee against the greenback, 47-year high inflation reading, continuance depletion of SBP reserves, and political noise which all contributed to dampen investors' sentiments. Foreigners turned net buyers with an inflow of USD 17mn mainly due to the buyback of TRG shares by the associate company, while on the local front Insurance and Mutual Funds remained sellers with net outflow of USD 41mn and USD 35mn, respectively. During the quarter, average trading volumes saw a decline to 218 million shares compared to about 247 million shares during the preceding quarter. Similarly, the average trading value during the quarter saw a drop of 16% over the last quarter to USD 31 million.

Fertilizers, Commercial Banks, Oil & Gas Exploration companies and Automobile Assemblers were the major contributors to the index decline posting -380/-260/-250/-158 points, respectively.

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

Underperformance in Fertilizer and Oil & Gas Exploration companies was due to lower than expected payout from the companies. The decline in the banking sector was due to the negative performance of HBL owing to international scrutiny. Automobile Assembler struggled due to poor volumetric sales on account of restrictions imposed by the SBP. On the flipside, Technology and cement sector added 761 and 276 points respectively to the index.

### FUND PERFORMANCE

The fund posted a return of 0.78% during the period under review against the benchmark return of -0.11%. The fund has gradually increased exposure in equities which reached to 81.6% by the end of September 30, 2022 and at the same time it increased the exposure in cash to 16.0% at the end of September 30, 2022.

On the equity side, the fund was mainly invested in Commercial Banks and Cement.

The Net Assets of the Fund as at September 30, 2022 stood at Rs. 813 million as compared to Rs. 838 million as at June 30, 2022 registering a decrease of 2.98%. The Net Asset Value (NAV) per unit as at September 30, 2022 was Rs. 76.6971 as compared to opening NAV of Rs. 76.1026 per unit as at June 30, 2022 registering an increase of 0.5945 per unit.

### ECONOMY & MARKET – FUTURE OUTLOOK

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

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

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

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

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

From capital market perspective, particularly equities, the correction in stock prices has further opened up valuation. The market appears to have priced in the interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 9.4%, a discount of 55% from its historical average. Similarly, risk premiums are close to 7.8%, compared to historical average of 2.2% signifying deep discount at which market is trading. We believe a micro view of sectors and stock will remain important and investment selection should focus on companies which trade at a deep discount to their intrinsic value. The market is currently trading at PER of 5.0x, while offering a dividend yield of 10.2%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. We would continue to monitor the data points and capitalize on opportunities to add government

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

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bonds in Income Funds at attractive rates to benefit from the expected monetary easing in the medium term.

### MUTUAL FUND INDUSTRY REVIEW

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

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

### MUTUAL FUND INDUSTRY OUTLOOK

The current interest rates would encourage higher flows in the money market funds as they are ideal for investors with a short term horizon and low risk profile. However, a correction in stock prices has opened up valuations and the long term investors may look to add equity exposure at these highly attractive levels. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

### ACKNOWLEDGMENT

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

On behalf of Directors,



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**Muhammad Saqib Saleem**

Chief Executive Officer  
October 21, 2022



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**Nasim Beg**

Director / Vice Chairman

## ڈائریکٹرز رپورٹ

اور اثاثہ جات تحت الانظامیہ میں کمی ہے کیونکہ مجموعی معاشی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔ شعبہ جاتی اعتبار سے مالی سال 2023ء کی پہلی سہ ماہی کے اختتام پر Money مارکیٹ فنڈ تقریباً 55.6 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم فنڈ تھے جن کا 23.9 فیصد حصہ تھا، اور تیسرے نمبر پر ایکویٹی اور ایکویٹی سے متعلقہ فنڈز تھے جن کا 17.2 فیصد حصہ تھا۔

### میوچل فنڈ کی صنعت کے مستقبل کا منظر

سود کی موجودہ شرحوں سے Money مارکیٹ فنڈز میں آمدورفت میں اضافے کی حوصلہ افزائی ہوگی کیونکہ یہ مختصر المیعاد سرمایہ کاروں کے لیے موزوں ترین ہیں جو خطرے کی کم سطح پر رہنا چاہتے ہیں۔ تاہم اسٹاک کی قیمتوں میں تصحیح سے تعینات قدر کھل گئی ہیں اور طویل المیعاد سرمایہ کاران بے حد پُرکشش سطحوں پر ایکویٹی میں مزید پیسہ لگانا چاہیں گے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سہولت حاصل ہے اس کی بدولت ہم آن لائن کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

### اظہار تشکر

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

منجانب ڈائریکٹرز



نسیم بیگ

ڈائریکٹر او اےس چیئر مین



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

21 اکتوبر 2022ء



## ڈائریکٹرز رپورٹ

منسٹر کر 3.7 فیصد ہو جائے گی۔

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

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

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

مالی سال 2023ء میں اوسط مہنگائی 24.7 فیصد متوقع ہے، بشرطیکہ تیل بین الاقوامی سطح پر تقریباً 100 ڈالر فی بیرل پر برقرار رہے۔ حکومت نے پٹرول اور بجلی کی قیمتوں میں اضافہ کیا ہے جس کے نتیجے میں مہنگائی کی دباؤ میں شدت آئے گی۔ روپے کی قدر میں کمی کے اثر کا دوسرا دور بھی دیکھنے میں آئے گا جس کے باعث سال کے بقیہ حصے کے دوران مہنگائی کے عدد بلند سطح پر رہیں گے۔ حالیہ سیلابوں کے سبب اشیاء خورد و نوش کی قیمتیں بھی بلند رہنے کا امکان ہے۔ اسٹیٹ بینک آف پاکستان نے پہلے ہی پالیسی شرح کو بڑھا کر 15.0 فیصد کر دیا ہے تاکہ مجموعی مانگ اور مہنگائی کے دباؤ سے نمٹا جاسکے۔ معیشت میں اچھی خاصی سست رفتاری اور مانگ میں کمی کے باعث ایس بی پی کے حقیقی شروع سود کو منفی رکھنے کا امکان خارج از بحث نہیں ہے۔

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

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

### میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے inet اثاثہ جات مالی سال 2023ء کی پہلی سہ ماہی کے دوران تقریباً 6.3 فیصد بڑھ کر 1,291 بلین روپے ہو گئے۔ مجموعی Money مارکیٹ فنڈز میں جون 2022ء سے اب تک تقریباً 7.0 فیصد اضافہ ہوا ہے۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 0.6 فیصد بڑھ کر 449 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 19.6 فیصد بڑھ کر 270 بلین روپے ہو گئے۔ مزید برآں، مجموعی فلسڈ اہم فنڈز جون 2022ء سے اب تک تقریباً 3.3 فیصد بڑھ کر 308 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 3.6 فیصد کم ہو گئے جس کی وجہ مالی سال 2023ء کی پہلی سہ ماہی میں مارکیٹ میں اخطاط

## ڈائریکٹر رپورٹ

### ایکویٹی مارکیٹ کا جائزہ

کراچی اسٹاک ایکسچینج KSE-100 انڈیکس اختتام سہ ماہی کے قریب 1.0 فیصد کم ہو کر 41,129 پوائنٹس ہو گیا۔ زیر جائزہ مدت شدید غیر یقینی صورتحال کا شکار رہی کیونکہ آئی ایم ایف کے ساتھ پاکستان کے ساتویں اور آٹھویں جائزے کی تکمیل کے حوالے سے ابتدائی جوش و خروش، اور دوست ممالک سے 4 بلین ڈالر تک کے مالی تعاون کی یقین دہانیاں، ملک میں تباہ کن سیلابوں کے باعث جلد ہی منظر عام سے غائب ہو گئیں۔ علاوہ ازیں، دوران مدت ڈالر کے مقابلے میں روپے کی قدر بھی غیر یقینی صورتحال کا شکار رہی، گزشتہ 47 برسوں کی سب سے زیادہ مہنگا بنید کیھنے میں آئی، اسٹیٹ بینک آف پاکستان کے ذخائر میں مسلسل کمی ہوتی رہی، اور سیاسی دھماچو کڑی ہوتی رہی، اور ان تمام عوامل نے سرمایہ کاروں کی گرم جوشی پر پانی پھیرنے میں کردار ادا کیا۔ غیر ملکی افراد net خریدار بن کر سامنے آئے اور 17 ملین ڈالر آمد آتی بہاؤ کا سبب بنے، جس کی بنیادی وجہ یہ تھی کہ ایسوسی ایٹ کمپنی نے TRG کے حصص واپس خرید لیے، جبکہ مقامی سطح پر بیمہ اور میوچل فنڈ فروخت کار رہے اور بالترتیب 41 ملین ڈالر اور 35 ملین ڈالر کے اخراجات بہاؤ کا سبب بنے۔ دوران سہ ماہی اوسط تجارتی حجم میں 218 ملین حصص کی کمی ہوئی، جبکہ سابقہ سہ ماہی میں تقریباً 247 ملین حصص کمی ہوئی تھی۔ اسی طرح، دوران سہ ماہی اوسط تجارتی قدر گزشتہ سہ ماہی کے مقابلے میں 16 فیصد کم ہو کر 31 ملین ڈالر ہو گئی۔ انڈیکس میں کمی میں اہم ترین کردار کھاد، کمرشل بینکوں، تیل اور گیس کی دریافت کی کمپنیوں اور گاڑیوں کی اسمبلنگ کے شعبوں نے ادا کیا جنہوں نے بالترتیب 380-، 260-، 250- اور 158- پوائنٹس پوسٹ کیے۔ کھاد، اور تیل اور گیس کی دریافت، کی کمپنیوں کی ناقص کارکردگی کی وجہ کمپنیوں سے متوقع سے کم payout ہے۔ بینکاری کے شعبے میں تنزل کا سبب HBL کی منفی کارکردگی بوجہ بین الاقوامی جانچ پڑتال تھی۔ گاڑیوں کی اسمبلنگ کا شعبہ اسٹیٹ بینک آف پاکستان کی عائد کردہ پابندیوں کے نتیجے میں ناقص حُجّمانی فروخت کے باعث مشکلات کا شکار رہا۔ دوسری جانب ٹیکنالوجی اور سیمنٹ کے شعبے نے انڈیکس میں بالترتیب 761 اور 276 پوائنٹس کا اضافہ کیا۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 0.78 فیصد منافع پوسٹ کیا، جبکہ مقررہ معیار کا منافع (0.11) فیصد تھا۔ فنڈ نے ایکویٹی میں شمولیت کو بتدریج زیادہ کر کے ستمبر 2022ء کے اختتام تک 81.6 فیصد کر دیا، اور بیک وقت نقد میں شمولیت کو کم کر کے ستمبر 2022ء کے اختتام تک 16.0 فیصد کر دیا۔ ایکویٹی کی جہت میں فنڈ کی زیادہ تر سرمایہ کاری کمرشل بینکوں اور سیمنٹ کے شعبوں میں تھی۔ 30 ستمبر 2022ء کو فنڈ کے net اثاثہ جات 813 ملین روپے تھے جو 30 جون 2022ء کی سطح 838 ملین روپے کے مقابلے میں 2.98 فیصد کمی ہے۔ 30 ستمبر 2022ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 76.6971 روپے تھی جو 30 جون 2022ء کو ابتدائی این اے وی 76.1026 روپے فی یونٹ کے مقابلے میں 0.5945 روپے فی یونٹ کا اضافہ ہے۔

### معیشت اور بازار - مستقبل کے امکانات

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

## ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

منجانب بورڈ آف ڈائریکٹرز ایم سی بی پاکستان ایسیٹ ایلوکیشن کے اکاؤنٹس کا جائزہ برائے سہ ماہی مہتممہ 30 ستمبر 2022ء پیش خدمت ہے۔

### معیشت اور بازار زر کا جائزہ

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

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

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

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

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

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

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

	Note	(Un-audited) September 30, 2022 ----- (Rupees in '000) -----	(Audited) June 30, 2022
<b>ASSETS</b>			
Balance with banks	4.	136,692	91,513
Investments	5.	697,274	829,059
Mark-up, dividend and other receivables		2,773	2,506
Receivable against sale of investments		12,375	-
Receivable from National Clearing Company of Pakistan Limited		1,134	1,134
Advances, deposits, prepayments and other receivables		4,100	4,108
<b>Total assets</b>		<b>854,348</b>	<b>928,320</b>
<b>LIABILITIES</b>			
Payable to the Management Company		2,784	2,738
Payable to the Central Depository Company of Pakistan Limited - Trustee		155	159
Payable to the Securities and Exchange Commission of Pakistan		43	216
Payable against purchase of investments		2,055	51,051
Payable on redemption of units		31	31
Accrued expenses and other liabilities	6	36,610	36,142
<b>Total liabilities</b>		<b>41,678</b>	<b>90,337</b>
<b>NET ASSETS</b>		<b>812,670</b>	<b>837,983</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>812,670</b>	<b>837,983</b>
<b>Contingencies and commitments</b>	7		
		(Number of units)	
<b>Number of units in issue</b>		<b>10,595,830</b>	<b>11,011,225</b>
		(Rupees)	
<b>NET ASSET VALUE PER UNIT</b>		<b>76.6971</b>	<b>76.1026</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

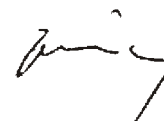
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30,	
Note	2022	2021
	----- (Rupees in '000) -----	
<b>Income</b>		
Income from Government securities	1,279	1,201
Income from term finance certificates	-	-
Dividend income	19,932	11,713
Profit on bank deposits and term deposit receipts	5,166	1,724
Unrealised (diminution) in fair value of investments classified as 'at fair value through profit or loss' - net	(13,950)	(42,600)
Other income	29	11
<b>Total Income</b>	<b>16,268</b>	<b>(40,483)</b>
<b>Expenses</b>		
Remuneration of the Management Company	6,978	8,177
Sindh Sales Tax on remuneration of the Management Company	907	1,064
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	422	489
Sindh Sales Tax on remuneration of Trustee	56	64
Securities and Exchange Commission of Pakistan - annual fee	43	50
Allocated expenses	212	248
Brokerage and settlement charges	515	1,110
Auditors' remuneration	230	211
Other expenses	141	554
<b>Total expenses</b>	<b>9,503</b>	<b>11,967</b>
	<b>6,765</b>	<b>(52,449)</b>
Sindh workers' welfare fund	-	15,700
<b>Net Income / (loss) for the period before taxation</b>	<b>6,765</b>	<b>(36,750)</b>
Taxation	-	-
<b>Net Income / (loss) for the period after taxation</b>	<b>6,765</b>	<b>(36,750)</b>
<b>Allocation of net income for the period</b>		
Net Income for the period	6,765	-
Income already paid on units redeemed	(1,247)	-
	<b>5,518</b>	-
<b>Accounting income available for distribution</b>		
- Relating to capital gains	-	-
- Excluding capital gains	5,518	-
	<b>5,518</b>	-
<b>Earning per unit</b>	9	

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

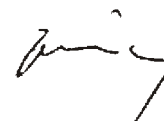
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

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	September 30,	
	2022	2021
	----- (Rupees in '000) -----	
Net Income / (loss) for the period after taxation	6,765	(36,750)
Other comprehensive income	-	-
<b>Total comprehensive Income for the period</b>	<b>6,765</b>	<b>(36,750)</b>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30,					
	2022			2021		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	2,024,393	(1,186,410)	837,983	1,967,011	(1,054,948)	912,063
Issue of 169,597 units (2021: 3,888,175 units)						
- Capital value (at net asset value per unit at the beginning of the period)	12,907	-	12,907	334,576	-	334,576
- Element of Income / (loss)	148	-	148	(5,259)	-	(5,259)
Total proceeds on issuance of units	13,055	-	13,055	329,318	-	329,318
Redemption of 584,993 units (2021: 913,082 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(44,519)	-	(44,519)	(78,570)	-	(78,570)
- Element of Income / (loss)	634	(1,247)	(613)	121	-	121
Total payments on redemption of units	(43,886)	(1,247)	(45,133)	(78,449)	-	(78,449)
Total comprehensive (loss) / income for the period	-	6,765	6,765	-	(36,750)	(36,750)
Final distribution for the year ended June 30, 2021 '(including additional units) at the rate of 0.6 per unit 'Declared on July 01, 2021	-	-	-	-	(6,316)	-
	-	6,765	6,765	-	(43,065)	(36,750)
Net assets at end of the period	<u>1,993,562</u>	<u>(1,180,892)</u>	<u>812,670</u>	<u>2,217,879</u>	<u>(1,098,013)</u>	<u>1,119,866</u>
Undistributed loss brought forward						
- Realised loss		(1,111,834)			(1,095,583)	
- Unrealised loss		(74,576)			40,635	
		<u>(1,186,410)</u>			<u>(1,054,948)</u>	
Net Income / (Loss) for the period after taxation		-			(36,750)	
Distribution during the period		-			(6,316)	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		5,518			-	
		<u>5,518</u>			<u>-</u>	
Undistributed loss carried forward		<u>(1,180,892)</u>			<u>(1,098,013)</u>	
Undistributed income carried forward						
- Realised loss		(1,166,942)			(1,055,413)	
- Unrealised loss		(13,950)			(42,600)	
		<u>(1,180,892)</u>			<u>(1,098,013)</u>	
		----- (Rupees) -----			----- (Rupees) -----	
Net assets value per unit at beginning of the period		<u>76.1026</u>			<u>86.6497</u>	
Net assets value per unit at end of the period		<u>76.6971</u>			<u>82.9472</u>	

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

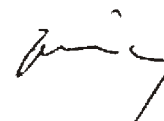
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30,	
	2022	2021
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income / (loss) for the period before taxation	6,765	(36,750)
<b>Adjustments:</b>		
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss' - net	13,950	42,600
	20,715	5,850
<b>(Increase) / Decrease in assets</b>		
Investments	117,834	(144,645)
Mark-up, dividend and other receivables	(267)	(5,771)
Receivable against sale of investments	(12,375)	(424,315)
Advances, deposits, prepayments and other receivables	8	(615)
	105,199	(575,346)
<b>Increase / (Decrease) in liabilities</b>		
Payable to the Management Company	46	977
Payable to the Central Depository Company of Pakistan Limited - Trustee	(4)	4
Payable to the Securities and Exchange Commission of Pakistan	(173)	(199)
Payable against purchase of investments	(48,996)	482,203
Accrued expenses and other liabilities	469	(15,420)
	(48,657)	467,564
<b>Net cash from / (used in) generated operating activities</b>	77,257	(101,931)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	13,055	321,405
Payments against redemption of units	(45,133)	(70,537)
dividend distribution	-	(6,316)
<b>Net cash from / (used in) generated financing activities</b>	(32,078)	244,553
<b>Net increase in cash and cash equivalents during the period</b>	45,179	142,622
Cash and cash equivalents at beginning of the period	91,513	172,930
<b>Cash and cash equivalents at end of the period</b>	136,692	315,552

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.


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



Chief Executive Officer



Chief Financial Officer



Director



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

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Pakistan Asset Allocation Fund (the Fund) was established under a Trust Deed dated November 22, 2007 executed between MCB Asset Management Company Limited as the Management Company and the Central Depository Company of Pakistan Limited as the Trustee. Pursuant to the merger of MCB Asset Management Limited and Arif Habib Investments Limited, the name of the Management has been changed from MCB Asset Management Company Limited to MCB–Arif Habib Savings and Investments Limited with effect from June 27, 2011. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 17, 2007 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely “Sindh Trusts Act, 2020” (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-end collective investment scheme categorised as an "asset allocation" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of “AM1” with a stable outlook to the Management Company dated October 06, 2022.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

## 2. BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

- 2.1.1 This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
  - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
  - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (The NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) and requirement 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 requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.1.2 This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2022.
- 2.1.3 The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2022 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2022, whereas 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 quarter ended 30 September 2021.
- 2.1.4 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.

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

2.1.5 In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the Fund.

2.1.6 This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

### 3 SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

3.2 The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2022.

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2022.

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
		(Rupees in '000)	
<b>4. BALANCE WITH BANKS</b>	<b>Note</b>		
Savings accounts	4.1	130,854	86,350
Current accounts	4.2	5,838	5,163
		136,692	91,513

4.1 These carry profit at the rates ranging between 13.75% to 16.30% (2022: 5.50% to 17.05%) per annum. It includes bank balance of Rs. 0.006 million (2022: Rs 0.006 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 13.75% (2022: 12.25%) per annum.

4.2 This represents balance with MCB Bank Limited.

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
		(Rupees in '000)	
<b>5. INVESTMENTS</b>	<b>Note</b>		
<b>At 'fair value through profit or loss'</b>			
Ordinary shares - Listed	5.1.1	673,034	660,891
Preference Shares - Listed	5.1.2	24,240	22,700
Market Treasury Bills	5.1.3	-	145,468
Pakistan Investment Bonds	5.1.4	-	-
		697,274	829,059

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

## 5.1 At fair value through profit or loss

### 5.1.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of investee company	Number of shares				As at September 30, 2022			Market value as a percentage of net assets	Market value as percentage of total investments	Market value as a percentage of the paid up capital of the investee company	
	As at July 1, 2022	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at September 30, 2022	Carrying value	Market value				Unrealised appreciation / (diminution)
	(Number of shares)					(Rupees in '000)			(%)		
<b>Automobile Parts &amp; Accessories</b>											
Agrauto Industries Limited**	54,100	-	-	-	54,100	7,249	6,682	(567)	0.01	0.96%	4.64%
Ghandhara Tyre & Rubber Company Limited	-	92,000	-	-	92,000	3,454	3,174	(280)	0.00	0.46%	0.26%
Panther Tyres Limited	4,656	-	-	4,500	156	5	5	(0)	0.00	0.00%	0.00%
Thal Limited**	27,200	-	-	-	27,200	7,334	7,456	122	0.01	1.07%	1.84%
						<b>18,042</b>	<b>17,317</b>	<b>(725)</b>	<b>2.13%</b>	<b>2.48%</b>	<b>4.90%</b>
<b>Cable &amp; Electrical Goods</b>											
Pak Elektron Limited*	350,000	137,500	-	-	487,500	7,837	7,815	(22)	0.01	1.12%	0.09%
						<b>7,837</b>	<b>7,815</b>	<b>(22)</b>	<b>0.96%</b>	<b>1.12%</b>	<b>0.09%</b>
<b>Cement</b>											
D.G. Khan Cement Company Limited*	140,000	200,000	-	-	340,000	21,245	20,611	(634)	0.03	0.00%	0.47%
Kohat Cement Company Limited	1,600	-	-	-	1,600	208	256	48	0.00	0.04%	0.01%
Lucky Cement Limited	61,003	18,500	-	11,504	67,999	31,122	33,766	2,644	0.04	4.84%	1.04%
Maple Leaf Cement Factory Limited	590,309	279,500	-	152,000	717,809	19,742	19,998	256	0.02	2.87%	0.19%
Fauji Cement Company Limited	2,973,000	187,000	-	-	3,160,000	44,825	47,368	2,543	0.06	0.00%	0.22%
Gharbwal Cement Ltd	200,000	-	-	-	200,000	3,900	4,200	300	0.01	0.00%	0.10%
						<b>121,042</b>	<b>126,199</b>	<b>5,157</b>	<b>15.53%</b>	<b>7.75%</b>	<b>2.04%</b>
<b>Chemicals</b>											
Archroma Pakistan Limited	9,100	-	-	-	9,100	4,996	4,950	(46)	0.01	0.71%	1.45%
						<b>4,996</b>	<b>4,950</b>	<b>(46)</b>	<b>0.61%</b>	<b>0.71%</b>	<b>1.45%</b>
<b>Commercial Banks</b>											
Bankislami Pakistan Limited	1,729,500	-	-	-	1,729,500	20,823	18,523	(2,300)	0.02	2.66%	0.17%
Bank Alfalah Limited	680,281	189,500	-	129,781	740,000	23,747	23,044	(704)	0.03	3.30%	0.13%
Faysal Bank Limited	1,732,500	-	-	138,000	1,594,500	36,769	41,983	5,214	0.05	6.02%	0.28%
Habib Bank Limited	293,885	-	-	191,885	102,000	9,317	7,110	(2,206)	0.01	1.02%	0.05%
Habib Metropolitan Bank Limited	340,000	-	-	-	340,000	13,277	11,584	(1,693)	0.01	1.66%	0.11%
Meezan Bank Limited	369,500	10,170	36,000	129,170	286,500	29,560	31,443	1,884	0.04	4.51%	0.18%
United Bank Limited	192,000	239,000	-	-	431,000	49,147	49,518	371	0.06	7.10%	0.51%
						<b>182,640</b>	<b>183,205</b>	<b>565</b>	<b>22.54%</b>	<b>26.27%</b>	<b>1.41%</b>
<b>Engineering</b>											
Aisha Steel Mills Limited*	700,000	-	-	-	700,000	7,735	7,238	(497)	0.01	1.04%	0.08%
Mughal Iron & Steel Industries Limited	145,000	-	-	15,000	130,000	7,493	8,473	980	0.01	1.22%	0.24%
						<b>15,228</b>	<b>15,711</b>	<b>483</b>	<b>1.93%</b>	<b>2.25%</b>	<b>0.32%</b>
<b>Fertilizer</b>											
Engro Corporation Limited	65,000	-	-	-	65,000	16,711	15,049	(1,662)	0.02	2.16%	0.26%
Engro Fertilizer Limited	65,000	-	-	-	65,000	5,318	4,681	(637)	0.01	0.67%	0.04%
						<b>22,029</b>	<b>19,730</b>	<b>(2,299)</b>	<b>2.43%</b>	<b>2.83%</b>	<b>0.30%</b>
<b>Food &amp; Personal Care Products</b>											
Shezan International Limited	5,626	-	-	-	5,626	956	984	28	0.00	0.14%	1.02%
Murree Brewery Company	10,650	-	-	-	10,650	4,313	4,367	53	0.01	0.63%	1.58%
The Organic Meat Company Limited	360,500	90,000	-	-	450,500	9,766	9,578	(189)	0.01	1.37%	0.78%
						<b>15,036</b>	<b>14,929</b>	<b>(107)</b>	<b>0.66%</b>	<b>0.77%</b>	<b>2.60%</b>
<b>Glass &amp; Ceramics</b>											
Tariq Glass Industries	86,500	-	-	86,500	-	-	-	-	0.00%	0.00%	0.00%
						<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Leather &amp; Tanneries</b>											
Bata Pakistan Limited	12,220	-	-	-	12,220	29,083	29,267	184	0.04	4.20%	38.71%
Service Industries	1	-	-	-	1	0	0	(0)	0.00	0.00%	0.00%
						<b>29,083</b>	<b>29,267</b>	<b>184</b>	<b>3.60%</b>	<b>4.20%</b>	<b>38.71%</b>
<b>Miscellaneous</b>											
Shifa International Hospitals	180,000	8,000	-	-	188,000	33,445	28,837	(4,608)	0.04	4.14%	4.56%
						<b>33,445</b>	<b>28,837</b>	<b>(4,608)</b>	<b>3.55%</b>	<b>4.14%</b>	<b>4.56%</b>
<b>Oil &amp; Gas Exploration Companies</b>											
Mari Petroleum Company Limited	43,255	-	-	-	43,255	75,252	67,686	(7,567)	0.08	9.71%	5.07%
						<b>75,252</b>	<b>67,686</b>	<b>(7,567)</b>	<b>8.33%</b>	<b>9.71%</b>	<b>5.07%</b>
<b>Pharmaceuticals</b>											
Ferozsons Laboratories Limited	-	24,000	4,800	-	28,800	6,288	5,760	(528)	0.01	0.83%	1.33%
Glaxosmithkline Consumer Healthcare Pakistan Limited	85,400	-	-	-	85,400	20,353	18,626	(1,728)	0.02	2.67%	1.59%
Highnoon Laboratories Limited	17,285	-	-	14,650	2,635	1,396	1,394	(2)	0.00	0.20%	0.33%
AGP Limited	-	25,000	-	-	25,000	1,925	2,021	96	0.00	0.29%	0.72%
Citi Pharma Limited	540,500	-	-	-	540,500	17,642	16,210	(1,432)	0.02	2.32%	0.71%
						<b>47,605</b>	<b>44,011</b>	<b>(3,593)</b>	<b>5.42%</b>	<b>6.31%</b>	<b>3.25%</b>

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

Name of investee company	----- Number of shares -----					As at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments	Market value as a percentage of the paid up capital of the investee company
	As at July 1, 2022	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at September 30, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)			
	(Number of shares)					(Rupees in '000)			(%)		
<b>Power Generation &amp; Distribution</b>											
Nishat Chunian Power Limited*	-	460,920	-	460,700	220	4	3	(1)	0.00	0.00%	0.00%
						<b>4</b>	<b>3</b>	<b>(1)</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Paper And Board</b>											
Packages Limited	42,000	-	-	-	42,000	16,752	17,138	386	0.02	2.46%	1.92%
						<b>16,752</b>	<b>17,138</b>	<b>386</b>	<b>2.11%</b>	<b>2.46%</b>	<b>0.00%</b>
<b>Refinery</b>											
Attock Refinery Limited	19,000	-	-	19,000	-	-	-	-	-	0.00%	0.00%
						<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Technology &amp; Communications</b>											
Air Link Communication Ltd	248,000	-	-	-	248,000	10,017	8,970	(1,047)	0.01	1.29%	0.23%
Systems Limited	38,000	36,000	-	11,000	63,000	21,793	23,781	1,988	0.03	3.41%	0.85%
						<b>31,810</b>	<b>32,751</b>	<b>941</b>	<b>4.03%</b>	<b>4.70%</b>	<b>1.08%</b>
<b>Textile Composite</b>											
Interloop Limited	-	180,888	-	-	180,888	11,473	11,387	(86)	0.01	1.63%	0.13%
Gul Ahmed Textile Mills Limited	352,354	-	-	-	352,354	11,913	10,609	(1,304)	0.01	1.52%	0.17%
Kohinoor Textile Mills Limited	298,000	-	-	-	298,000	14,900	16,006	1,106	0.02	2.30%	0.53%
Nishat (Chunian) Limited*	774,345	70,000	-	427,345	417,000	18,338	14,924	(3,414)	0.02	2.14%	0.62%
Nishat Mills Limited*	30,000	210,000	-	85,000	155,000	11,099	10,559	(540)	0.01	1.51%	0.30%
						<b>67,723</b>	<b>63,485</b>	<b>(4,238)</b>	<b>7.81%</b>	<b>9.10%</b>	<b>1.76%</b>
<b>Total as at September 30, 2022 (Unaudited)</b>						<b>688,524</b>	<b>673,034</b>	<b>(15,490)</b>			
Total as at June 30, 2022 (Audited)						735,242	660,891	(74,351)			

\* These denote related parties / connected persons.

\*\* This have a face value of Rs 5 per share.

\*\*\* These shares aggregating to a market value of 33.37 million were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by SECP:

**5.1.2 Listed equity securities - Preference Shares**

Name of investee company	As at July 1, 2022	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at September 30, 2022	As at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments	Market value as a percentage of the paid up capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
Engro Polymer and Chemicals Limited	2,000,000	-	-	-	2,000,000	22,700	24,240	1,540	2.98%	3.48%	0.81%
						<b>22,700</b>	<b>24,240</b>	<b>1,540</b>	<b>2.98%</b>	<b>3.48%</b>	<b>0.81%</b>
Total as at June 30, 2022 (Audited)						22,400	22,700	300			

5.1.2.1 These shares carry dividend at the rate of 6 months KIBOR + 3.5% per annum on cumulative basis. The rate prevailing on June 30 and December 31 will be considered.

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

**5.1.3 Government securities - Market Treasury Bills**

Name of investee company	Issue date	Face value			Carrying value (Rupees in '000)	Market value (Rupees in '000)	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments (%)
		As at July 1, 2022	Purchased during the year	Sold / matured during the year					
<b>Treasury Bills - 3 months</b>									
	April 21, 2022	50,000	45,000	95,000	-	-	-	-	-
	May 19, 2022	-	16,000	16,000	-	-	-	-	-
	July 28, 2022	-	500,000	500,000	-	-	-	-	-
<b>Treasury Bills-6 months</b>									
	January 27, 2022	100,000	19,000	19,000	-	-	-	-	-
	April 21, 2022	-	-	100,000	-	-	-	-	-
<b>Total as at September 30, 2022</b>									
<b>Total as at June 30, 2022</b>					145,993	145,468	(525)		

**5.1.4 Government securities - Pakistan Investment Bond**

Particulars	Issue date	Face value			Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments (%)
		As at July 1, 2022	Purchased during the year	Sold / matured during the year					
<b>Pakistan Investment Bond - 3 years</b>									
	August 05, 2021	-	250,000	250,000	-	-	-	-	-
<b>Pakistan Investment Bond - 3 years</b>									
	August 04, 2022	-	300,000	300,000	-	-	-	-	-
<b>Pakistan Investment Bond - 6 years</b>									
	April 29, 2022	-	300,000	300,000	-	-	-	-	-
<b>Total as at September 30, 2022</b>									
<b>Total as at June 30, 2022</b>									

**5.2 Unrealised diminution on re-measurement of investments at fair value through profit or loss - net**

Market value	September 30, 2022	June 30, 2022
Carrying value	1,370,308	829,059
	711,224	903,635
	<u>659,084</u>	<u>(74,576)</u>

5.1.1 to 5.1.4

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

	Note	(Un-audited) September 30, 2022 (Rupees in '000)	(Audited) June 30, 2022
<b>6 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Federal Excise Duty and related tax on	6.1		
- Management fee		19,027	19,027
- Sales load		16,173	16,173
Auditors' remuneration payable		732	502
Brokerage payable		382	168
Withholding tax on capital gains		8	2
Others		289	270
		<u>36,610</u>	<u>36,142</u>

**6.1 Federal Excise Duty on remuneration to the Management Company**

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2022. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2022 would have been higher by Re. 3.22 per unit (June 30, 2022: Re. 3.20 per unit).

**7 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at September 30, 2022 and June 30, 2022.

**8 TAXATION**

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

**9 EARNING PER UNIT**

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

**10 EXPENSE RATIO**

The annualized total expense ratio of the Fund based on the current period results is 4.48% (September 30, 2021: 4.84%) and this includes 0.47% (September 30, 2021: 0.48%) representing government levy, SECP fee etc.

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

**11 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

Related parties / connected persons of the Fund include MCB-Arif Habib Savings and Investments Limited (being the Management Company) and its related entities, the Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes and pension schemes managed by the Management Company, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors, key management personnel and officers of the Management Company.

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

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

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:

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

	For the three months ended September 30, 2022				For the three months ended September 30, 2021			
	As at July 1, 2022	Issued for cash	Redeemed	As at September 30, 2022	As at July 1, 2021	Issued for cash	Redeemed	As at September 30, 2021
	<b>Units</b>							
	<b>(Rupees in '000)</b>				<b>(Rupees in '000)</b>			
<b>Associated companies / undertakings</b>								
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	3,878,276	-	-	3,878,276	295,147	-	-	297,453
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,272	-	-	35,272	2,684	-	-	2,705
<b>Mandate Under Discretionary Portfolio Services</b>	157,085	-	-	157,085	11,955	-	-	12,048
<b>Key management personnel*</b>	-	-	-	-	-	-	-	-
<b>Unit Holder holding 10% or more</b>	1,036,747	3,436,892	-	4,473,639	78,899	290,529	-	343,115
	-	1,572,494	-	1,572,494	-	135,000	-	130,434
MCB-Arif Habib Savings and Investments Limited Management Company								
<b>Associated companies / undertakings</b>								
Adamjee Life Assurance Company Limited (NULL Fund)	51,887	308	-	52,195	4,496	26	-	4,329
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	1,036,747	1,864,399	-	2,901,146	89,834	155,529	-	240,642
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,028	244	-	35,272	3,035	21	-	2,926
Mandate Under Discretionary Portfolio Services	499,823	78,033	21,655	556,201	43,309	6,700	1,850	46,135
<b>Key management personnel*</b>	22,573	142	8	22,707	1,956	12	1	1,883
<b>Unit Holder holding 10% or more</b>	1,036,747	3,436,892	-	4,473,639	89,834	290,529	-	371,076

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

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

	(Un-Audited) September 30, 2022	(Un-Audited) September 30, 2021
	----- (Rupees in '000) -----	
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration of the Management Company (including indirect taxes)	7,885	9,241
Allocated expenses	212	248
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee (including indirect taxes)	478	553
CDC settlement charges	13	63
<b>MCB Bank Limited - holding company of the Management Company</b>		
Markup Income	0	1
Bank charges	1	3
<b>Arif Habib Limited</b>		
Brokerage expense *	12	19
<b>Adamjee Insurance Company Limited</b>		
Dividend Income	-	21
<b>D.G Khan Cement Company Limited</b>		
Purchase of Shares 2022: 200,000 (2021: NIL)	12,495	-
Sale of Shares 2022: NIL (2021: 75,670 )	6,681	6,681
<b>Power Cement Limited</b>		
Sale of Shares 2022: NIL (2021: 186,000)	-	1,711
<b>Nishat Chunian Limited - Group Company of Parent Company</b>		
Purchase of Shares 2022: 70,000 (2021: NIL)	2,599	-
Sale of Shares 2022: 427,345 (2021: NIL )	17,051	-
<b>Nishat Chunian Power Limited</b>		
Purchase of Shares 2022: 460,920 (2021: NIL)	7,402	-
Sale of Shares 2022: 460,700 (2021: NIL )	8,991	-
Dividend Income	2,517	-
<b>Nishat Mills Limited</b>		
Purchase of Shares 2022: 210,000 (2021: NIL)	15,159	-
Sale of Shares 2022: 85,000 (2021: NIL )	6,724	-
<b>Pak Elektron Limited</b>		
Purchase of Shares 2022: 137,500 (2021: NIL)	2,275	-

11.3 Amount outstanding as at period end / year end

	(Un-Audited) September 30, 2022	(Audited) June 30, 2022
	----- (Rupees in '000) -----	
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Management remuneration payable	2,269	2,331
Sindh sales tax payable on management remuneration	295	303
Sales load payable	151	33
Payable against allocated expenses	69	71
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	137	141
Sindh Sales Tax payable on trustee remuneration	19	18
Security deposits	100	100
<b>MCB Bank Limited - Parent of the Management Company</b>		
Bank balances	5,841	5,165



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

<b>Arif Habib Limited</b>		
Brokerage payable *	6	40
<b>Power Cement Limited</b>		
Shares held by the Fund 2022: NIL (2021: 186,000)	-	1,787
<b>D.G. Khan Cement Company Limited</b>		
Shares held by the Fund 2022: 340,000 (2022: 140,000 shares)	20,611	8,750
<b>Aisha Steels Mills Limited</b>		
Shares held by the Fund 2022: 700,000 (2022: 700,000 shares)	7,238	7,735
<b>Nishat Chunian Limited - Group Company of Parent Company</b>		
Shares held by the Fund: 417,000 (2022 : 774,345)	14,924	34,683
<b>Nishat Mills Limited</b>		
Shares held by the Fund: 155,000 (2022 : NIL)	10,559	-
<b>Nishat Chunian Power Limited</b>		
Shares held by the Fund: 220 (2022 : NIL)	3	-

\* The amount disclosed represents the amount of brokerage expense or brokerage payable to related parties / 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 related parties / connected persons.

**12 FAIR VALUE MEASUREMENTS**

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. Consequently, differences can arise between carrying values and the fair value estimates.

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

**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); and

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

**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 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information has been authorised for issue by the Board of Directors of the Management Company in the meeting held on October 21, 2022.

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)