

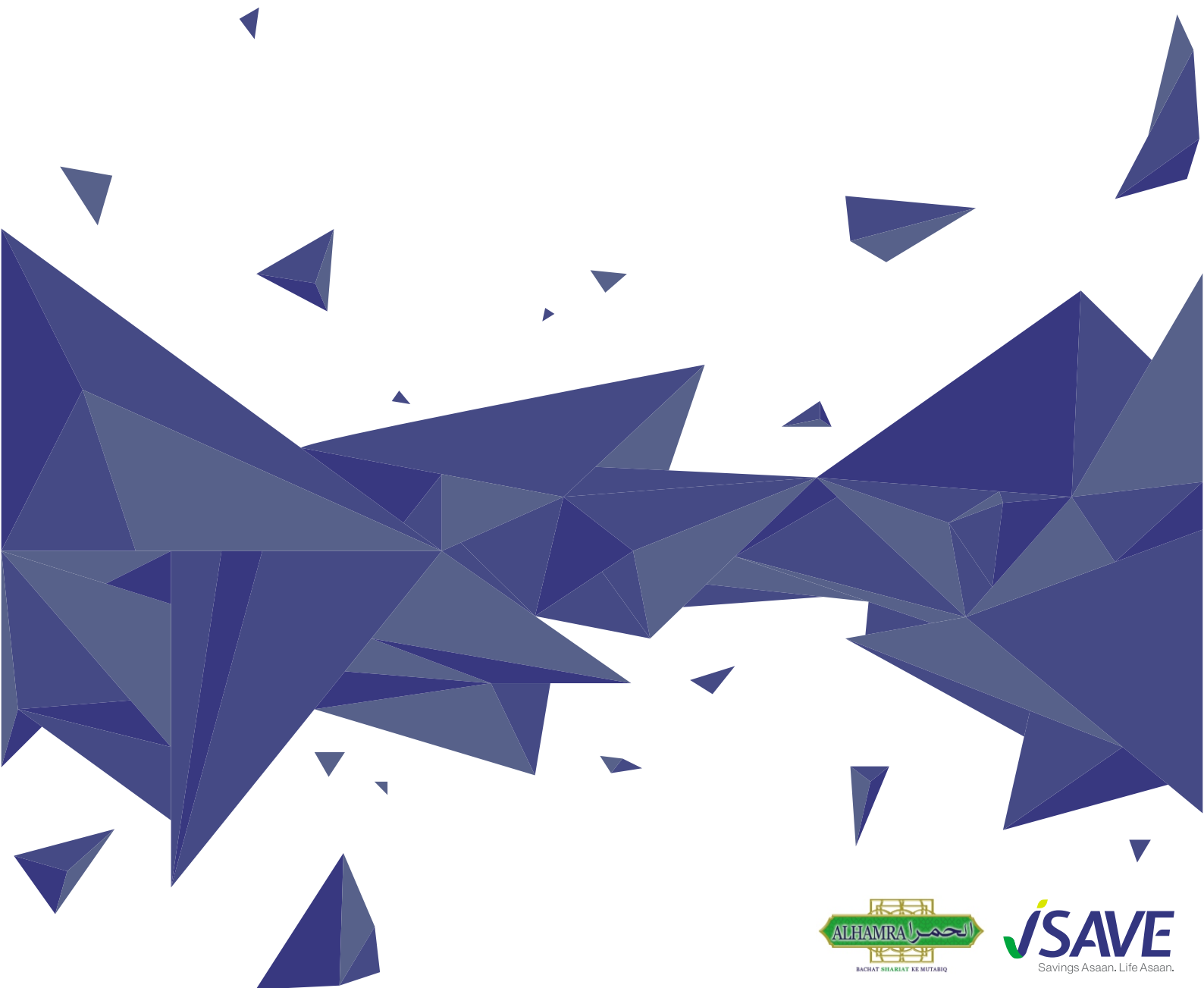


MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

SEPTEMBER
2022
(UNAUDITED)

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



PAKISTAN CAPITAL MARKET FUND

TABLE OF CONTENTS

1	Fund's Information	224
2	Report of the Directors of the Management Company	225
3	Condensed Interim Statement of Assets And Liabilities	232
4	Condensed Interim Income Statement (Un-audited)	233
5	Condensed Interim Statement of Other Comprehensive Income (Un-audited)	234
6	Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)	235
7	Condensed Interim Cash Flow Statement (Un-audited)	236
8	Notes to and forming part of the Condensed Interim Financial Statements	237

FUND'S INFORMATION

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

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

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Capital Market Fund's** 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

During the period under review, the fund posted a return of 0.75% compared to the return of 0.09% posted by the benchmark.

On the equities front, the overall allocation stood at 63.5%. The exposure was mainly held in Commercial Banks, Cement and Oil & Gas Exploration Companies.

On the fixed income side, the fund maintained its exposure towards cash to benefit from attractive rates offered by banks.

The Net Assets of the Fund as at September 30, 2022 stood at Rs. 355 million as compared to Rs. 382 million as at June 30, 2022 registering a decrease of 7.06%.

The Net Asset Value (NAV) per unit as at September 30, 2022 was Rs. 10.73 as compared to opening NAV of Rs. 10.65 per unit as at June 30, 2022 showing an increase of Rs. 0.08 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%.

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

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

MUTUAL FUND INDUSTRY REVIEW

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

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

MUTUAL FUND INDUSTRY OUTLOOK

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

ACKNOWLEDGMENT

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

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
October 21, 2022



Nasim Beg
Director / Vice Chairman

ڈائریکٹرز رپورٹ

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

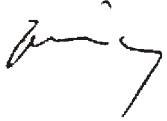
میوچل فنڈز کی صنعت کے مستقبل کا منظر

سود کی موجودہ شرحوں سے Money مارکیٹ فنڈز میں آمد و رفت 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

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 اخراجاتی بہاؤ کی حوصلہ شکنی کرے گی۔ درآمدات متوقع طور پر 13 فیصد سال در سال (YoY) کم ہو کر 63 بلین ڈالر ہو جائیں گی کیونکہ معیشت کے متعدد شعبوں میں خجما تھی منسکیڈ 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 سنکک جاری کریں۔ FDI اور RDA سے حاصل ہونے والی آمدنیاں بھی موجودہ معاشی مشکلات کے باعث متوقع طور پر زکری 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 ہر 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 مدنظر 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 پرمیئم 7.8 فیصد کے قریب ہیں، اور ان کے قدیم اوسط 2.2 فیصد سے موازنہ کرنے پر اس بھر پور کمی کا پتہ چلتا ہے جس پر مارکیٹ میں تجارت ہو رہی ہے۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے ان کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 5.0x PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی سطح 10.2 فیصد پر ہے۔

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

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے net 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 انکم فنڈز جون 2022ء سے اب تک تقریباً 3.3 فیصد بڑھ کر 308 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 3.6 فیصد کم ہو گئے جس کی وجہ سے مالی سال 2023ء کی پہلی سہ ماہی میں مارکیٹ میں انحطاط اور اثاثہ جات تحت الانظامیہ میں کمی ہے کیونکہ مجموعی معاشی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔

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 کیے میں آئی، اسٹیٹ بینک آف پاکستان کے ذخائر میں مسلسل کمی ہوتی رہی، اور سیاسی دھماچوٹری 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 تر 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 خجما تہی 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 0.75 فیصد منافع پوسٹ کیا، جبکہ مقررہ معیار کا پوسٹ کردہ منافع 0.09 فیصد تھا۔ ایکویٹیز میں مجموعی اختصاص 63.5 فیصد تھا۔ زیادہ تر شمولیت کمرشل بینکوں، سیمنٹ، اور تیل اور گیس کی دریافت کی کمپنیوں میں تھی۔ مقررہ آمدنی کی جہت میں فنڈ نے نقد میں اپنی شمولیت میں اضافہ کیا تاکہ بینکوں کی پیش کردہ پُرکشش شرحوں سے استفادہ ہو سکے۔ 30 ستمبر 2022 کو فنڈ کے net اثاثہ جات 355 ملین روپے تھے جو 30 جون 2022ء کی سطح 382 ملین روپے کے مقابلے میں 7.07 فیصد کمی ہے۔ 30 ستمبر 2022 کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 10.73 روپے تھی جو 30 جون 2022ء کو ابتدائی این اے وی 10.65 روپے فی یونٹ کے مقابلے میں 0.09 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 منکھڑ 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 منکھڑ کر 3.7 فیصد ہو جائے گی۔

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

منجانب بورڈ آف ڈائریکٹرز پاکستان کپیٹل مارکیٹ فنڈ کے اکاؤنٹس کا جائزہ برائے سہ ماہی مختتمہ 30 ستمبر 2022ء پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

نئے مالی سال کا آغاز فقید المثل 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۔ جسمیں 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

		(Un-Audited) September 30, 2022	(Audited) June 30, 2022
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	121,276	41,404
Investments	5	233,475	376,458
Dividend and profit receivables		1,569	728
Advances, deposits and prepayments		4,783	4,790
Receivable against sale of investments		6,142	-
Total assets		367,245	423,380
LIABILITIES			
Payable to the Management Company		1,187	1,243
Payable to the Central Depository Company of Pakistan Limited - Trustee		69	72
Payable to the Securities and Exchange Commission of Pakistan		19	89
Payable against purchase of investment		840	30,501
Payable against redemption of units		216	216
Accrued expenses and other liabilities	6.	9,847	9,650
Total liabilities		12,177	41,771
NET ASSETS		355,068	381,609
Unit holders' fund (as per statement attached)		355,068	381,609
Contingencies and commitments	7	(Number of units)	
NUMBER OF UNITS IN ISSUE		33,081,585	35,840,544
NET ASSETS VALUE PER UNIT		10.73	10.65

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

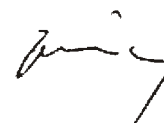
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Note	September 30,	
		2022	2021
----- (Rupees in '000) -----			
INCOME			
Dividend income		8,553	4,625
Income from government securities		638	1,416
Profit on bank deposits		3,682	1,754
Income from term finance certificate		7	11
Capital gain / (loss) on sale of investments - net		(512)	(9,671)
Income on NCCPL deposit against exposure margin		44	20
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss' - net		(3,957)	(15,162)
Total income		8,455	(17,006)
EXPENSES			
Remuneration of the Management Company		3,210	3,907
Sindh Sales Tax on remuneration of the Management Company.		417	508
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		192	233
Sales Tax on remuneration of the trustee		25	30
Securities and Exchange Commission of Pakistan - fee		19	23
Allocated expense		96	117
Marketing and selling expense		-	-
Securities transaction cost		184	386
Settlement, bank charges		122	140
Fees and subscription		7	7
Auditors' remuneration		168	145
Printing and related cost		31	25
Legal and professional charges		67	434
Total expenses		4,538	5,956
Net income / (loss) from operating activities		3,917	(22,963)
Sindh Workers' Welfare Fund		-	6,269
Net income /(loss) for the period before taxation		3,917	(16,693)
Taxation	10	-	-
Net income / (loss) for the period		3,917	(16,693)
Allocation of net income for the period:			
Net income for the period		3,917	-
Income already paid on units redeemed		(1,308)	-
		2,609	-
Accounting income available for distribution:			
- Relating to capital gains		-	-
- Excluding capital gains		2,609	-
Accounting income available for distribution		2,609	-
Earning per unit	11.		

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

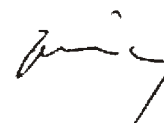
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	<u>September 30,</u>	
	<u>2022</u>	<u>2021</u>
	----- (Rupees in '000) -----	
Net income / (Loss) for the period after taxation	3,917	(16,693)
Other comprehensive income for the period	-	-
Total comprehensive income / (Loss) for the period	<u>3,917</u>	<u>(16,693)</u>

The annexed notes from 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	372,388	9,221	381,609	408,071	58,592	466,663
Issuance of 582,167 units (2021: 933,420 units)						
- Capital value (at net asset value per unit at the beginning of the period)	6,200	-	6,200	11,201	-	11,201
- Element of income	(16)	-	(16)	10	-	10
Total proceeds on issuance of units	6,184	-	6,184	11,211	-	11,211
Redemption of 3,341,126 units (2021: 1,701,219 units)						
- Capital value (at net asset value per unit at the beginning of the period)	34,275	-	34,275	20,415	-	20,415
- Element of loss	1,059	1,308	2,367	11	-	11
Total payments on redemption of units	35,335	1,308	36,642	20,425	-	20,425
Total comprehensive income for the period	-	3,917	3,917	-	(16,693)	(16,693)
Net Income / (loss) for the period	-	3,917	3,917	-	(16,693)	(16,693)
Net assets at end of the period	343,238	11,830	355,068	398,857	41,899	440,755
Undistributed income brought forward						
- Realised		44,947			41,469	
- Unrealised		(35,726)			17,123	
		9,221			58,592	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		2,609			-	
		2,609			-	
Net loss for the period after taxation		-			(16,693)	
Distribution during the period		-			-	
Undistributed income carried forward		11,830			41,899	
Undistributed income carried forward						
- Realised		15,788			57,061	
- Unrealised		(3,957)			(15,162)	
		11,830			41,899	
			(Rupees)		(Rupees)	
Net assets value per unit at beginning of the period			10.65			12.00
Net assets value per unit at end of the period			10.73			11.56

The annexed notes from 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) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	3,917	(16,693)
Adjustments for:		
Unrealised diminution in value of investments classified as at fair value through profit or loss - net	3,957	15,162
	3,957	15,162
Decrease / (Increase) in assets		
Investments	139,025	(39,421)
Dividend and profit receivables	(841)	(2,699)
Advances, deposits and prepayments	7	(797)
Receivable against sale of investments	(6,142)	(186,161)
	132,048	(229,078)
Increase/ (Decrease) in liabilities		
Payable to the Management Company	(56)	65
Payable to the Central Depository Company of Pakistan Limited - Trustee	(3)	(5)
Payable to the Securities and Exchange Commission of Pakistan	(70)	(71)
Payable against purchase of investment	(29,661)	207,664
Accrued expenses and other liabilities	197	(5,541)
	(29,594)	202,112
Net cash generated from / (used in) operating activities	110,330	(28,497)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from units sold	1,431	7,499
Cash paid on units redeemed	(31,889)	(16,713)
Net cash generated from / (used in) financing activities	(30,457)	(9,213)
Net increase / (decrease) in cash and cash equivalents during the period	79,872	(37,710)
Cash and cash equivalents at beginning of the period	41,404	186,376
Cash and cash equivalents at end of the period	121,276	148,666

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

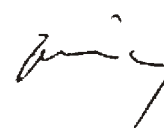
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



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 Pakistan Capital Market Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB - Arif Habib Savings and Investments Limited) as "Management Company" and Central Depository Company of Pakistan Limited (CDC). The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 30, 2003 consequent to which the Trust Deed was executed on October 27, 2003 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 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 Pakistan Capital Market Fund as a closed-end scheme was authorized by SECP on November 5, 2003. During the year 2005, the Fund was converted from a closed-end scheme to an open-end scheme. The Fund has been categorised as "Balanced Scheme" and offers units for public subscription on continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on Pakistan Stock Exchange Limited.
- 1.4 The Fund primarily invests in a mix of listed equity and debt securities, unlisted government securities and secured debt securities, money market transactions and reverse repurchase transactions.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2022 to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of the 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 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.
- 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.
- 2.1.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

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

- 3.1** The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended June 30, 2022.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2022.

		(Unaudited) September 30, 2022	(Audited) June 30, 2022
---- (Rupees in '000) ----			
4 BALANCES WITH BANKS			
Current accounts	4.1	2,800	3,397
Savings accounts	4.2	118,476	38,007
		121,276	41,404

- 4.1** These include Rs. 0.009 million (2022: Rs 1.929 million) maintained with MCB Bank Limited, a connected person / related party
- 4.2** These carry profit at the rates ranging between 12.75% to 17.05% (2022: 5.50% to 17.05%) per annum and include Rs.0.296 million maintained with MCB Bank Limited, (a related party) which carries profit at the rate of 12.75% per annum

		(Unaudited) September 30, 2022	(Audited) June 30, 2022
---- (Rupees in '000) ----			
5 INVESTMENTS			
<i>At fair value through profit or loss</i>			
Listed equity securities	5.1	233,306	250,669
Government securities	5.2	-	125,534
Unlisted debt security	5.3	169	255
		233,475	376,458

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

5.1 Listed Equity Securities - *At fair value through profit or loss*

Name of the investee company	As at July 1, 2022	Purchases during the period	Bonus / Right issue during the period	Sales during the period	As at September 30, 2022	As at September 30, 2022			Market value as a percentage of total paid up capital of the investee company
						Carrying Value	Market Value	Appreciation / (diminution)	
			Number of Shares						%
Automobile Parts & Accessories									
Ghandhara Tyre & Rubber Company Limited	0	42,000	0	0	42,000	1,575	1,449	(126)	0.41%
Panther Tyres Limited*	319	0	0	0	319	10	10	(0)	0.00%
Thal Limited**	19,100	0	0	0	19,100	5,150	5,236	86	1.47%
						6,735	6,694	(41)	1.89%
									0.05%
Cement									
Cherat Cement Company Limited	11,000	-	-	-	11,000	1,023	1,271	248	0.36%
D.G. Khan Cement Company Limited ***	64,000	18,000	-	17,000	65,000	4,072	3,940	(132)	1.11%
Fauji Cement Company Limited	1,240,000	131,000	-	51,000	1,320,000	18,656	19,787	1,131	5.57%
Gharibal Cement Ltd	90,000	-	-	-	90,000	1,755	1,890	135	0.53%
Lucky Cement Limited	40,500	-	-	6,300	34,200	15,699	16,982	1,283	4.78%
Maple Leaf Cement Factory Limited	187,436	179,000	-	55,000	311,436	8,314	8,677	362	2.44%
						49,519	52,547	3,028	14.80%
									22.51%
Commercial Banks									
Bank Alfalah Limited	235,000	144,000	-	139,000	240,000	7,694	7,474	(220)	2.10%
BankIslami Pakistan Limited	715,000	-	-	-	715,000	8,609	7,658	(951)	2.16%
Faysal Bank Limited ****	565,000	-	-	128,500	436,500	10,066	11,493	1,427	3.24%
Habib Bank Limited	157,000	-	-	117,000	40,000	3,654	2,788	(866)	0.79%
Habib Metropolitan Bank Limited ****	225,000	-	-	-	225,000	8,786	7,666	(1,121)	2.16%
Meezan Bank Limited	141,200	-	14,120	16,200	189,120	14,289	15,268	980	4.30%
United Bank Limited ****	89,500	122,050	-	17,000	188,550	21,533	21,663	130	6.10%
						74,629	74,009	(620)	20.84%
									31.70%
Engineering									
Aisha Steel Mills Limited ***	190,000	-	-	-	190,000	2,100	1,965	(135)	0.55%
Mughal Iron & Steel Industries Limited	-	30,000	-	-	30,000	1,881	1,955	74	0.55%
						3,981	3,920	(61)	1.10%
									1.68%
Fertilizer									
Engro Corporation Limited	30,000	-	-	-	30,000	7,713	6,946	(767)	1.96%
Engro Fertilizer Limited	39,511	-	-	-	39,511	3,502	3,083	(420)	0.87%
Fatima Fertilizer Company Limited	4,000	-	-	-	4,000	151	153	2	0.04%
						11,366	10,182	(1,185)	2.87%
									4.36%
Food & Personal Care Products									
Sheezan Brewery Company	10,956	-	-	-	10,956	1,863	1,917	55	0.54%
The Organic Meat Company Limited	161,500	100,000	-	-	261,500	5,633	5,559	(74)	1.57%
						7,496	7,477	(19)	2.11%
									3.20%
									0.11%
Glass & Ceramics									
Shabbir Tiles & Ceramics Limited**	204,500	-	-	-	204,500	2,992	2,793	(198)	0.79%
Tariq Glass Industries	25,000	-	-	25,000	-	-	-	-	0.00%
						2,992	2,793	(198)	0.79%
									1.20%
									0.00%
Leather & Tanneries									
Service Global Footwear Limited	426	-	-	-	426	17	16	(1)	0.00%
Service Industries*	13	-	-	-	13	5	4	-	0.00%
						22	21	(1)	0.01%
									0.00%

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

Miscellaneous										
Shifa International Hospitals	33,000	-	-	-	5,912	5,062	(850)	1.43%	2.17%	0.05%
Synthetic Products Limited ** & *	930	-	-	-	13	13	-	0.00%	0.01%	0.00%
					5,925	5,075	(850)	1.43%	2.17%	0.05%
Oil & Gas Exploration Companies										
Mari Petroleum Company Limited	15,378	-	-	3,678	20,355	18,308	(2,047)	5.16%	7.84%	0.01%
Oil & Gas Development Company Limited*	50	-	-	-	4	4	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	120,190	-	-	120,000	13	12	(1)	0.00%	0.01%	0.00%
					20,372	18,324	(2,048)	5.16%	7.85%	0.01%
Paper And Board										
Packages Limited	16,700	-	-	1,200	6,182	6,325	142	1.78%	2.71%	0.02%
					6,182	6,325	142	1.78%	2.71%	0.02%
Pharmaceuticals										
Citi Pharma Limited	112,000	-	-	-	3,656	3,359	(297)	0.95%	1.44%	0.05%
Ferozsons Laboratories Limited	-	10,500	2,100	-	2,751	2,520	(231)	0.71%	1.08%	0.03%
Giaosmithkline Consumer Healthcare Pakistan Limited	19,500	-	-	-	4,647	4,253	(394)	1.20%	1.82%	0.02%
					11,054	10,132	(922)	2.85%	4.34%	0.10%
Power Generation & Distribution										
Nishat Chunian Power Limited ***	-	210,929	-	210,100	13	11	(2)	0.00%	0.00%	0.00%
					13	11	(2)	0.00%	0.00%	0.00%
Refinery										
Attock Refinery Limited	7,500	-	-	7,500	-	-	-	0.00%	0.00%	0.00%
					-	-	-	0.00%	0.00%	0.00%
Technology & Communications										
Air Link Communication Ltd	93,000	-	-	21,000	2,908	2,604	(304)	0.73%	1.12%	0.02%
Systems Limited	14,500	10,000	-	4,500	6,859	7,550	690	2.13%	3.23%	0.01%
					9,768	10,154	386	2.86%	4.35%	0.03%
Textile Composite										
Gul Ahmed Textile Mills Limited	153,352	-	-	-	5,185	4,617	(567)	1.30%	1.98%	0.02%
Interloop Limited	-	80,000	-	-	5,092	5,036	(56)	1.42%	2.16%	0.01%
Kohinoor Textile Mills Limited	90,541	-	-	-	4,527	4,863	336	1.37%	2.08%	0.03%
Nishat (Chunian) Limited ***	355,000	30,000	-	207,345	7,821	6,358	(1,463)	1.79%	2.72%	0.07%
Nishat Mills Limited ***	55,000	15,000	-	-	5,108	4,768	(339)	1.34%	2.04%	0.02%
					27,732	25,643	(2,089)	7.22%	10.96%	0.15%
Total at September 30, 2022 (Unaudited)										
					237,786	233,307	(4,479)			
Total at June 30, 2022 (Audited)										
					285,875	250,669	(35,206)			

*Nil figures due to rounding off

** These have a face value of Rs. 5 per share

*** These include transactions with related party.

**** The above include shares with a market value aggregating to Rs. 18,606 million (June 30 2022: 18,155 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

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

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

Issue Date	Tenor	Number of certificates				As at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchased during the period	Disposed during the period	Matured during the period	As at September 30, 2022	Carrying value	Market value		
Treasury Bills										
3-Months										
April 21, 2022	3-Months	30,000	30,000	30,000	30,000	-	-	-	0.00%	0.00%
July 28, 2022	3-Months	-	500,000	500,000	-	-	-	-	0.00%	0.00%
May 19, 2022	3-Months	-	8,000	-	8,000	-	-	-	0.00%	0.00%
Treasury Bills										
6-Months										
January 27, 2022	6-Months	-	11,000	11,000	-	-	-	-	0.00%	0.00%
April 21, 2022	6-Months	100,000	-	100,000	-	-	-	-	0.00%	0.00%
Total as at September 30, 2022 (Un-audited)										
Total as at June 30, 2022 (Audited)								126,059	125,534	(625)

Pakistan Investment Bonds

Issue Date	Tenor	Number of certificates				As at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchased during the period	Disposed during the period	Matured during the period	As at September 30, 2022	Carrying value	Market value		
August 5, 2021	3-Year	-	250,000	250,000	-	-	-	-	-	-
August 4, 2022	3-Year	-	300,000	300,000	-	-	-	-	-	-
April 29, 2022	5-Year	-	300,000	300,000	-	-	-	-	-	-
Total as at September 30, 2022 (Un-audited)										
Total as at June 30, 2022 (Audited)								-	-	-

5.3 Unlisted debt security - 'at fair value through profit or loss'

Certificates have a face value of Rs 100,000 each

Name of investee company	As at July 1, 2022	Number of certificates				As at September 30, 2022			Market value as a percentage of net assets	Market value as a percentage of total investment	
		Purchased during the period	Matured during the period	Disposed during the period	As at September 30, 2022	Carrying value	Market Value	Appreciation / (diminution)			
Refinery											
Cinergco PK Ltd. (Formerly : Bycco Petroleum Pakistan Ltd.) (January 18, 2017)	10	-	-	-	-	10	170	169	(1.21)	0.05	0.07%
Total as at September 30, 2022 (Un-audited)											
Total as at June 30, 2022 (Audited)								170	169	(1.21)	5

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

		(Unaudited) September 30, 2022	(Audited) June 30, 2022
Note		---- (Rupees in '000) ----	
6. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty and related tax			
- On management fee	6.1	5,872	5,872
- Sales load		393	393
Legal and professional charges		28	35
Withholding tax payable		1	26
Dividend payable		2,784	2,784
Auditors' remuneration		520	351
Brokerage		185	150
Other		64	39
		9,847	9,650

6.1 Provision for Federal Excise Duty and related tax

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 period 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.0.1894 per unit (June 30, 2022: Re. 0.1748 per unit).

7 CONTINGENCIES AND COMMITMENTS

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

8 EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 4.72% (September 30, 2021: 5.11%) and this includes 0.47% (September 30, 2021: 0.47%) representing government levy, SECP fee etc.

9 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).

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

10 TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders in cash. 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.

11. Earnings / (Loss) per unit

(Loss) / 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

12 TRANSACTIONS WITH CONNECTED PERSONS

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 Details of transactions with connected persons are as follows:

	(Unaudited) For the Quarter Ended September 30,	
	2022	2021
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings		
- Management Company		
Remuneration for the period including indirect taxes	3,627	4,415
Allocated expense	96	117
Arif Habib Limited - Brokerage house		
Brokerage*	23	4
MCB Bank Limited		
Bank charges	1	5
Mark-up income	13	3
D.G Khan Cement Company Limited		
Purchase of 18,000 (2021: Nil) shares	1,137	-
Sale of 17,000 (2021: 38,000) shares	1,023	3,360
Nishat (Chunian) Limited		
Purchase of 30,000 (2021: Nil) shares	1,114	-
Sale of 207,345 (2021: Nil) shares	8,248	-
Nishat Chunian Power Limited		
Purchase of 210,929 (2021: Nil) shares	3,388	-
Sale of 210,100 (2021: Nil) shares	3,684	-
Dividend Income	1,533	-
Nishat Mills		
Purchase of 15,000 (2021: Nil) shares	1,043	-

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

	(Unaudited) For the Quarter Ended September 30,	
	2022	2021
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	217	264
CDS charges	6	6

*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.

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	----(Rupees in '000)----	
12.2 Amounts outstanding as at period / year end:		
MCB-Arif Habib Savings - Management Company		
Remuneration payable	1,023	1,072
Sales tax payable on management fee	133	139
Sales load payable	-	-
Allocated expense payable	30	32
Central Depository Company of Pakistan Limited - Trustee		
Security deposit	300	300
Remuneration payable	61	64
Sales tax payable on trustee fee	8	8
MCB Bank Limited		
Bank balance	1,757	1,929
Profit receivable on bank deposits	35	35
Arif Habib Limited - Brokerage House		
Brokerage payable	21	18
Aisha Steel Mills Limited		
190,000 (2021: 190,000) shares held	1,965	2,100
D.G. Khan Cement Company Limited		
65,000 (2022: 64,000) shares held	3,940	4,000
Nishat Mills Limited		
70,000 (2022: 55,000) shares held	4,768	4,065
Nishat (Chunian) Limited		
177,655 (2022: 355,000) shares held	6,358	15,900
Fatima Fertilizer Company Limited		
4,000 (2022: 4,000) shares held	153	151
Nishat Chunian Power Limited		
Nil (2022: Nil) shares held	11	-

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

12.3

Unit Holders' Fund

September 30, 2022 (Un-Audited)

As at July 01, 2022	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at September 30, 2022	As at July 01, 2022	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at September 30, 2022
----- (Units) -----				----- (Rupees in '000) -----			

Directors and executives of the Management Company

8 - - 8 1 - - 1

September 30, 2021 (Un-Audited)

As at July 01, 2021	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at September 30, 2021	As at July 01, 2021	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at September 30, 2021
----- (Units) -----				----- (Rupees in '000) -----			

Directors and executives of the Management Company

8 - - 8 1 - - 1

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

14.1 This condensed interim financial information was authorised for issue on October 21, 2022 by the Board of Directors of the Management Company.


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



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

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

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