

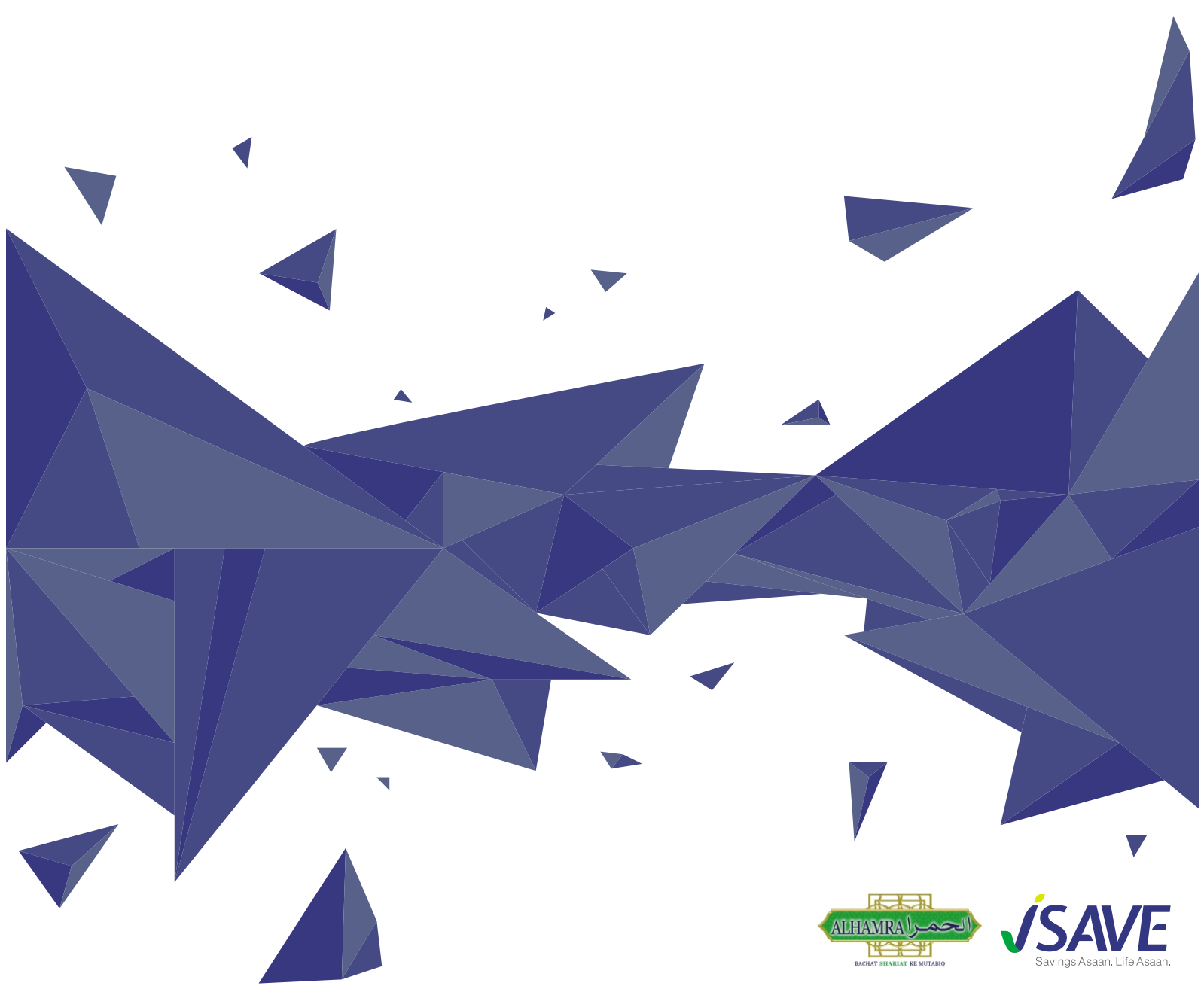


**MCB-ARIF HABIB**  
Savings and Investments Limited

# HALF YEARLY REPORT

DECEMBER  
**2022**  
(UNAUDITED)

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



# **MCB CASH MANAGEMENT OPTIMIZER**

## TABLE OF CONTENTS

---

---

|    |   |     |
|----|---|-----|
| 1  | Fund's Information  | 119 |
| 2  | Report of the Directors of the Management Company   | 120 |
| 3  | Trustee Report to the Unit Holders  | 127 |
| 4  | Auditor's Report to the Unit Holders on Review of<br>Condensed Interim Financial Statements | 128 |
| 5  | Condensed Interim Statement of Assets And Liabilities                                       | 129 |
| 6  | Condensed Interim Income Statement (Un-audited)   | 130 |
| 7  | Condensed Interim Statement of Other Comprehensive Income (Un-audited)                      | 131 |
| 8  | Condensed Interim Statement of Movement in Unit Holder's Funds (Un-audited)                 | 132 |
| 9  | Condensed Interim Cash Flow Statement ( Un-audited)   | 133 |
| 10 | Notes to and forming part of the Condensed Interim Financial Statements (Un-audited)        | 134 |

## FUND'S INFORMATION

|  |  |  |
|--|--|--|
| <b>Management Company</b>                                    | <b>MCB-Arif Habib Savings &amp; Investments Limited</b><br>Adamjee House, 2nd Floor,<br>I.I. Chundrigar Road, Karachi.   |  |
| <b>Board of Directors</b>                                    | Mr. Haroun Rashid<br>Mr. Nasim Beg<br>Mr. Muhammad Saqib Saleem<br>Mr. Ahmed Jahangir<br>Mr. Kashif A. Habib<br>Mirza Qamar Beg<br>Syed Savail Meekal Hussain<br>Ms. Mavra Adil Khan   | Chairman<br>Vice Chairman<br>Chief Executive Officer<br>Director<br>Director<br>Director<br>Director<br>Director |
| <b>Audit Committee</b>                                       | Mirza Qamar Beg<br>Mr. Nasim Beg<br>Mr. Ahmed Jahangir<br>Mr. Kashif A. Habib<br>Syed Savail Meekal Hussain  | Chairman<br>Member<br>Member<br>Member<br>Member   |
| <b>Human Resource &amp; Remuneration Committee</b>           | Mirza Qamar Beg<br>Mr. Nasim Beg<br>Mr. Ahmed Jahangir<br>Syed Savail Meekal Hussain<br>Ms. Mavra Adil Khan<br>Mr. Muhammad Saqib Saleem   | Chairman<br>Member<br>Member<br>Member<br>Member<br>Member   |
| <b>Credit Committee</b>                                      | Mr. Nasim Beg<br>Mr. Ahmed Jahangir  | Member<br>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><br>CDC House, 99-B, Block 'B'S.M.C.H.S<br>Main Shakra-e-Faisal Karachi<br>Tel: (92-21) 111-111-500<br>Fax: (92-21) 34326053<br>Web: www.cdcPakistan.com   |  |
| <b>Bankers</b>   | MCB Bank Limited<br>Habib Metropolitan Bank Limited<br>United Bank Limited<br>Allied Bank Limited<br>Bank Al-Habib Limited<br>Habib Bank Limited<br>National Bank of Pakistan<br>Zarai Taraqati Bank Limited<br>Bank Al Falah Limited<br>Meezan Bank Limited<br>Dubai Islamic Bank Pakistan Limited<br>Bank of Punjab Limited<br>Faysal Bank Limited |  |
| <b>Auditors</b>  | <b>A. F. Ferguson &amp; Co.</b><br>Chartered Accountants<br>(A Member Firm of PWC Network)<br>State Life Building 1-C<br>I.I. Chundrigar Road, Karachi.  |  |
| <b>Legal Advisor</b>   | <b>Bawaney &amp; Partners</b><br>3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area<br>Phase VI, D.H.A., Karachi  |  |
| <b>Transfer Agent</b>  | <b>MCB-Arif Habib Savings &amp; Investments Limited</b><br>Adamjee House, 2nd Floor<br>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 HALF YEAR ENDED DECEMBER 31, 2022

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Cash Management Optimizer** accounts review for half year ended December 31, 2022.

## **ECONOMY AND MONEY MARKET REVIEW**

The macroeconomic landscape continued to remain challenging. The economy was jolted with the worst floods in more than a decade, which caused severe damage to the infrastructure, wiped off crops, devastated livestock and resulted in the loss of precious lives. Earlier, elevated commodity prices due to pent up demand post covid restrictions saw another upward push due to escalation of Russia-Ukraine conflict.

SBP foreign exchange reserves have fallen to critically low levels of USD 3.2 billion (import cover of less than 3 weeks) compared to USD 9.8 billion at the start of the fiscal year. Due to tough impact on vast majority of poor population, government has been reluctant to agree to harsh steps which are pre-condition to IMF loans such as increasing electricity, gas and petrol prices. Unlocking IMF funding however remains critical as the delay in the IMF program is leading to a slowdown in foreign flows from bilateral and multilateral partners.

The country posted a current account deficit (CAD) of USD 3.1 billion in first five months of the fiscal year 2023 (5MFY23) declining by 57% YoY compared to a deficit of USD 7.2 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as a 2.0% decrease in exports coupled with 16.2% drop in imports led to 26% contraction in trade deficit. The government initially kept a lid on imports through administrative measures such as imposing import quotas on selective imports. These import restrictions helped the Rupee gain some strength against the USD, from a low of 240 in July 2022 to PKR 226.4 at December 2022 end.

Headline inflation represented by CPI averaged 25.0% during the half as compared to 9.8% 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 pressures were broad based which is depicted by core inflation increasing to 16.4% compared to 12.3% at the end of last fiscal year. SBP increased the policy rate by a further 100bps to 16.0% in the latest monetary policy held in November 2022. On the fiscal side, FBR tax collection increased by 17.0% in 1HFY23 to PKR 3,428 billion compared to PKR 2,929 billion in the same period last year. This missed the target by 218 billion.

Secondary markets yields increased in the half on account of monetary tightening and an additional bout of inflationary pressures post floods. The 3,6 and 12 Month T-Bills yield increased by 171, 184 and 170 basis points (bps) respectively while 3,5 and 10 Years Bond yields rose by 219,168 and 78bps respectively during 1HFY23.

## **FUND PERFORMANCE**

During the period under review, the fund generated an annualized return of 15.25% as against its benchmark return of 14.91%, a difference of 0.34%. WAM of the fund was 26 days at December end. The fund was 29.99% in cash and 56.4% in T-Bills as of December end.

The Net Assets of the Fund as at December 31, 2022 increased by 17.66% to Rs. 75,483 million as compared to Rs. 64,153 million as at June 30, 2022.

The Net Asset Value (NAV) per unit as at December 31, 2022 was Rs. 101.6016 as compared to opening NAV of Rs. 101.3454 per unit as at June 30, 2022 registering an increase of Rs. 0.2562 per unit.

## **ECONOMY & MARKET – FUTURE OUTLOOK**

We expect FY23 GDP growth to decline to 0.6% as monetary tightening, rupee devaluation and the prevailing uncertainty will lead to slowdown in the economy. The loss of cotton and rice crop in the

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2022

---

aftermath of floods would trim agriculture growth to 0.4% while industrial growth is expected at clock at -6.8% owing to demand slowdown and shortage of raw materials. The government is taking administrative measures to control imports, which may reduce service sector growth to 3.1%.

We expect the government to keep a tight leash on imports and discourage unnecessary dollar outflows. The imports are expected to decrease by 18% YoY to USD 59 billion as we will witness volumetric compression in several segments of the economy. Thus we expect the CAD to ease to USD 6.8 billion (2.0% of GDP) in FY23, a massive drop, when compared with USD 17.4 billion (4.5% of GDP) in FY22.

The successful resumption of IMF program will unlock funding from bilateral and multilateral sources. The aid commitment by multilateral agencies in the aftermath of floods 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 in the medium term to stave off external concerns.

The rupee has recovered from its recent low due to continuous drain in forex reserves encouraging spreads in Interbank and open market to widen significantly. We believe that restoring a market based exchange rate would bring equilibrium by incentivizing exports and remittances and discouraging imports. Thus we expect USD/PKR to close at 251 by fiscal year end on an assumed REER of 90.

We expect Average FY23 inflation to clock at 24.8% compared to 12.1% in FY22. We foresee the second round impact of the currency devaluation and expected increase in petroleum, electricity and gas prices, which will keep inflation numbers elevated for remainder of the year. SBP has increased the policy rate to 16.0% to cool aggregate demand and deescalate inflationary pressures. Given the significant economic challenges, we do not rule out a scenario where SBP further increases interest rates in the next monetary policy. We expect monetary easing cycle to begin in second half of CY23 where decline in inflation can provide some breather.

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 9.1%, a discount of 55% from its historical average. Similarly, Earning Yield Minus Risk Free Rate are close to 7.1%, compared to historical average of 2.7% 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. However, we do not see this potential translating into gains, unless issues on the external fronts are dealt with. The market is currently trading at PER of 4.8x, while offering a dividend yield of 11.2%.

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

### MUTUAL FUND INDUSTRY REVIEW

The Net Assets of the open end mutual funds industry increased by about 26.1% during 1HFY23 to PKR 1,531 billion. Total money market funds grew by about 34.2% since June 2022. Within the money market sphere, the conventional funds showed a growth of 19.8% to PKR 535 billion while Islamic funds increased by 62.7% to PKR 367 billion. In addition, the total fixed Income funds increased by about 24.1% since June 2022 to PKR 370 billion. Equity and related funds declined by 13.3% as market witnessed a drop in 1HFY23, 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 58.9%, followed by Income funds with 24.2% and Equity and Equity related funds having a share of 13.0% as at the end of 1HFY23.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2022

---

---

### 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.

### ACKNOWLEDGEMENT

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

On behalf of Directors,



---

**Muhammad Saqib Saleem**  
Chief Executive Officer  
February 03, 2023



---

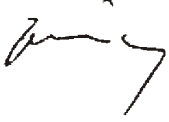
**Nasim Beg**  
Director / Vice Chairman

## ڈائریکٹرز رپورٹ

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۔

من جانب ڈائریکٹرز



نسیم بیگ  
ڈائریکٹر / وائس چیئرمین



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
03 فروری 2023ء



## ڈائریکٹرز رپورٹ

پر مارکیٹ میں ہونے والی تجارت میں بھرپور کمی کا پتہ چلتا ہے۔ ہم سمجھتے ہیں کہ شعبہ جات اور اسٹاکس کا بہت قریبی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے ان کمپنیوں پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ تاہم ہمیں نہیں لگتا کہ خارجی جہات کے مسائل سے نمٹے بغیر اس استعداد سے منافع حاصل ہوں گے۔ موجودہ طور پر مارکیٹ میں  $4.8x$  کے PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی آمدنی 11.2 فیصد پر ہے۔

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

### میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2023ء کے نصف اول کے دوران تقریباً 26.1 فیصد بڑھ کر 1,531 بلین روپے ہو گئے۔ مجموعی Money مارکیٹ فنڈز میں جون 2022ء سے اب تک تقریباً 34.2 فیصد اضافہ ہوا ہے۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈز تقریباً 19.8 فیصد بڑھ کر 535 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 62.7 فیصد بڑھ کر 367 بلین روپے ہو گئے۔ مزید برآں، مجموعی فیکسڈ انکم فنڈز جون 2022ء سے اب تک تقریباً 24.1 فیصد بڑھ کر 370 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 13.3 فیصد کم ہو گئے جس کی وجہ مالی سال 2023ء کے نصف اول 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۔

شعبہ جاتی اعتبار سے مالی سال 2023ء کے نصف اول کے اختتام پر Money مارکیٹ فنڈز تقریباً 58.9 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم فنڈز تھے جن کا 24.2 فیصد حصہ تھا، اور تیسرے نمبر پر ایکویٹی اور ایکویٹی سے متعلقہ فنڈز تھے جن کا 13.0 فیصد حصہ تھا۔

### میوچل فنڈ کی صنعت کے مستقبل کا منظر

سود کی موجودہ شرحوں سے Money مارکیٹ فنڈز میں زیادہ آمد و رفت 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 پُرکشش سطحوں پر ایکویٹی میں مزید پیسہ لگانا چاہیں گے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

## ڈائریکٹرز رپورٹ

خالص اثاثہ جات قدر (NAV) فی یونٹ 101.6016 روپے تھی جو 30 جون 2022ء کو ابتدائی اثاثہ جات قدر (NAV) 101.3454 روپے فی یونٹ کے مقابلے میں 0.2562 روپے فی یونٹ اضافہ ہے۔

### معیشت اور بازار - مستقبل کے امکانات

مالی سال 2023ء میں جی ڈی پی کی ترقی میں 0.6 فیصد کمی متوقع ہے کیونکہ مالیاتی سختی، روپے کی قدر میں کمی اور موجودہ غیر یقینی صورتحال کے نتیجے میں معیشت سنست روی کا شکار ہو جائے گی۔ سیلاب کی تباہ کاریوں کے ضمن میں کپاس اور چاول کی فصلوں کے ضیاع کے باعث زراعت کی ترقی متاثر ہو کر 0.4 فیصد ہو جائے گی جبکہ صنعتی ترقی 6.8- فیصد متوقع ہے جس کی وجہ مانگ میں سنست روی اور خام مال کی قلت ہیں۔ حکومت درآمدات پر قابو پانے کے لیے انتظامی اقدامات کر رہی ہے جس کے باعث خدمات کے شعبے کی ترقی کم ہو کر 3.1 فیصد ہو جائے گی۔

ہم حکومت سے اُمید کرتے ہیں کہ وہ درآمدات کی لگام مضبوطی سے کھینچ کر رکھے گی اور ڈالر کے غیر ضروری اخراجاتی بہاؤ کی حوصلہ شکنی کرے گی۔ درآمدات متوقع طور پر 18 فیصد YoY کم ہو کر 59 بلین ڈالر ہو جائیں گی کیونکہ معیشت کے متعدد گوشوں کے حجم سنکڑ جائیں گے۔ چنانچہ ہمیں توقع ہے کہ مالی سال 2023ء میں سی اے ڈی کم ہو کر 6.8 بلین ڈالر (جی ڈی پی کا 2.0 فیصد) ہو جائے گا جو مالی سال 2022ء کے 17.4 بلین ڈالر (جی ڈی پی کے 4.5 فیصد) کے مقابلے میں ایک بڑی کمی ہے۔

آئی ایم ایف پروگرام کی کامیابی بحالی ایک کلیدی مثبت پیش رفت ہے کیونکہ اس کی بدولت ہم دو جہتی اور کثیر الجہتی ذرائع سے رقم حاصل کر سکیں گے۔ سیلاب کی تباہ کاریوں کے ضمن میں 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۔ ایف ڈی اور آر ڈی اے سے حاصل ہونے والی آمدنیاں بھی موجودہ معاشی مشکلات کے باعث متوقع طور پر رُک رہیں گی۔ چنانچہ ہمیں درمیانی مدت میں قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی خدشات ختم ہو سکیں۔

غیر ملکی زرمبادلہ کے ذخائر میں مسلسل کمی کی وجہ سے روپیہ اپنی حالیہ کم ترین سطح سے بحال ہوا ہے جس سے انٹرنیٹک اور اوپن مارکیٹ میں فرق کو نمایاں طور پر وسیع کرنے کی حوصلہ افزائی ہوئی ہے۔ ہم سمجھتے ہیں کہ مارکیٹ پر مبنی شرح زرمبادلہ سے توازن پیدا ہوگا کیونکہ برآمدات اور ترسیلات زر میں ترغیبات پیدا ہوں گی اور درآمدات کی حوصلہ شکنی ہوگی۔ چنانچہ ہماری توقع ہے کہ 90 کے مفروضہ REER پر مالی سال کے اختتام پر ڈالر/روپیہ تقریباً 251 روپے پر ہوگا۔

مالی سال 2023ء میں اوسط مہنگائی 24.8 فیصد متوقع ہے، بالمقابل مالی سال 2022ء میں 12.1 فیصد کے روپے کی قدر میں کمی کے اثر کا دوسرا دور، اور پٹرول، بجلی اور گیس کی قیمتوں میں اضافہ بھی متوقع ہے، جس کے باعث سال کے بقیہ حصے کے دوران مہنگائی کے عدد بلند سطح پر رہیں گے۔ ایس بی پی نے پالیسی شرح کو بڑھا کر 16.0 فیصد کر دیا ہے تاکہ مجموعی مانگ اور مہنگائی کے دباؤ سے نمٹا جاسکے۔ معیشت میں قابل ذکر سنست روی اور مانگ میں کمی کے باعث اس بات کا امکان خارج از بحث نہیں ہے کہ ایس بی پی اگلی ماہی پالیسی میں شروع سود میں مزید اضافہ کرے۔ ہمیں اُمید ہے کہ مالی سال 2023ء کی دوسری ششماہی میں مالیاتی تسہیل کا دور شروع ہوگا، اور مہنگائی میں کمی سے حالات میں بہتری آئے گی۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے اسٹاک کی قیمتوں میں تصحیح سے تعین قدر مزید کھل گئی ہے۔ مارکیٹ نے بظاہر شرح سود میں اضافے اور روپے کی قدر میں کمی کو مدنظر رکھا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 9.1 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 55 فیصد کمی ہے۔ اسی طرح، Earning Yield Minus Risk Free Rate تقریباً 7.1 فیصد ہیں، اور ان کے قدیم اوسط 2.7 فیصد سے موازنہ کرنے

## ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی کیش مینجمنٹ آپٹیمائزر کے اکاؤنٹس مختتمہ 31 دسمبر 2022ء کا جائزہ پیش خدمت ہے۔

### معیشت اور بازار کا جائزہ

ملک کا مجموعی معاشیاتی منظر بدستور ناخوشگوار رہا۔ معیشت گزشتہ دہائی سے زیادہ کے بدترین سیلاب کے باعث شدید متاثر ہوئی جس سے انتظامی ڈھانچے کو گھمبیر نقصان پہنچا، فصلوں کا صفایا ہو گیا، مویشی ہلاک ہوئے اور قیمتی جانیں ضائع ہوئیں۔ اس سے قبل، کووڈ پابندیوں کے بعد اجناس کی بڑھتی ہوئی مانگ کی وجہ سے اشیاء کی قیمتوں میں روس-یوکرین کے تنازعہ کی وجہ سے مزید اضافہ دیکھا گیا۔

ایس بی پی کے زرمبادلہ کے ذخائر کم ہو کر 3.2 بلین ڈالر ہو گئے ہیں (جو صرف تین ہفتوں کا درآمدی ادائیگیوں کو پورا کر سکتے ہیں) یا مقابلہ مالی سال کے آغاز پر جو 9.8 بلین ڈالر تھے۔ غریب آبادی کی اکثریت پر کڑے اثرات کی وجہ سے حکومت سخت اقدامات پر راضی ہونے سے گریزاں ہے جو آئی ایم ایف کے قرضوں کی پیشگی شرط ہیں جیسے بجلی، گیس اور پیٹرول کی قیمتوں میں اضافہ۔ تاہم آئی ایم ایف کی فنڈنگ کو غیر مقفل کرنا بہت اہم ہے کیونکہ آئی ایم ایف پروگرام میں تاخیر و طرفہ اور کثیر جہتی شراکت داروں سے غیر ملکی بہاؤ میں سست روی کا باعث بن رہی ہے۔

ملک نے مالی سال 2023 کے پہلے پانچ ماہ میں 3.1 بلین ڈالر کرنٹ اکاؤنٹ خسارہ (CAD) پوسٹ کیا جو 57 سال در سال کم تھا، یا مقابلہ گزشتہ سال مماثل مدت میں 7.2 بلین ڈالر۔ تجارتی خسارے میں کمی کرنٹ اکاؤنٹ خسارے (CAD) میں بہتری کا اہم ترین سبب تھی کیونکہ برآمدات میں 2 فیصد کمی کے ساتھ ساتھ درآمدات میں 16.2 فیصد کمی کے نتیجے میں تجارتی خسارہ 26 فیصد سنکڑ گیا۔ حکومت نے انتظامی اقدامات مثلاً منتخب اشیاء پر درآمدی کوٹے عائد کرنے کے ذریعے درآمدات کو قابو میں رکھا۔ ان درآمدی پابندیوں سے روپے کو بمقابلہ ڈالر کچھ تقویت حاصل ہوئی اور روپے کی قدر جولائی 2022ء میں 240 کی پست سطح سے اٹھ کر دسمبر 2022ء کے اختتام تک 226.4 ہو گئی۔

ہیڈلائن مہنگائی، جس کی ترجمانی CPI یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط دوران ششماہی 25.0 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 9.8 فیصد تھا۔ سیلابوں کے نتیجے میں اشیاء خورد و نوش کی قیمتوں میں اضافے 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 بنیادی افراط زر (core inflation) میں 16.4 فیصد کمی تک اضافے سے ہوا جو گزشتہ مالی سال کے اختتام پر 12.3 فیصد تھا۔ ایس بی پی نے نومبر 2022ء کی تازہ ترین مانیٹری پالیسی میں پالیسی شرح کو مزید 100 بیسیس پوائنٹس (بی پی ایس) بڑھا کر 16.0 فیصد کر دیا۔ مالیاتی جہت میں ایف بی آر کی ٹیکس وصولی میں مالی سال 2023ء کی پہلی ششماہی میں 17.0 فیصد اضافہ ہوا اور 3,428 بلین روپے ٹیکس جمع ہوا، جبکہ گزشتہ سال مماثل مدت میں 2,929 بلین روپے تھا۔ اس طرح ہدف سے 218 بلین روپے کم ٹیکس وصول ہوا۔

ثانوی مارکیٹوں کی پیداوار میں دوران ششماہی اضافہ ہوا جس کے اسباب مالیاتی سختی اور بعد از سیلاب مہنگائی کے دباؤ کی نئی لہر ہیں۔ دوران ششماہی 3، 6 اور 12 ماہانہ ٹی-بلنز کے منافع جات میں بالترتیب 171، 184 اور 170 بی پی ایس، جبکہ 3، 5 اور 10 سالہ بانڈز کے منافع جات میں بالترتیب 219، 168 اور 78 بی پی ایس کا اضافہ ہوا۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 15.25 فیصد تھا، جو مقررہ معیار کے منافع 14.91 فیصد کے مقابلے میں 0.34 فیصد زیادہ ہے۔ فنڈ کی پالوزن اوسط میچورٹی اختتام مدت پر 26 دن ہے۔ دسمبر کے اختتام پر فنڈ 29.99 فیصد نقد میں اور ٹی بلز میں 56.4 فیصد تھی۔ 31 دسمبر 2022ء کو فنڈ کے خالص اثاثہ جات 75,483 ملین روپے تھے جو 30 جون 2022ء کی سطح 64,153 ملین روپے کے مقابلے میں 17.66 فیصد اضافہ ہے۔ 31 دسمبر 2022ء کو

# TRUSTEE REPORT TO THE UNIT HOLDERS

## CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

### Head Office:

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

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

Fax: (92-21) 34326021 - 23

URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)

Email: [info@cdcpak.com](mailto:info@cdcpak.com)



## TRUSTEE REPORT TO THE UNIT HOLDERS

### MCB CASH MANAGEMENT OPTIMIZER

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

We Central Depository Company of Pakistan Limited, being the Trustee of MCB Cash Management Optimizer (the Fund) are of the opinion that MCB-Arif Habib Savings and Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

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

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 20, 2023



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



A.F.FERGUSON & Co.

## REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

### *Introduction*

We have reviewed the accompanying condensed interim statement of assets and liabilities of **MCB Cash Management Optimizer** (the Fund) as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2022. The Management Company (MCB-Arif Habib Savings and Investments Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2022.

### *Scope of Review*

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

### *Conclusion*

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

*A.F. Ferguson & Co.*

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Junaid Mesia**

Dated: February 22, 2023

Karachi

UDIN: RR202210611tpMTzdfu5

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

■ KARACHI ■ LAHORE ■ ISLAMABAD

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2022

|  |      | December 31,<br>2022<br>(Unaudited) | June 30,<br>2022<br>(Audited) |
|--|------|-------------------------------------|-------------------------------|
|  | Note | ----- (Rupees in '000) -----        |                               |
| <b>ASSETS</b>  |      |                                     |                               |
| Balances with banks  | 4    | 22,645,447                          | 58,423,943                    |
| Investments  | 5    | 52,328,772                          | 5,000,000                     |
| Advances, deposits, prepayments and other receivables                              |      | 667,802                             | 863,814                       |
| <b>Total assets</b>  |      | 75,642,021                          | 64,287,757                    |
| <b>LIABILITIES</b>   |      |                                     |                               |
| Payable to the MCB-Arif Habib Savings and Investments Limited - Management Company | 6    | 53,012                              | 28,973                        |
| Payable to Central Depository Company of Pakistan Limited - Trustee                | 7    | 2,954                               | 2,854                         |
| Payable to the Securities and Exchange Commission of Pakistan                      | 8    | 5,303                               | 7,018                         |
| Accrued and other liabilities  | 9    | 97,479                              | 95,744                        |
| <b>Total liabilities</b>   |      | 158,748                             | 134,589                       |
| <b>NET ASSETS</b>  |      | 75,483,273                          | 64,153,168                    |
| <b>Unit holders' fund (as per statement attached)</b>                              |      | 75,483,273                          | 64,153,168                    |
| <b>Contingencies and commitments</b>   | 10   |                                     |                               |
|  |      | <b>(Number of units)</b>            |                               |
| <b>NUMBER OF UNITS IN ISSUE</b>  |      | 742,933,590                         | 633,015,098                   |
| <b>NET ASSET VALUE PER UNIT</b>  |      | 101.6016                            | 101.3454                      |

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


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



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

|   | Note  | Six months period ended |                  | Quarter ended    |                |
|---|-------|-------------------------|------------------|------------------|----------------|
|   |       | December 31,            | December 31,     | December 31,     | December 31,   |
|   |       | 2022                    | 2021             | 2022             | 2021           |
| ------(Rupees in '000)-----   |       |                         |                  |                  |                |
| <b>INCOME</b>   |       |                         |                  |                  |                |
| Capital gain on sale of investments - net   |       | 87,571                  | 66,520           | 12,485           | 40,892         |
| Profit on term deposits   |       | 211,743                 | 11,015           | 112,814          | 11,015         |
| Profit on bank deposits   |       | 2,015,065               | 926,554          | 900,650          | 574,584        |
| Income from government securities   |       | 1,595,442               | 414,657          | 1,000,011        | 162,875        |
| Income on letter of placement   |       | 205,044                 | -                | 200,464          | -              |
|   |       | 4,114,865               | 1,418,746        | 2,226,424        | 789,366        |
| Net unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss' | 5.1.4 | 34,781                  | 2,960            | 34,781           | 2,960          |
| <b>Total income</b>   |       | <b>4,149,646</b>        | <b>1,421,706</b> | <b>2,261,205</b> | <b>792,326</b> |
| <b>EXPENSES</b>   |       |                         |                  |                  |                |
| Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company   | 6.1   | 119,142                 | 45,554           | 71,885           | 21,123         |
| Sindh Sales tax on remuneration of the Management Company   | 6.2   | 15,489                  | 5,922            | 9,345            | 2,746          |
| Allocated expenses  | 6.3   | 8,203                   | 10,142           | -                | 8,163          |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee  |       | 14,581                  | 9,964            | 7,865            | 4,761          |
| Sindh Sales tax on remuneration of Trustee  |       | 1,896                   | 1,295            | 1,023            | 619            |
| Selling and marketing expenses  | 6.4   | 55,945                  | 26,838           | 24,576           | -              |
| Annual fee to the Securities and Exchange Commission of Pakistan  | 8     | 5,303                   | 3,332            | 2,860            | 1,732          |
| Legal and professional charges  |       | 81                      | 469              | 20               | 35             |
| Brokerage expenses  |       | 3,222                   | 1,018            | 2,159            | 419            |
| Auditor's remuneration  |       | 656                     | 542              | 385              | 294            |
| Other expenses  |       | 1,353                   | 685              | 750              | 353            |
| <b>Total operating expenses</b>   |       | <b>225,871</b>          | <b>105,761</b>   | <b>120,868</b>   | <b>40,245</b>  |
| <b>Net income from operating activities</b>   |       | <b>3,923,775</b>        | <b>1,315,945</b> | <b>2,140,337</b> | <b>752,081</b> |
| Reversal of provision for Sindh Workers' Welfare Fund (SWWF)  |       | -                       | 134,276          | -                | -              |
| <b>Net income for the period before taxation</b>  |       | <b>3,923,775</b>        | <b>1,450,221</b> | <b>2,140,337</b> | <b>752,081</b> |
| Taxation  | 11    | -                       | -                | -                | -              |
| <b>Net income for the period after taxation</b>   |       | <b>3,923,775</b>        | <b>1,450,221</b> | <b>2,140,337</b> | <b>752,081</b> |
| <b>Allocation of net income for the period:</b>   |       |                         |                  |                  |                |
| Net income for the period   |       | 3,923,775               | 1,450,221        |                  |                |
| Income already paid on units redeemed   |       | (862,314)               | (141,967)        |                  |                |
|   |       | <b>3,061,461</b>        | <b>1,308,254</b> |                  |                |
| <b>Accounting income available for distribution</b>   |       |                         |                  |                  |                |
| - Relating to capital gains   |       | 96,710                  | 56,973           |                  |                |
| - Excluding capital gains   |       | 2,964,751               | 1,251,281        |                  |                |
|   |       | <b>3,061,461</b>        | <b>1,308,254</b> |                  |                |

Earnings per unit

13

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

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

|  | <u>Six months period ended</u>     |                                    | <u>Quarter ended</u>               |                                    |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|  | <u>December 31,</u><br><u>2022</u> | <u>December 31,</u><br><u>2021</u> | <u>December 31,</u><br><u>2022</u> | <u>December 31,</u><br><u>2021</u> |
|  | ------(Rupees in '000)-----        |                                    |                                    |                                    |
| <b>Net income for the period after taxation</b>  | 3,923,775                          | 1,450,221                          | 2,140,337                          | 752,081                            |
| Other comprehensive income for the period        | -                                  | -                                  | -                                  | -                                  |
| <b>Total comprehensive income for the period</b> | <u>3,923,775</u>                   | <u>1,450,221</u>                   | <u>2,140,337</u>                   | <u>752,081</u>                     |

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

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



Chief Executive Officer



Chief Financial Officer



Director



**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

|  | Six months period ended<br>December 31, 2022 |                         |                   | Six months period ended<br>December 31, 2021 |                         |                   |
|--|--|-------------------------|-------------------|--|-------------------------|-------------------|
|  | Capital value                                | Undistributed<br>income | Total             | Capital value                                | Undistributed<br>income | Total             |
| <b>Net assets at the beginning of the period</b>                                       | 63,779,942                                   | 373,226                 | 64,153,168        | 33,870,518                                   | 159,145                 | 34,029,663        |
| Issue of 1,347,537,300 units - including<br>additional units (2021: 474,663,831 units) |  |                         |                   |  |                         |                   |
| - Capital value (at net asset value per unit<br>at the beginning of the period)        | 136,566,707                                  | -                       | 136,566,707       | 47,931,532                                   | -                       | 47,931,532        |
| - Element of income  | 884,139                                      | -                       | 884,139           | 165,146                                      | -                       | 165,146           |
|  | 137,450,846                                  | -                       | 137,450,846       | 48,096,678                                   | -                       | 48,096,678        |
| Redemption of 1,237,618,808 units<br>(2021: 433,147,441 units)                         |  |                         |                   |  |                         |                   |
| - Capital value (at net asset value per unit<br>at the beginning of the period)        | 125,426,973                                  | -                       | 125,426,973       | 43,739,216                                   | -                       | 43,739,216        |
| - Element of loss - net  | 92,569                                       | 862,314                 | 954,883           | 20,445                                       | 141,967                 | 162,412           |
|  | 125,519,542                                  | 862,314                 | 126,381,856       | 43,759,661                                   | 141,967                 | 43,901,628        |
| Total comprehensive income for the period  | -  | 3,923,775               | 3,923,775         | -  | 1,450,221               | 1,450,221         |
| Interim distribution during the period (including<br>additional units)                 | (783,694)                                    | (2,878,966)             | (3,662,660)       | (141,926)                                    | (1,272,109)             | (1,414,035)       |
|  | (783,694)                                    | 1,044,809               | 261,115           | (141,926)                                    | 178,112                 | 36,186            |
| <b>Net assets at the end of the period</b>   | <b>74,927,552</b>                            | <b>555,721</b>          | <b>75,483,273</b> | <b>38,065,609</b>                            | <b>195,290</b>          | <b>38,260,899</b> |
| <b>Undistributed income brought forward<br/>comprising of:</b>                         |  |                         |                   |  |                         |                   |
| - Realised income  |  | 373,226                 |                   |  | 159,145                 |                   |
| - Unrealised income  |  | -                       |                   |  | -                       |                   |
|  |  | 373,226                 |                   |  | 159,145                 |                   |
| <b>Accounting income available for distribution</b>                                    |  |                         |                   |  |                         |                   |
| - Relating to capital gains  |  | 96,710                  |                   |  | 56,973                  |                   |
| - Excluding capital gains  |  | 2,964,751               |                   |  | 1,251,281               |                   |
|  |  | 3,061,461               |                   |  | 1,308,254               |                   |
| Cash distribution during the period  |  | 2,878,966               |                   |  | 1,272,109               |                   |
| <b>Undistributed income carried forward</b>  |  | <b>555,721</b>          |                   |  | <b>195,290</b>          |                   |
| <b>Undistributed income carried forward<br/>comprising of:</b>                         |  |                         |                   |  |                         |                   |
| - Realised income  |  | 520,940                 |                   |  | 192,330                 |                   |
| - Unrealised income  |  | 34,781                  |                   |  | 2,960                   |                   |
|  |  | 555,721                 |                   |  | 195,290                 |                   |
|  |  | <b>(Rupees)</b>         |                   |  | <b>(Rupees)</b>         |                   |
| Net asset value per unit at the beginning of the period                                |  | 101.3454                |                   |  | 100.9800                |                   |
| Net asset value per unit at the end of the period                                      |  | 101.6016                |                   |  | 101.0828                |                   |

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


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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

|   | Note  | Six months period ended  |                          |
|---|-------|--------------------------|--------------------------|
|   |       | December 31,<br>2022     | December 31,<br>2021     |
| ------(Rupees in '000)-----   |       |                          |                          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |       |                          |                          |
| Net income for the period before taxation   |       | 3,923,775                | 1,450,221                |
| <b>Adjustments for non cash and other items:</b>  |       |                          |                          |
| Net unrealised appreciation on re-measurement of investments<br>classified as 'financial assets at fair value through profit or loss' | 5.1.4 | (34,781)                 | (2,960)                  |
| Reversal of provision for Sindh Workers' Welfare Fund (SWWF)  |       | -                        | (134,276)                |
|   |       | <u>3,888,994</u>         | <u>1,312,985</u>         |
| <b>Decrease / (increase) in assets</b>  |       |                          |                          |
| Investments - net   |       | 3,055,343                | (2,850,226)              |
| Advances, deposits, prepayments and other receivables   |       | 196,012                  | (110,256)                |
|   |       | <u>3,251,355</u>         | <u>(2,960,482)</u>       |
| <b>Increase in liabilities</b>  |       |                          |                          |
| Payable to MCB-Arif Habib Savings and Investments Limited - Management Company  |       | 24,039                   | (128)                    |
| Payable to Central Depository Company of Pakistan Limited - Trustee   |       | 100                      | (130)                    |
| Payable to the Securities and Exchange Commission of Pakistan (SECP)  |       | (1,715)                  | (3,095)                  |
| Payable against purchase of investments   |       | -                        | 17,060,629               |
| Accrued and other liabilities   |       | 1,735                    | 19,709                   |
|   |       | <u>24,159</u>            | <u>17,076,985</u>        |
| <b>Net cash generated from operating activities</b>   |       | <u>7,164,508</u>         | <u>15,429,488</u>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |       |                          |                          |
| Receipts from issuance of units (excluding additional units)  |       | 136,667,152              | 47,954,752               |
| Payments on redemption of units   |       | (126,381,856)            | (43,901,628)             |
| Cash distributions made during the period   |       | (2,878,966)              | (1,272,109)              |
| <b>Net cash generated from financing activities</b>   |       | <u>7,406,330</u>         | <u>2,781,015</u>         |
| <b>Net increase in cash and cash equivalents</b>  |       | <u>14,570,838</u>        | <u>18,210,503</u>        |
| Cash and cash equivalents at the beginning of the period  |       | 58,423,943               | 34,046,358               |
| <b>Cash and cash equivalents at the end of the period</b>   | 12    | <u><u>72,994,781</u></u> | <u><u>52,256,861</u></u> |

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

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



Chief Executive Officer



Chief Financial Officer



Director

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Cash Management Optimizer (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated July 09, 2009 consequent to which the trust deed was executed on July 10, 2009, in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Fund are required to be registered under the "Sindh Trusts Act, 2020" (the Sindh Trust Act). Accordingly, on August 12, 2021 the Trust Deed of the fund had 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 SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-end mutual fund and has been categorised as 'Money Market Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by SECP and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. Unit holders are divided into plan 'A' and plan 'B'. The unit holders under plan "A" are entitled for bonus units as well as cash dividend, whereas unit holders under plan "B" are entitled for cash dividend only. The units are listed on Pakistan Stock Exchange Limited (PSX).
- 1.4 The Fund primarily invests in a mix of short term corporate debt and government securities, repurchase agreements, term deposit and money market placements with scheduled banks.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM1 dated October 06, 2022 (2021: 'AM1' dated October 6, 2021) to the Management Company and "AA+(f)" as stability rating dated September 9, 2022 (2021: 'AA+(f)' dated September 9, 2021) to the Fund.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2022.

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

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

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

### 3.3 Standards, Interpretations and Amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these are considered either not to be relevant or do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

### 3.4 Standards, Interpretations and Amendments to published accounting and reporting standards that are not yet effective

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2023. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

|                              |             | December 31,<br>2022<br>(Unaudited) | June 30,<br>2022<br>(Audited) |
|------------------------------|-------------|-------------------------------------|-------------------------------|
|                              |             | ------(Rupees in '000)-----         |                               |
| <b>4 BALANCES WITH BANKS</b> | <b>Note</b> |                                     |                               |
| In current accounts          |             | 63,079                              | 2,753,875                     |
| In saving accounts           | 4.1         | 22,582,368                          | 55,670,068                    |
|                              | 4.2         | <u>22,645,447</u>                   | <u>58,423,943</u>             |

4.1 These carry mark-up at rates ranging between 12.25% to 16.9% per annum (June 2022: 5.5% to 17.05% per annum).

4.2 These include balances of Rs. 63.538 million (June 2022: Rs 61.716 million) maintained with MCB Bank Limited (a related party).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

| 5 INVESTMENTS                                   | Note  | December 31,                | June 30,          |
|---|-------|-----------------------------|-------------------|
|   |       | 2022<br>(Un-audited)        | 2022<br>(Audited) |
|   |       | ------(Rupees in '000)----- |                   |
| <b>5.1 At fair value through profit or loss</b> |       |                             |                   |
| Term deposit Receipts                           | 5.1.1 | 5,450,000                   | 5,000,000         |
| Letter of placements                            | 5.1.2 | 4,225,000                   | -                 |
| Market Treasury Bills                           | 5.1.3 | 42,653,772                  | -                 |
|   |       | <u>52,328,772</u>           | <u>5,000,000</u>  |

**5.1.1 Term deposit receipts**

| Name of Investee Company       | Issue Date        | Face value       |                             |                           |                      | As at December 31, 2022 |                  | Market value as a percentage of     |                   |
|--------------------------------|-------------------|------------------|-----------------------------|---------------------------|----------------------|-------------------------|------------------|-------------------------------------|-------------------|
|                                |                   | At July 01, 2022 | Purchased during the Period | Matured during the Period | At December 31, 2022 | Carrying value          | Market value     | net assets of the fund              | total investments |
|                                |                   |                  |                             |                           |                      |                         |                  | ------(Rupees in '000)----- % ----- |                   |
| Habib Bank Limited             | June 14, 2022     | 5,000,000        | -                           | 5,000,000                 | -                    | -                       | -                | -                                   | -                 |
| Bank Alfalah Limited           | July 28, 2022     | -                | 3,000,000                   | 3,000,000                 | -                    | -                       | -                | -                                   | -                 |
| Bank Alfalah Limited           | August 24, 2022   | -                | 4,000,000                   | 4,000,000                 | -                    | -                       | -                | -                                   | -                 |
| Bank Alfalah Limited           | November 17, 2022 | -                | 5,450,000                   | -                         | 5,450,000            | 5,450,000               | 5,450,000        | 7.22                                | 10.41             |
| <b>As at December 31, 2022</b> |                   |                  |                             |                           |                      | <u>5,450,000</u>        | <u>5,450,000</u> |                                     |                   |
| As at June 30, 2022            |                   |                  |                             |                           |                      | <u>5,000,000</u>        | <u>5,000,000</u> |                                     |                   |

**5.1.1.1** These carry profit at rate of 16.25% per annum (June 30, 2022: 19.20%) and are due to mature latest by January 3, 2023.

**5.1.2 Letter of placements**

| Name of Investee Company                     | Issue Date         | Face value       |                           |                         |                      | As at December 31, 2022 |                  | Market value as a percentage of     |                   |
|--|--------------------|------------------|---------------------------|-------------------------|----------------------|-------------------------|------------------|-------------------------------------|-------------------|
|  |                    | At July 01, 2022 | Purchases during the year | Matured during the year | At December 31, 2022 | Carrying value          | Market value     | net assets                          | total investments |
|  |                    |                  |                           |                         |                      |                         |                  | ------(Rupees in '000)----- % ----- |                   |
| Pak Oman Investment Company Limited          | July 19, 2022      | -                | 850,000                   | 850,000                 | -                    | -                       | -                | -                                   | -                 |
| Pak Oman Investment Company Limited          | August 17, 2022    | -                | 850,000                   | 850,000                 | -                    | -                       | -                | -                                   | -                 |
| Pak Brunei Investment Company Limited        | August 22, 2022    | -                | 1,100,000                 | 1,100,000               | -                    | -                       | -                | -                                   | -                 |
| Pak Oman Investment Company Limited          | August 22, 2022    | -                | 850,000                   | 850,000                 | -                    | -                       | -                | -                                   | -                 |
| Pak Oman Investment Company Limited          | October 3, 2022    | -                | 800,000                   | 800,000                 | -                    | -                       | -                | -                                   | -                 |
| Askari Bank Limited                          | October 3, 2022    | -                | 6,000,000                 | 6,000,000               | -                    | -                       | -                | -                                   | -                 |
| Pak Brunei Investment Company Limited        | October 17, 2022   | -                | 1,000,000                 | 1,000,000               | -                    | -                       | -                | -                                   | -                 |
| Askari Bank Limited                          | November 23, 2022  | -                | 1,900,000                 | 1,900,000               | -                    | -                       | -                | -                                   | -                 |
| Pak Oman Investment Company Limited          | December 15, 2022  | -                | 800,000                   | 800,000                 | -                    | -                       | -                | -                                   | -                 |
| Askari Bank Limited                          | December 16, 2022  | -                | 3,000,000                 | 3,000,000               | -                    | -                       | -                | -                                   | -                 |
| Askari Bank Limited                          | December 19, 2022  | -                | 1,850,000                 | 1,850,000               | -                    | -                       | -                | -                                   | -                 |
| Askari Bank Limited                          | December 20, 2022  | -                | 3,625,000                 | 3,625,000               | -                    | -                       | -                | -                                   | -                 |
| Pak Oman Investment Company Limited          | December 22, 2022  | -                | 800,000                   | 800,000                 | -                    | -                       | -                | -                                   | -                 |
| Askari Bank Limited                          | December 23, 2022  | -                | 4,500,000                 | 4,500,000               | -                    | -                       | -                | -                                   | -                 |
| Pak Kuwait Investment Company (Pvt.) Limited | September 28, 2022 | -                | 250,000                   | -                       | 250,000              | 250,000                 | 250,000          | 0.33                                | 0.48              |
| Pak Kuwait Investment Company (Pvt.) Limited | September 30, 2022 | -                | 3,975,000                 | -                       | 3,975,000            | 3,975,000               | 3,975,000        | 5.27                                | 7.60              |
| <b>As at December 31, 2022</b>               |                    |                  |                           |                         |                      | <u>4,225,000</u>        | <u>4,225,000</u> |                                     |                   |
| As at June 30, 2022                          |                    |                  |                           |                         |                      | <u>-</u>                | <u>-</u>         |                                     |                   |

**5.1.2.1** These carry profit at rate of 16.05% per annum and are due to mature latest by March 28, 2023.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**5.1.3 Market Treasury Bills**

| Name of Security | Issue Date | Face value          |                             |                                  | As at 31 December, 2022 |                |              | Market value as a percentage of |                        |
|------------------|------------|---------------------|-----------------------------|----------------------------------|-------------------------|----------------|--------------|---------------------------------|------------------------|
|                  |            | As at July 01, 2022 | Purchased during the period | Sold / matured during the period | As at December 31, 2022 | Carrying value | Market value | Unrealised appreciation         | net assets of the fund |

----- (Rupees in '000) -----

----- % -----

**Market Treasury**

**Bills**

|             |                    |   |            |            |            |            |            |        |       |       |
|-------------|--------------------|---|------------|------------|------------|------------|------------|--------|-------|-------|
| - 3 months  | April 28, 2022     | - | 12,175,000 | 12,175,000 | -          | -          | -          | -      | -     | -     |
| - 3 months  | June 2, 2022       | - | 775,000    | 775,000    | -          | -          | -          | -      | -     | -     |
| - 3 months  | June 16, 2022      | - | 23,450,000 | 23,450,000 | -          | -          | -          | -      | -     | -     |
| - 3 months  | June 30, 2022      | - | 73,600,000 | 73,600,000 | -          | -          | -          | -      | -     | -     |
| - 3 months  | July 14, 2022      | - | 12,308,640 | 12,308,640 | -          | -          | -          | -      | -     | -     |
| - 3 months  | July 28, 2022      | - | 85,500,000 | 85,500,000 | -          | -          | -          | -      | -     | -     |
| - 3 months  | August 11, 2022    | - | 5,250,000  | 5,250,000  | -          | -          | -          | -      | -     | -     |
| - 3 months  | August 25, 2022    | - | 9,473,900  | 9,473,900  | -          | -          | -          | -      | -     | -     |
| - 3 months  | September 8, 2022  | - | 922,000    | 922,000    | -          | -          | -          | -      | -     | -     |
| - 3 months  | September 22, 2022 | - | 10,701,000 | 10,701,000 | -          | -          | -          | -      | -     | -     |
| - 3 months  | October 6, 2022    | - | 55,970,000 | 55,970,000 | -          | -          | -          | -      | -     | -     |
| - 3 months  | October 20, 2022   | - | 6,985,000  | 6,985,000  | -          | -          | -          | -      | -     | -     |
| - 3 months  | December 1, 2022   | - | 2,470,000  | 2,470,000  | -          | -          | -          | -      | -     | -     |
| - 3 months  | December 15, 2022  | - | 800,000    | 800,000    | -          | -          | -          | -      | -     | -     |
| - 3 months* | November 3, 2022   | - | 41,455,000 | 37,255,000 | 4,200,000  | 4,155,253  | 4,156,820  | 1,567  | 5.51  | 7.94  |
| - 3 months* | November 17, 2022  | - | 72,470,575 | 35,350,000 | 37,120,575 | 36,484,731 | 36,517,514 | 32,783 | 48.38 | 69.78 |

**Market Treasury**

**Bills**

|            |                  |   |            |            |   |   |   |   |   |   |
|------------|------------------|---|------------|------------|---|---|---|---|---|---|
| - 6 months | April 7, 2022    | - | 500,000    | 500,000    | - | - | - | - | - | - |
| - 6 months | March 10, 2022   | - | 11,500,000 | 11,500,000 | - | - | - | - | - | - |
| - 6 months | June 2, 2022     | - | 7,000,000  | 7,000,000  | - | - | - | - | - | - |
| - 6 months | April 28, 2022   | - | 600,000    | 600,000    | - | - | - | - | - | - |
| - 6 months | January 27, 2022 | - | 500,000    | 500,000    | - | - | - | - | - | - |
| - 6 months | October 6, 2022  | - | 6,950,080  | 6,950,080  | - | - | - | - | - | - |
| - 6 months | October 20, 2022 | - | 3,100,000  | 3,100,000  | - | - | - | - | - | - |

**Market Treasury**

**Bills**

|              |                  |   |           |         |           |           |           |     |      |      |
|--------------|------------------|---|-----------|---------|-----------|-----------|-----------|-----|------|------|
| - 12 months  | April 7, 2022    | - | 565,500   | 565,500 | -         | -         | -         | -   | -    | -    |
| - 12 months* | January 27, 2022 | - | 2,000,000 | -       | 2,000,000 | 1,979,007 | 1,979,438 | 431 | 2.62 | 3.78 |

**Total as at December 31, 2022**

**42,618,991    42,653,772    34,781**

**Total as at June 30, 2022**

**-    -    -**

\* These will mature latest by February 9, 2023 and carry effective yield with rates ranging from 15.17% to 15.46% per annum.

**5.1.4 Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'**

|                                     | Note                 | December 31, 2022<br>(Un-audited) | June 30, 2022<br>(Audited) |
|-------------------------------------|----------------------|-----------------------------------|----------------------------|
| Market value of investments         | 5.1.1, 5.1.2 & 5.1.3 | 52,328,772                        | 5,000,000                  |
| Less: carrying value of investments | 5.1.1, 5.1.2 & 5.1.3 | 52,293,991                        | 5,000,000                  |
|                                     |                      | <u>34,781</u>                     | <u>-</u>                   |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

|          |   | December 31,<br>2022<br>(Un-audited) | June 30,<br>2022<br>(Audited) |
|----------|---|--------------------------------------|-------------------------------|
|          |   | ----- (Rupees in '000) -----         |                               |
| <b>6</b> | <b>PAYABLE TO MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY</b> | <b>Note</b>                          |                               |
|          | Management remuneration payable   | 6.1                                  | 25,164                        |
|          | Sindh sales tax payable on remuneration of the Management Company                     | 6.2                                  | 3,271                         |
|          | Allocated expenses payable  | 6.3                                  | -                             |
|          | Selling and marketing expenses payable  | 6.4                                  | 24,577                        |
|          |   |                                      | <u>53,012</u>                 |
|          |   |                                      | <u>28,973</u>                 |

**6.1** The management company has charged management fee at the rate upto, 7.5% (June 30, 2022: 7.5%) of the gross earnings of scheme, calculated on a daily basis.

**6.2** Sindh sales tax on remuneration of the Management Company has been charged at the rate of 13% (June 30, 2022:13%).

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

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

**6.4** The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense, which has also been approved by the BOD of the Management Company.

**7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**

The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has charged Trustee Fee at the rate of 0.055% (December 31, 2021: 0.065%) of average daily net assets of the Fund during the period.

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

In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay an annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% (2022: 0.02%) of the daily net assets of the Fund.

|          |   | December 31,<br>2022<br>(Unaudited) | June 30,<br>2022<br>(Audited) |
|----------|---|-------------------------------------|-------------------------------|
|          |   | ----- (Rupees in '000) -----        |                               |
| <b>9</b> | <b>ACCRUED AND OTHER LIABILITIES</b>          | <b>Note</b>                         |                               |
|          | Provision for Federal Excise Duty payable on: |                                     |                               |
|          | - Remuneration of the Management Company      | 9.1                                 | 54,267                        |
|          | - Sales load                                  | 9.1                                 | 19                            |
|          | Brokerage payable                             |                                     | 1,966                         |
|          | Capital gain tax payable                      |                                     | 20,603                        |
|          | Auditor's remuneration payable                |                                     | 541                           |
|          | Printing expense payable                      |                                     | 30                            |
|          | Other payable                                 |                                     | 20,053                        |
|          |   |                                     | <u>97,479</u>                 |
|          |   |                                     | <u>95,744</u>                 |

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 54.286 million (June 30, 2022: Rs 54.286 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the SCP. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2022 would have been higher by Re 0.073 per unit (June 30, 2022: Re 0.086 per unit).

### 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2022 and June 30, 2022.

### 11 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute at least 90% of the Fund's accounting income for the year ending June 30, 2023 as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore no provision for taxation has been made in these condensed interim financial statements during the period.

|   | Note  | December 31,<br>2022         | December 31,<br>2021 |
|---|-------|------------------------------|----------------------|
|   |       | ----- (Unaudited) -----      |                      |
|   |       | ----- (Rupees in '000) ----- |                      |
| <b>12 CASH AND CASH EQUIVALENTS</b>     |       |                              |                      |
| Balances with banks                     | 4     | 22,645,447                   | 32,546,459           |
| Term deposit receipts                   | 5.1.1 | 5,450,000                    | 5,500,000            |
| Letter of placements                    | 5.1.2 | 4,225,000                    | -                    |
| Treasury bills maturing within 3 months | 5.1.3 | 40,674,334                   | 14,210,402           |
|   |       | 72,994,781                   | 52,256,861           |

### 13 EARNINGS PER UNIT

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

### 14 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 0.85% (December 31, 2021: 0.63%) which includes 0.09% (December 31, 2021: 0.05%) representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee. The prescribed limit for the ratio is 2% (December 31, 2021: 2%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a 'Money Market' scheme.



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

## 15 TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

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

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

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

Details of transactions and balances with related parties / connected persons during the period are as follows:

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

|   | Six months period ended<br>December 31, |        |
|---|---|--------|
|   | 2022                                    | 2021   |
|   | ----- (Unaudited) -----                 |        |
|   | ----- (Rupees in '000) -----            |        |
| <b>MCB-Arif Habib Savings and Investments Limited</b>           |   |        |
| Remuneration of the Management Company and related taxes        | 134,631                                 | 51,476 |
| Allocated expenses  | 8,203                                   | 10,142 |
| Selling and marketing expenses                                  | 55,945                                  | 26,838 |
| <b>Central Depository Company of Pakistan Limited - Trustee</b> |   |        |
| Remuneration of the Trustee and related taxes                   | 16,477                                  | 11,259 |
| <b>MCB Bank Limited</b>   |   |        |
| Profit on bank deposits   | 746                                     | 738    |
| Bank Charges  | 113                                     | 93     |
| <b>Arif Habib Limited - Brokerage House</b>                     |   |        |
| Brokerage expense*  | 130                                     | 142    |

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

|   | (Unaudited)<br>December 31,<br>2022 | (Audited)<br>June 30,<br>2022 |
|---|-------------------------------------|-------------------------------|
|   | ----- (Rupees in '000) -----        |                               |
| <b>MCB-Arif Habib Savings and Investments Limited</b>           |                                     |                               |
| Management fee payable  | 25,164                              | 17,262                        |
| Sales tax payable on remuneration of the Management Company     | 3,271                               | 2,244                         |
| Allocated expenses payable                                      | -                                   | 4,674                         |
| Selling and marketing expenses payable                          | 24,577                              | 4,793                         |
| <b>Central Depository Company of Pakistan Limited - Trustee</b> |                                     |                               |
| Trustee remuneration payable                                    | 2,614                               | 2,526                         |
| Sindh sales tax payable on Trustee remuneration                 | 340                                 | 328                           |
| <b>MCB Bank Limited</b>   |                                     |                               |
| Bank deposits   | 63,538                              | 61,716                        |
| Profit receivable on bank deposits                              | 298                                 | 390                           |

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

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

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

| For half year ended December 31, 2022 (Unaudited) |                    |          |                            |                        |                    |          |                               |
|---|--------------------|----------|----------------------------|------------------------|--------------------|----------|-------------------------------|
| As at<br>July 01, 2022                            | Issued<br>for cash | Redeemed | As at December<br>31, 2022 | As at July 01,<br>2022 | Issued<br>for cash | Redeemed | As at<br>December 31,<br>2022 |

Units ----- (Rupees in '000) -----

### Associated Companies

|   |                    |                    |                    |                    |                   |                   |                   |                   |
|---|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| Adamjee Insurance Company Limited   | 2,737,042          | 1,050,105          | 3,787,146          | 1                  | 277,387           | 106,423           | 387,615           | -                 |
| MCB - Arif Habib Savings And Investments Limited                            | -                  | 25,231,202         | 23,224,599         | 2,006,603          | -                 | 2,565,704         | 2,375,022         | 203,874           |
| Asghari Beg Memorial Trust  | 2                  | -                  | 2                  | -                  | -                 | -                 | -                 | -                 |
| Adamjee Life Assurance Company Limited - Conventional Business              | 3,474,011          | 217,870            | -                  | 3,691,881          | 352,075           | 22,080            | -                 | 375,101           |
| Adamjee Life Assurance Company Limited - NUJIL Fund                         | 1,523,731          | 1,485,378          | 3,009,108          | -                  | 154,423           | 150,536           | 305,668           | -                 |
| Adamjee Life Assurance Company Limited                                      | 360,356            | 22,599             | -                  | 382,955            | 36,520            | 2,290             | -                 | 38,909            |
| Adamjee Life Assurance Company Limited - IMF                                | 1,305,934          | 1,319,194          | 2,625,127          | 1                  | 132,350           | 133,694           | 268,424           | -                 |
| MCB Financial Services Limited  | 18,208             | 444,092            | 460,224            | 2,076              | 1,845             | 45,066            | 47,000            | 211               |
| Adamjee Life Assurance Company Limited - ISF                                | 13,019,718         | 25,642,208         | 38,661,926         | -                  | 1,319,489         | 2,601,827         | 3,936,656         | -                 |
| Adamjee Life Assurance Company Limited - ISF II                             | 5,747,888          | 18,254,985         | 24,002,873         | -                  | 582,522           | 1,856,253         | 2,447,986         | -                 |
| D.G. Khan Cement Company Limited  | 3                  | -                  | -                  | 3                  | -                 | -                 | -                 | -                 |
| Nishat Power Limited - Employees Provident Fund Trust                       | 122,690            | 9,093              | -                  | 131,783            | 12,434            | 922               | -                 | 13,389            |
| Security General Insurance Company Limited                                  | 2,021,728          | 17,543             | 2,039,271          | -                  | 204,893           | 1,778             | 208,735           | -                 |
| Adamjee Life Assurance Company Limited - Employees Gratuity Fund            | 259,792            | 16,293             | -                  | 276,085            | 26,329            | 1,651             | -                 | 28,051            |
| Adamjee Insurance Company Limited - Employees Gratuity Fund                 | 333,855            | 537,797            | 526,827            | 344,825            | 33,835            | 54,557            | 53,821            | 35,035            |
| Adamjee Insurance Company Limited - Employees Provident Fund                | 665,703            | 886,473            | 1,059,570          | 492,607            | 67,466            | 89,917            | 107,574           | 50,050            |
| Security General Insurance Company Limited - Employees Provident Fund Trust | 91,735             | 6,799              | -                  | 98,534             | 9,297             | 689               | -                 | 10,011            |
| Sayed Engineers Limited   | 6,508              | 408                | -                  | 6,916              | 660               | 41                | -                 | 703               |
| ITMinds Limited   | -                  | 625,295            | 322,942            | 302,353            | -                 | 63,371            | 33,000            | 30,720            |
| Adamjee Life Assurance Company Limited - DGF                                | -                  | 1,991,083          | 1,991,083          | -                  | -                 | 202,243           | 204,118           | -                 |
| Adamjee Life Assurance Company Limited - DSF                                | 22,906             | 1,716,803          | 1,710,111          | 29,598             | 2,321             | 174,324           | 175,287           | 3,007             |
| Nishat Paper Products Company Limited - Staff Provident Fund Trust          | 172,688            | 12,799             | -                  | 185,487            | 17,501            | 1,297             | -                 | 18,846            |
| Adamjee Life Assurance Company Limited - Managed Growth Fund                | -                  | 22,705             | 21,306             | 1,399              | -                 | 2,301             | 2,178             | 142               |
| <b>Total associated Companies</b>   | <b>31,884,498</b>  | <b>79,510,724</b>  | <b>103,442,116</b> | <b>7,953,107</b>   | <b>3,231,347</b>  | <b>8,076,964</b>  | <b>10,553,084</b> | <b>808,049</b>    |
| <b>Key management personnel*</b>  | <b>36,723,098</b>  | <b>20,713,240</b>  | <b>5,251,893</b>   | <b>52,184,444</b>  | <b>3,721,717</b>  | <b>2,100,150</b>  | <b>535,995</b>    | <b>5,302,023</b>  |
| <b>Mandate Under Discretionary Portfolio Services*</b>                      | <b>9,654,954</b>   | <b>33,351,778</b>  | <b>35,251,276</b>  | <b>7,755,456</b>   | <b>978,485</b>    | <b>3,385,749</b>  | <b>3,604,308</b>  | <b>787,967</b>    |
| <b>Unit holders holding 10% or more units *</b>                             | <b>138,589,039</b> | <b>297,824,189</b> | <b>227,580,061</b> | <b>208,833,166</b> | <b>14,045,362</b> | <b>53,431,083</b> | <b>60,282</b>     | <b>21,217,784</b> |

\* This reflects the position of related party / connected persons status as at December 31, 2022

| For half year ended December 31, 2021 (Unaudited) |                    |          |                            |                        |                    |          |                               |
|---|--------------------|----------|----------------------------|------------------------|--------------------|----------|-------------------------------|
| As at<br>July 01, 2021                            | Issued<br>for cash | Redeemed | As at December<br>31, 2021 | As at July 01,<br>2021 | Issued<br>for cash | Redeemed | As at<br>December 31,<br>2021 |

Units ----- (Rupees in '000) -----

### Associated Companies

|   |                   |                    |                    |                   |                  |                   |                   |                  |
|---|-------------------|--------------------|--------------------|-------------------|------------------|-------------------|-------------------|------------------|
| MCB - Arif Habib Savings and Investments Limited - Management Company | 99,564            | 22,319,275         | 21,164,042         | 1,254,797         | 10,054           | 2,255,136         | 2,143,637         | 126,838          |
| Sayed Engineers Limited   | 5,813             | 221                | -                  | 6,034             | 587              | 22                | -                 | 610              |
| Adamjee Insurance Company Limited                                     | 504,207           | 19,140             | -                  | 523,347           | 50,915           | 1,933             | -                 | 52,901           |
| Nishat Power Limited - Employees Provident Fund Trust                 | 107,441           | 4,836              | -                  | 112,277           | 10,849           | 488               | -                 | 11,349           |
| MCB Financial Services Limited  | 857,936           | 29,614             | 83,907             | 803,643           | 86,634           | 2,990             | 8,500             | 81,235           |
| D.G. Khan Cement Company Limited                                      | 2                 | -                  | -                  | 2                 | -                | -                 | -                 | -                |
| Security General Insurance Company Limited                            | 610,874           | 122                | 10,399             | 600,597           | 61,686           | 12                | 1,051             | 60,710           |
| Adamjee Insurance Company Limited - Employees Gratuity Fund           | 196,786           | 318,078            | 386,210            | 128,654           | 19,871           | 32,119            | 39,057            | 13,005           |
| Adamjee Insurance Company Limited - Employees Provident Fund          | 393,245           | 634,587            | 830,600            | 197,232           | 39,710           | 64,081            | 83,987            | 19,937           |
| Asghari Beg Memorial Trust  | 562               | 2                  | -                  | 564               | 57               | -                 | -                 | 57               |
| Adamjee Life Assurance Company Limited ISF II                         | -                 | 23,238,571         | 20,269,620         | 2,968,951         | -                | 2,346,826         | 2,052,739         | 300,110          |
| Adamjee Life Assurance Company Limited - ISF                          | -                 | 4,948,251          | -                  | 4,948,251         | -                | 500,000           | -                 | 500,183          |
| <b>Directors and executives of the management company *</b>           | <b>23,011,248</b> | <b>7,415,932</b>   | <b>453,716</b>     | <b>29,973,464</b> | <b>2,326,041</b> | <b>748,988</b>    | <b>46,012</b>     | <b>3,029,802</b> |
| <b>Mandate Under Discretionary Portfolio Services*</b>                | <b>1,963,418</b>  | <b>27,859,070</b>  | <b>15,434,924</b>  | <b>14,387,564</b> | <b>198,468</b>   | <b>2,815,484</b>  | <b>1,567,100</b>  | <b>1,454,335</b> |
| <b>Unit holders holding 10% or more units *</b>                       | <b>82,168,723</b> | <b>201,933,828</b> | <b>204,559,189</b> | <b>79,543,362</b> | <b>8,305,845</b> | <b>20,397,613</b> | <b>10,294,297</b> | <b>8,040,466</b> |

\* This reflects the position of related party / connected person status as at December 31, 2021

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

## 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 16.1 Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs).

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

| ----- Unaudited -----  |         |            |         |            |
|--|---------|------------|---------|------------|
| ----- December 31, 2022 -----                                |         |            |         |            |
|  | Level 1 | Level 2    | Level 3 | Total      |
| ----- (Rupees in '000') -----                                |         |            |         |            |
| <b>Financial assets at fair value through profit or loss</b> |         |            |         |            |
| Term deposit receipts *                                      | -       | 5,450,000  | -       | 5,450,000  |
| Letter of placements *                                       | -       | 4,225,000  | -       | 4,225,000  |
| Market Treasury Bills  | -       | 42,653,772 | -       | 42,653,772 |
|  | -       | 52,328,772 | -       | 52,328,772 |
|  | -       | 52,328,772 | -       | 52,328,772 |
| ----- Audited -----  |         |            |         |            |
| ----- June 30, 2022 -----                                    |         |            |         |            |
|  | Level 1 | Level 2    | Level 3 | Total      |
| ----- (Rupees in '000') -----                                |         |            |         |            |
| <b>Financial assets at fair value through profit or loss</b> |         |            |         |            |
| Term deposit receipts *                                      | -       | 5,000,000  | -       | 5,000,000  |
|  | -       | 5,000,000  | -       | 5,000,000  |
|  | -       | 5,000,000  | -       | 5,000,000  |

\* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counterparties which have high credit rating.

## 17 INTERIM DISTRIBUTION DURING THE PERIOD

| ----- Unaudited -----                   |                  |                    |                          |                    |           |
|---|------------------|--------------------|--------------------------|--------------------|-----------|
| ----- December 31, 2022 -----           |                  |                    |                          |                    |           |
| Rate per unit                           | Declaration date | Refund of capital  | Distribution from income | Total distribution |           |
| ----- (Rupees in '000') -----           |                  |                    |                          |                    |           |
| For the period ended July 25, 2022      | 1.0346           | July 26, 2022      | 67,711                   | 387,633            | 455,344   |
| For the period ended August 29, 2022    | 1.3809           | August 30, 2022    | 112,409                  | 441,368            | 553,777   |
| For the period ended September 27, 2022 | 1.2335           | September 28, 2022 | 207,080                  | 524,357            | 731,437   |
| For the period ended October 25, 2022   | 1.1762           | October 26, 2022   | 108,073                  | 518,927            | 627,000   |
| For the period ended November 25, 2022  | 1.3125           | November 28, 2022  | 126,214                  | 540,867            | 667,081   |
| For the period ended December 23, 2022  | 1.1518           | December 26, 2022  | 162,207                  | 465,814            | 628,021   |
|   |                  |                    | 783,694                  | 2,878,966          | 3,662,660 |
|   |                  |                    | 783,694                  | 2,878,966          | 3,662,660 |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

| ----- Audited -----                     |                  |                    |                          |                    |           |
|---|------------------|--------------------|--------------------------|--------------------|-----------|
| December 31, 2021                       |                  |                    |                          |                    |           |
| Rate per unit                           | Declaration date | Refund of capital  | Distribution from income | Total distribution |           |
| ----- (Rupees in '000) -----            |                  |                    |                          |                    |           |
| For the period ended July 27, 2021      | 0.5378           | July 28, 2021      | 3,437                    | 173,670            | 177,107   |
| For the period ended August 6, 2021     | 0.2347           | August 9, 2021     | 603                      | 75,805             | 76,408    |
| For the period ended August 20, 2021    | 0.6364           | August 23, 2021    | 833                      | 203,422            | 204,255   |
| For the period ended September 3, 2021  | 0.2684           | September 6, 2021  | 4,660                    | 70,661             | 75,321    |
| For the period ended September 17, 2021 | 0.2955           | September 20, 2021 | 4,695                    | 85,301             | 89,996    |
| For the period ended October 4, 2021    | 0.3346           | October 5, 2021    | 8,952                    | 104,972            | 113,924   |
| For the period ended October 21, 2021   | 0.3685           | October 22, 2021   | 8,270                    | 128,937            | 137,207   |
| For the period ended November 5, 2021   | 0.3449           | November 8, 2021   | 2,714                    | 103,630            | 106,344   |
| For the period ended November 19, 2021  | 0.2783           | November 22, 2021  | 1,946                    | 79,036             | 80,982    |
| For the period ended December 28, 2021  | 1.0150           | December 29, 2021  | 105,816                  | 246,675            | 352,491   |
|   |                  |                    | 141,926                  | 1,272,109          | 1,414,035 |

**18 GENERAL**

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

**19 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on February 03, 2023 by the Board of Directors of the Management Company.

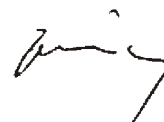
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

**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)