

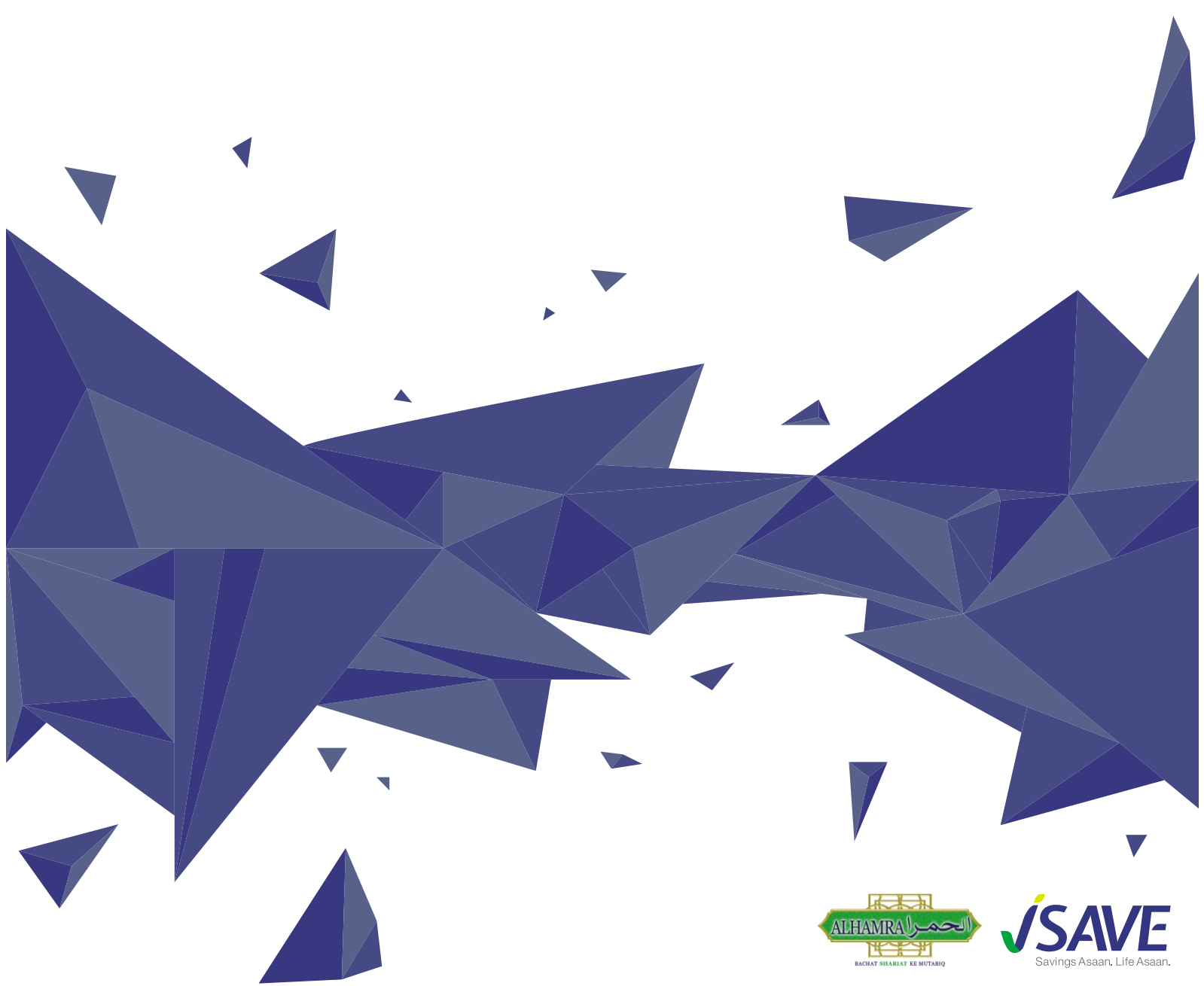


MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2023
(UNAUDITED)

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



PAKISTAN INCOME FUND

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FUND'S INFORMATION

| | | |
|--|---|--|
| Management Company | MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi. | |
| Board of Directors | Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan | Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director |
| Audit Committee | Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain | Chairman Member Member Member Member |
| Human Resource & Remuneration Committee | Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem | Chairman Member Member Member Member Member |
| Credit Committee | Mr. Nasim Beg Mr. Ahmed Jahangir | Member Member |
| Chief Executive Officer | Mr. Muhammad Saqib Saleem | |
| Chief Operating Officer & Chief Financial Officer | Mr. Muhammad Asif Mehdi Rizvi | |
| Company Secretary | Mr. Altaf Ahmad Faisal | |
| Trustee | Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com | |
| Bankers | MCB Bank Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited United Bank Limited Allied Bank Limited Silk Bank Limited Bank Al-Habib Limited NRSP Micro Finance Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited Khushali Micro Finance Bank Limited Tameer Micro Finance Bank Limited Finca Micro Finance Bank Limited JS Bank Limited Zarai Traqiati Bank Limited Habib Bank Limited HBL Mirco Finance Bank Limited National Bank of Pakistan Soneri Bank Limited The Bank of Khyber | |
| Auditors | Yousuf Adil Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550. | |
| Legal Advisor | Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi | |
| Transfer Agent | MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi. | |
| Rating | AM1 Asset Manager Rating assigned by PACRA | |

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Pakistan Income Fund** accounts review for the nine months and quarter ended March 31, 2023.

ECONOMY AND MONEY MARKET REVIEW

The country faced a period of heightened economic challenges, which were further escalated by the worst floods in more than a decade. The floods caused significant damage to infrastructure, crops, and livestock, as well as loss of precious lives. Efforts to shore up international aid, while resulted in significant commitments of near USD 10bn over medium term however the strain, intensified the short term pressures as country is already grappling with depleting foreign exchange reserves while struggling to unlock IMF support.

The country's external position remains precarious with SBP foreign exchange reserves declining to USD 4.2 billion (mere import cover of 3 weeks) compared to USD 9.8 billion at the start of the fiscal year. The government has been aggressively pursuing IMF program - albeit with a delay – to conclude 9th review of the Fund. Despite taking politically unpopular steps like raising energy tariff, letting PKR devalue, slapping additional taxes and raising interest rates, IMF's Staff Level Agreement (SLA) yet eludes us. The delay in the IMF program led to a slowdown in foreign flows from bilateral and multilateral partners leading to erosion in reserves. As a result, the currency remained under severe pressure, with dollar appreciating by 38.6% in 9MFY23 to close at 283.4 near to its all-time high level.

The country posted a current account deficit (CAD) of USD 3.9 billion in first eight months of the fiscal year 2023 (8MFY23) declining by 68% YoY compared to a deficit of USD 12.1 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as a 9.7% decrease in exports coupled with 21.0% drop in imports led to 29.8% contraction in the trade deficit. The government kept a lid on imports through administrative measures such as imposing import quotas on selective imports. However, these steps have led to an increase in smuggling activity which is also picking away remittances through gray channels. Furthermore, the tight leash on imports is not sustainable as it is causing shortages across various industries impacting overall economic growth.

Headline inflation represented by CPI averaged 27.2% during 9MFY23 as compared to 10.7% in the corresponding period last year. Higher food prices coupled with higher electricity, gas and petroleum prices were the major contributors towards rising CPI. The inflationary pressures were broad based, which is depicted by core inflation increasing to 20.4% compared to 12.3% at the end of last fiscal year. SBP increased the policy rate by a further 100bps to 21.0% in the latest monetary policy held in April 2023. On the fiscal side, FBR tax collection increased by 17.6% in 9MFY23 to PKR 5,156bn compared to PKR 4,385bn in the same period last year and below the target by PKR 304bn.

Secondary markets yields increased in 9MFY23 on account of monetary tightening and an additional bout of inflationary pressures post a massive currency devaluation. The 3,6 and 12 Month T-Bills yield increased by 643, 595 and 585 basis points (bps) respectively while 3,5 and 10 Years Bond yields rose by 479,226 and 206bps respectively during 9MFY23.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 14.59% as against its benchmark return of 18.20%. At period end, the fund was 13.90% in TFCs, 57.40% in PIBs, 22.60% in T-Bills and 3.70% in Cash. The weighted average maturity of the fund stood at 2.2 years. The Net Assets of the Fund as at March 31, 2023, stood at Rs. 2,808 million as compared to Rs. 3,210 million as at June 30, 2022 registering a decrease of 12.5%. The Net Asset Value (NAV) per unit as at March 31, 2023 was Rs. 60.3221 as compared to the opening NAV of Rs. 54.3657 per unit as at June 30, 2022 registering an increase of Rs. 5.9564 per unit.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

ECONOMY & MARKET – FUTURE OUTLOOK

We expect FY23 GDP growth to decline to 0.1% 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 aftermath of floods would trim agriculture growth to 0.4% while industrial growth is expected at clock at -6.9% 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 2.3%.

We expect the government to keep a tight leash on imports and discourage unnecessary dollar outflows. The import bill is expected to decrease by 20% YoY to USD 66 billion as we will witness volumetric compression in several segments of the economy. Thus we expect the CAD to ease to USD 5.8 billion (1.7% of GDP) in FY23, a massive drop, when compared with USD 17.4 billion (4.5% of GDP) in FY22.

Media reports indicate positive progress on confirmation of support from friendly countries which will remove the last hurdle towards IMF agreement. Saudi Arabia has confirmed commitment of USD 2bn and Pakistan is hoping for similar commitment for UAE or some other source which would lead to the much-delayed staff-level agreement with IMF. The successful resumption of IMF program is essential as it will allow us to tap funding from bilateral and multilateral sources. Due to ongoing uncertainty other external funding sources including Foreign Direct Investment and Roshan Digital Account also remain muted making IMF even more critical for sustainability of external account and economic stability.

We expect Average FY23 inflation to clock at 29.2% compared to 12.1% in FY22. A second round impact of the currency devaluation will keep inflation numbers elevated for the remainder of the year. SBP has increased interest rates by 1.0% to 21.0% in April-23 MPS to push the real interest rate in positive territory on a forward-looking basis and anchor inflation expectations. In our view, subject to smooth resumption of IMF, Interest Rates appear to be near peak and after a brief phase of current rates, a monetary easing cycle can potentially begin in the later part of the year as the base effect on inflation starts kicking in which will be more pronounced from the start of next calendar year.

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 7.7%, a discount of 61% from its historical average. Similarly, Earning Yield Minus Risk Free Rate are close to 6.8%, 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, resolution of challenges on external account shall be critical in unlocking the huge potential. The market is currently trading at PER of 4.6x, while offering a dividend yield of 12.1%.

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 22.8% during 9MFY23 to PKR 1,491 billion. Total money market funds grew by about 26.8% since June 2022. Within the money market sphere, the conventional funds showed a decline of 1.1% to PKR 441 billion while Islamic funds increased by 82.2% to PKR 411 billion. In addition, the total fixed Income funds increased by about 24.0% since June 2022 to PKR 358 billion. Equity and related funds declined by 21.9% as market witnessed a drop in 9MFY23, eroding AUMs as concern over macroeconomic factors kept investors at bay.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

In terms of the segment share, Money Market funds were the leader with a share of around 57.1%, followed by Income funds with 24.0% and Equity and Equity related funds having a share of 12.0% as at the end of 9MFY23.

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.

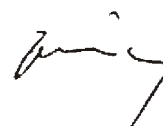
ACKNOWLEDGEMENT

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On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
April 14, 2023



Nasim Beg
Director/Vice Chairman

ڈائریکٹرز رپورٹ

توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ تاہم ضخیم استعداد سے فائدہ اٹھانے کے لیے خارجی میدان کے مسائل سے نمٹنا ضروری ہے۔ موجودہ طور پر مارکیٹ میں 4.6x کے PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی آمدنی 12.1 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 اگم 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 ابتدائی نو ماہ کے دوران تقریباً 22.8 فیصد بڑھ کر 1,491 بلین روپے ہو گئے۔ مجموعی Money مارکیٹ فنڈز میں جون 2022ء سے اب تک تقریباً 26.8 فیصد اضافہ ہوا۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈز 1.1 فیصد بڑھ کر 441 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 82.2 فیصد بڑھ کر 411 بلین روپے ہو گئے۔ مزید برآں، مجموعی فکسڈ انکم فنڈز جون 2022ء سے اب تک تقریباً 24.0 فیصد بڑھ کر 358 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 21.9 فیصد کم ہو گئے جس کی وجہ زبردستی جائزہ مدت کے دوران مارکیٹ میں انحطاط اور اثاثہ جات تحت الانتظامیہ 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 ابتدائی نو ماہ کے اختتام پر Money مارکیٹ فنڈز تقریباً 57.1 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر اگم فنڈز تھے جن کا 24.0 فیصد حصہ تھا، اور تیسرے نمبر پر ایکویٹی اور ایکویٹی سے متعلقہ فنڈز تھے جن کا 12.0 فیصد حصہ تھا۔

میوچل فنڈ کی صنعت کے مستقبل کا منظر

سود کی موجودہ شرحوں سے Money مارکیٹ فنڈز میں زیادہ آمدورفت 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 سہولت حاصل ہے اس کی بدولت ہم آن لائن کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

اظہار تشکر

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

من جانب ڈائریکٹرز



نسیم بیگ
ڈائریکٹر / وائس چیئرمین



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
کراچی، 14 اپریل 2023ء

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 14.59 فیصد تھا، جبکہ مقررہ معیار کا منافع 18.20 فیصد تھا۔ اختتام مدت پر فنڈ ٹرم فنانس سٹریٹجیٹس، ٹی ایف سی میں 13.90 فیصد، پی آئی بی میں 57.40 فیصد، ٹی۔بلز میں 22.60 فیصد اور نقد میں 3.70 فیصد تھا۔ فنڈ کی بالوزن اوسط میچورٹی 2.2 سالوں کی سطح پر تھی۔ 31 مارچ 2023ء کو فنڈ کے خالص اثاثہ جات 2,808 ملین روپے تھے جو 30 جون 2022ء کی سطح 3,210 ملین روپے کے مقابلے میں 12.5 فیصد کی کمی ہے۔ 31 مارچ 2023 کو خالص اثاثہ جاتی قدر (NAV) فی یونٹ 60.3221 روپے تھی جو 30 جون 2022ء کو ابتدائی اثاثہ جاتی قدر (NAV) 54.3657 روپے فی یونٹ کے مقابلے میں 5.9564 روپے فی یونٹ اضافہ ہے۔

معیشت اور بازار - مستقبل کے امکانات

مالی سال 2023ء میں جی ڈی پی کی ترقی میں 0.1 فیصد کمی متوقع ہے کیونکہ مالیاتی سختی، روپے کی قدر میں کمی اور موجودہ غیر یقینی صورتحال کے نتیجے میں معیشت منست 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 6.9- فیصد متوقع ہے جس کے اسباب طلب میں منست 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 2.3 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 20 فیصد YoY کم ہو کر 66 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 5.8 بلین ڈالر (جی ڈی پی کا 1.7 فیصد) ہو جائے گا جو مالی سال 2022ء کے 17.4 بلین ڈالر (جی ڈی پی کے 4.5 فیصد) کے مقابلے میں قابل ذکر کمی ہے۔

میڈیا رپورٹس کے مطابق دوست ممالک سے تعاون کی تصدیق میں مثبت پیش رفت ہوئی ہے جس کی بدولت آئی ایم ایف معاہدے کی راہ میں حائل آخری رکاوٹ دور ہو جائے گی۔ سعودی عرب نے 2 بلین ڈالر کے معاہدے کی تصدیق کی ہے، اور متحدہ عرب امارات سے بھی اسی نوعیت کے معاہدے کی توقع ہے، جس کی بدولت بے حد مطلوب آئی ایم ایف اسٹاف لیول معاہدے کی راہ ہموار ہوگی۔ آئی ایم ایف پروگرام کی کامیابی کی بحالی ایک کلیدی مثبت پیش رفت ہے کیونکہ اس کی بدولت ہم دو طرفہ اور کثیر الجہتی ذرائع سے رقم حاصل کر سکیں گے۔ موجودہ غیر یقینی صورتحال کے باعث حصول رقم کے دیگر خارجی ذرائع بشمول براہ راست غیر ملکی سرمایہ کاری (FDI) اور روشن ڈیجیٹل اکاؤنٹ بھی کارآمد ثابت نہیں ہو رہے ہیں، اور اس کے نتیجے میں آئی ایم ایف خارجی اکاؤنٹ کی قابلیت بقاء اور معاشی استحکام کے لیے مزید مشکل ہو رہی ہے۔

مالی سال 2023ء میں اوسط مہنگائی 29.2 فیصد متوقع ہے، بالمقابل مالی سال 2022ء میں 12.1 فیصد کے۔ روپے کی قدر میں کمی کے اثر کا دوسرا دور سال کے بقیہ حصے کے دوران مہنگائی کے عدد بلند سطح پر رکھے گا۔ ایس بی پی نے اپریل 2023ء MPS میں سود کی شرحوں کو 1.0 فیصد بڑھا کر 21.0 فیصد کر دیا ہے تاکہ حقیقی شرح سود کو ترقی پسندانہ بنیاد پر مثبت علاقے میں لے جایا جاسکے اور مہنگائی کی توقعات کو نگرانہ انداز کیا جاسکے۔

ہم سمجھتے ہیں کہ آئی ایم ایف کی پلا رکاوٹ بحالی سے مشروط سود کی شرحیں بظاہر بلندی کے قریب ہیں، اور موجودہ شرحوں کے ایک مختصر دور کے بعد سال کے اواخر میں مالیاتی تسہیل کا چکر شروع ہو سکتا ہے، کیونکہ مہنگائی پر base effect پڑنے لگے گا جو اگلے سال کے آغاز سے مزید واضح ہوگا۔

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 مد نظر رکھا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 7.7 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 61 فیصد کمی ہے۔ اسی طرح، Earning Yield Minus Risk Free Rate تقریباً 6.8 فیصد ہیں، اور ان کے قدیم اوسط 2.7 فیصد سے موازنہ کرنے 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 اُن کمپنیوں پر

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان انکم فنڈ کے اکاؤنٹس مختتمہ برائے نومبر اور دسمبر ماہی 31 مارچ 2023ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

ملک گھمبیر معاشی مسائل کے دور سے گزرا ہے اور گزشتہ ایک دہائی سے زائد کے بدترین سیلابوں نے اسے مزید سنگین بنا دیا۔ سیلابوں سے انفراسٹرکچر یعنی ساخت، فصلوں اور مویشیوں کو شدید نقصان پہنچا اور انسانی جانوں کا ضیاع ہوا۔ بین الاقوامی امداد جمع کرنے کی کوششوں کے نتیجے میں اگرچہ درمیانی مدت میں تقریباً 10 بلین ڈالر سے زائد کے وعدے حاصل ہوئے تاہم مختصر مدت کے دباؤ میں اضافہ ہوا کیونکہ ملک پہلے ہی زرمبادلہ کے کم ہوتے ہوئے ذخائر سے نمٹ رہا ہے اور آئی ایم ایف کی امداد حاصل کرنے کی کاوش میں لگا ہوا ہے۔

ملک کی خارجی صورتحال غیر یقینی رہی کیونکہ ایس بی پی کے زرمبادلہ کے ذخائر کم ہو کر 4.2 بلین ڈالر (صرف 3 ہفتوں کا درآمداتی cover) جبکہ مالی سال کے آغاز میں 9.8 بلین ڈالر تھے۔ حکومت متحزک انداز میں آئی ایم ایف پروگرام پر عمل کرتے ہوئے - اگرچہ کچھ تاخیر کے ساتھ - فنڈ کا نواں (9th) جائزہ پایہ تکمیل تک پہنچانے کے لیے پرعزم ہے۔

سیاسی اعتبار سے ناپسندیدہ فیصلوں مثلاً بجلی اور گیس کی قیمت بڑھانے، روپے کی قدر میں کمی ہونے دینا، اضافی ٹیکس لگانے، اور سود کی شرحوں میں اضافہ کرنے کے باوجود آئی ایم ایف کا اسٹاف لیول ایگریمنٹ (SLA) اب بھی ہمارے ہاتھ نہیں آیا ہے۔ آئی ایم ایف پروگرام میں تاخیر کے باعث دو طرفہ اور کثیرالجہتی شراکت داروں سے غیر ملکی امداد دست روی کا شکار ہوئیں اور ذخائر میں کمی ہوئی۔ اس کے نتیجے میں روپے پر شدید دباؤ رہا اور مالی سال 2023ء میں ڈالر کی قدر 38.6 فیصد بڑھ کر 283.4 روپے ہو گئی جو اب تک کی بلند ترین سطح ہے۔

مالی سال 2023ء کے ابتدائی آٹھ ماہ میں ملک نے 3.9 بلین ڈالر کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) پوسٹ کیا، جو سال گزشتہ کی مماثل مدت کی سطح 12.1 بلین ڈالر کے مقابلے میں 68 فیصد YoY کمی ہے۔ سی اے ڈی میں بہتری میں اہم ترین کردار تجارتی خسارے میں کمی کا ہے۔ برآمدات میں 9.7 فیصد کمی کے ساتھ ساتھ درآمدات میں 21.0 فیصد کمی کی بدولت تجارتی خسارہ 29.8 فیصد سے سنکڑ گیا۔ حکومت نے انتظامی اقدامات کے ذریعے درآمدات کو قابو میں رکھا، مثلاً منتخب درآمدات پر درآمداتی کوٹوں کا نفاذ۔ تاہم ان اقدامات سے اسمگلنگ (غیر قانونی درآمدات) کی سرگرمیوں میں اضافہ ہوا ہے اور مشتبه ذرائع سے ترسیلات زر ضائع ہو رہی ہیں۔ علاوہ ازیں، درآمدات کو سختی سے قابو میں رکھنا پائیدار عمل نہیں ہے کیونکہ اس سے مختلف صنعتوں میں کمی پیدا ہو رہی ہے جس کے نتیجے میں مجموعی معاشی ترقی متاثر ہو رہی ہے۔

ہیڈ لائن انفراسٹرکچر، جس کی ترجمانی CPI یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط مالی سال 2023ء کے ابتدائی نو ماہ کے دوران 27.2 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 10.7 فیصد تھا۔ اشیائے خورد و نوش کی قیمتوں کے ساتھ ساتھ بجلی کے نرخ میں اضافہ اور پٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے اہم ترین اسباب تھے۔ مہنگائی کا دباؤ وسیع پیمانے پر تھا جس کا اظہار core مہنگائی میں 20.4 فیصد کی سطح تک اضافے سے ہوا جو گزشتہ مالی سال کے اختتام پر 12.3 فیصد تھا۔ ایس بی پی نے اپریل 2023ء کی تازہ ترین ماہی پالیسی میں پالیسی شرح کو مزید 100 بیسیس پوائنٹس (بی پی ایس) بڑھا کر 21.0 فیصد کر دیا۔ مالیاتی جہت میں ایف بی آر کی ٹیکس وصولی میں مالی سال 2023ء کے ابتدائی نو ماہ میں 17.6 فیصد اضافہ ہوا اور 5,156 بلین روپے ٹیکس جمع ہوئے، جبکہ گزشتہ سال مماثل مدت میں 4,385 بلین روپے تھا اور ہدف سے 304 بلین روپے کم تھا۔

ثانوی مارکیٹوں کی پیداوار میں مالی سال 2023ء کے ابتدائی نو ماہ میں اضافہ ہوا جس کے اسباب مالیاتی سختی اور روپے کی قدر میں خطیر کمی کے بعد مہنگائی کے دباؤ کی نئی لہر ہے۔ 3، 6 اور 12 ماہانہ ٹی-بلنز کے منافع جات میں بالترتیب 643,595 اور 585 بی پی ایس، جبکہ 3، 5 اور 10 سالہ بانڈز کے منافع جات میں بالترتیب 479,226 اور 206 بی پی ایس کا اضافہ ہوا۔

**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2023**

| | (Un-audited) March 31, 2023 | (Audited) June 30, 2022 |
|--|-----------------------------------|-------------------------------|
| Note | ----- (Rupees in '000) ----- | |
| ASSETS | | |
| Bank balances | 4 129,250 | 2,432,713 |
| Investments | 5 3,310,849 | 2,869,367 |
| Profit receivable | 67,919 | 81,610 |
| Advances, deposits, prepayments and other receivables | 17,702 | 13,103 |
| Total assets | 3,525,720 | 5,396,793 |
| LIABILITIES | | |
| Payable to MCB-Arif Habib Savings and Investments Limited - Management Company | 6 6,676 | 6,676 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 225 | 281 |
| Payable to Securities and Exchange Commission of Pakistan | 506 | 1,415 |
| Payable against redemption of units | 47 | 47 |
| Payable against purchase of investment | 697,676 | 2,125,509 |
| Accrued expenses and other liabilities | 7 12,661 | 52,840 |
| Total liabilities | 717,792 | 2,186,768 |
| NET ASSETS | 2,807,928 | 3,210,025 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | 2,807,928 | 3,210,025 |
| CONTINGENCIES AND COMMITMENTS | | |
| | 8 ----- (Number of units) ----- | |
| NUMBER OF UNITS IN ISSUE | 46,548,935 | 59,045,019 |
| | ----- (Rupees) ----- | |
| NET ASSET VALUE PER UNIT | 60.3221 | 54.3657 |

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

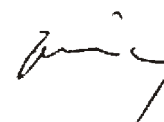
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023**

| | Nine months ended March 31, | | Quarter ended March 31, | |
|---|--------------------------------|----------------|----------------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Note | ----- (Rupees in '000) ----- | | | |
| INCOME | | | | |
| Income from government securities | 262,540 | 224,054 | 95,965 | 82,190 |
| Capital loss on sale of investments - net | (2,016) | (59,508) | (4,578) | (10,189) |
| Dividend income | - | 55,699 | - | - |
| Income from term finance certificates | 84,769 | 45,208 | 28,011 | 18,701 |
| Profit on bank deposit and term deposit receipts | 54,431 | 159,498 | 10,221 | 48,311 |
| Income from margin trading system | - | 5,794 | - | 83 |
| Gain on spread transactions | - | 121,435 | - | - |
| Unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss' - net | (18,562) | 15,860 | (18,327) | 7,895 |
| Other income | 494 | 4,154 | 169 | 647 |
| Total income | 381,656 | 572,195 | 111,461 | 147,639 |
| EXPENSES | | | | |
| Remuneration of the MCB-Arif Habib Savings and Investments Limited - Management Company | 11,502 | 53,317 | 3,084 | 12,660 |
| Sindh Sales Tax on remuneration of Management Company | 1,495 | 6,931 | 401 | 1,646 |
| Remuneration of the Central Depository Company of Pakistan Limited - Trustee | 1,898 | 4,494 | 596 | 1,062 |
| Sindh Sales Tax on remuneration of Trustee | 247 | 584 | 78 | 138 |
| Annual fee to Securities and Exchange Commission of Pakistan | 506 | 1,195 | 159 | 282 |
| Allocated expense | 3,510 | 5,991 | 1,191 | 1,415 |
| Selling and marketing expenses | 10,987 | 2,329 | 4,764 | - |
| Settlement and bank charges | 733 | 4,396 | 164 | 390 |
| Brokerage expense | 590 | 21,574 | 174 | 74 |
| Legal and professional charges | 157 | 513 | 76 | (42) |
| Professional charges on marginal trading system | - | 614 | - | 27 |
| Auditors' remuneration | 605 | 486 | 173 | 150 |
| Reversal for Sindh Worker's Welfare Fund | - | (18,571) | - | - |
| Other charges | 675 | 829 | 153 | 139 |
| Total expenses | 32,904 | 84,682 | 11,012 | 17,942 |
| Net income from operating activities | 348,752 | 487,513 | 100,449 | 129,697 |
| Net income for the period before taxation | 348,752 | 487,513 | 100,449 | 129,697 |
| Taxation | - | - | - | - |
| Net income for the period after taxation | 348,752 | 487,513 | 100,449 | 129,697 |
| Allocation of net income for the period: | | | | |
| Net income for the period after taxation | 348,752 | 487,513 | | |
| Income already paid on units redeemed | (96,628) | (268,686) | | |
| | 252,124 | 218,827 | | |
| Accounting income available for distribution | | | | |
| - Relating to capital gains | - | - | | |
| - Excluding capital gains | 252,124 | 218,827 | | |
| | 252,124 | 218,827 | | |

Earnings per unit

11

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

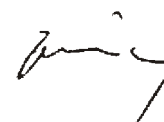
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023**

| | Nine months ended March 31, | | Quarter ended March 31, | |
|--|--------------------------------|---------|----------------------------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| | ----- (Rupees in '000) ----- | | | |
| Net income for the period after taxation | 348,752 | 487,513 | 100,449 | 129,697 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | 348,752 | 487,513 | 100,449 | 129,697 |

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

| | For nine months ended March 31, | | | | | |
|--|---------------------------------|----------------|------------------|----------------------|----------------|------------------|
| | 2023 | | | 2022 | | |
| | (Rupees in '000) | | | | | |
| Capital Value | Undistributed income | Total | Capital Value | Undistributed income | Total | |
| Net assets at beginning of the period | 3,087,097 | 122,928 | 3,210,025 | 9,456,517 | 138,838 | 9,595,355 |
| Issue of 85,314,394 units (2022: 232,100,857 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 4,638,178 | - | 4,638,178 | 12,599,085 | - | 12,599,085 |
| - Element of income | 205,542 | - | 205,542 | 359,552 | - | 359,552 |
| | 4,843,719 | - | 4,843,719 | 12,958,637 | - | 12,958,637 |
| Redemption of 97,810,478 units (2022: 323,719,263 units) | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | (5,317,535) | - | (5,317,535) | (17,572,388) | - | (17,572,388) |
| - Element of income | (180,405) | (96,628) | (277,033) | (278,538) | (268,686) | (547,224) |
| | (5,497,940) | (96,628) | (5,594,568) | (17,850,926) | (268,686) | (18,119,612) |
| Total comprehensive income for the period | - | 348,752 | 348,752 | - | 487,513 | 487,513 |
| Net assets at end of the period | 2,432,876 | 375,052 | 2,807,928 | 4,564,228 | 357,665 | 4,921,892 |
| Undistributed income brought forward | | | | | | |
| - Realised | | 110,314 | | | 61,621 | |
| - Unrealised | | 12,614 | | | 77,217 | |
| | | 122,928 | | | 138,838 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | - | | | - | |
| - Excluding capital gains | | 252,124 | | | 218,827 | |
| | | 252,124 | | | 218,827 | |
| Undistributed income carried forward | | 375,052 | | | 357,665 | |
| Undistributed income carried forward | | | | | | |
| - Realised | | 393,614 | | | 341,805 | |
| - Unrealised | | (18,562) | | | 15,860 | |
| | | 375,052 | | | 357,665 | |
| | | (Rupees) | | | (Rupees) | |
| Net assets value per unit at beginning of the period | | 54.3657 | | | 54.2828 | |
| Net assets value per unit at end of the period | | 60.3221 | | | 57.8041 | |

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

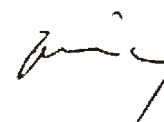
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

| | Nine months ended March 31, | |
|---|--------------------------------|--------------------|
| | 2023 | 2022 |
| | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the period before taxation | 348,752 | 487,513 |
| Adjustments for non cash and other items: | | |
| Unrealised (appreciation) / diminution in fair value of investments classified as 'at fair value through profit or loss' - net | 18,562 | (15,860) |
| (Reversal)/ provision for Sindh Workers' Welfare Fund | - | (18,571) |
| | <u>367,314</u> | <u>453,081</u> |
| (Increase) / decrease in assets | | |
| Investments | (162,848) | 2,377,082 |
| Profit receivable | 13,691 | 13,428 |
| Advances, deposits, prepayments and other receivables | (4,599) | 182,547 |
| | <u>(153,756)</u> | <u>2,573,057</u> |
| (Decrease) / increase liabilities | | |
| Payable to MCB-Arif Habib Savings and Investments Limited - Management Company | - | (3,695) |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | (56) | (307) |
| Payable to the Securities and Exchange Commission of Pakistan | (909) | 133 |
| Payable against purchase of investment | (1,427,833) | 1,703,930 |
| Accrued expenses and other liabilities | (40,179) | (8,050) |
| | <u>(1,468,976)</u> | <u>1,692,012</u> |
| Net cash (used in) / generated from operating activities | <u>(1,255,418)</u> | <u>4,718,150</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts from issuance of units | 4,843,719 | 12,958,637 |
| Payments on redemption of units | (5,594,568) | (18,119,612) |
| Net cash used in financing activities | <u>(750,849)</u> | <u>(5,160,976)</u> |
| Net increase in cash and cash equivalents during the period | <u>(2,006,267)</u> | <u>(442,826)</u> |
| Cash and cash equivalents at beginning of the period | 2,432,713 | 4,557,894 |
| Cash and cash equivalents at end of the period | <u>426,446</u> | <u>4,115,068</u> |

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Income Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October 23, 2001 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.

The Fund is an open-end collective investment scheme categorised as an "Income" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited..

The Fund primarily invests in money market and other short-term placements/instruments which include short-term corporate debt, government securities, margin trading system transactions and spread transactions. The Fund may also invest a portion of its assets under management in medium term assets in order to provide higher return to the unit holders.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM1 dated October 06, 2022 to the Management Company and "AA-(f)" as stability rating dated March 02, 2023 to the Fund.

The 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

This condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as 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 Regulation) 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 requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

- 2.2** This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2022. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2023 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2022, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2022.
- 2.3** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.
- 2.4** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.
- 2.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

3. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

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 Funds for the year ended June 30, 2022.

| | | | (Un-audited) March 31, 2023 | (Audited) June 30, 2022 |
|----------|------|----------------------|-----------------------------------|-------------------------------|
| | Note | | ---- (Rupees in '000) ---- | |
| 4 | | BANK BALANCES | | |
| | | Savings accounts | 4.1 119,401 | 2,422,745 |
| | | Current accounts | 4.2 9,849 | 9,968 |
| | | | 129,250 | 2,432,713 |

- 4.1** These carry profit at the rates ranging between 12.25% to 19% (June 30, 2022: 5.50% to 17.5%) per annum and include Rs 0.043 million (June 30, 2022: Rs 0.012 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 15.50% (June 30, 2022: 12.25%) per annum.
- 4.2** These include balance amounting to Rs. 9.842 million (June 30, 2022: Rs 9.96 million) related to MCB Bank Limited, a related party / connected person.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

| | Note | (Un-audited) | (Audited) |
|--|-------|----------------------------|------------------|
| | | March 31, 2023 | June 30, 2022 |
| | | ---- (Rupees in '000) ---- | |
| 5. INVESTMENTS | | | |
| Financial assets 'at fair value through profit or loss' - net | 5.1 | | |
| Government securities - Market treasury bills | 5.1.1 | 796,654 | - |
| Pakistan investment bonds | 5.1.2 | - | 121,317 |
| Pakistan investment bonds - Floating Rate Bond | 5.1.3 | 2,023,325 | 1,962,610 |
| Term finance certificates - listed | 5.1.4 | - | - |
| Term finance certificates - unlisted | 5.1.5 | 483,510 | 772,305 |
| Sukuks certificates - unlisted | 5.1.6 | 7,360 | 13,135 |
| | | 3,310,849 | 2,869,367 |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

5.1 Financial assets 'at fair value through profit or loss'
5.1.1 Government securities - Market treasury bills

| Tenor | Issue Date | Face value | | | | As at March 31, 2023 | | | Market value as a percentage of net assets | Market value as a percentage of total investments |
|-----------------------------------|------------|--------------------|-----------------------------|----------------------------------|----------------------|----------------------|----------------|--|--|---|
| | | As at July 1, 2022 | Purchased during the period | Sold / matured during the period | As at March 31, 2023 | Carrying value | Market value | Unrealised appreciation / (diminution) | | |
| 3 months | | | | | | | | | | |
| - 3 months | 14-Jul-22 | - | 2,750,000 | 2,750,000 | - | - | - | - | - | - |
| - 3 months | 28-Jul-22 | - | 2,550,000 | 2,550,000 | - | - | - | - | - | - |
| - 3 months | 11-Aug-22 | - | 850,000 | 850,000 | - | - | - | - | - | - |
| - 3 months | 25-Aug-22 | - | 1,900,000 | 1,900,000 | - | - | - | - | - | - |
| - 3 months | 08-Sep-22 | - | 600,000 | 600,000 | - | - | - | - | - | - |
| - 3 months | 22-Sep-22 | - | 1,000,000 | 1,000,000 | - | - | - | - | - | - |
| - 3 months | 06-Oct-22 | - | 2,100,000 | 2,100,000 | - | - | - | - | - | - |
| - 3 months | 20-Oct-22 | - | 285,000 | 285,000 | - | - | - | - | - | - |
| - 3 months | 03-Nov-22 | - | 1,965,000 | 1,965,000 | - | - | - | - | - | - |
| - 3 months | 17-Nov-22 | - | 2,065,000 | 2,065,000 | - | - | - | - | - | - |
| - 3 months | 01-Dec-22 | - | 500,000 | 500,000 | - | - | - | - | - | - |
| - 3 months | 15-Dec-22 | - | 635,000 | 635,000 | - | - | - | - | - | - |
| - 3 months | 04-Jan-23 | - | 375,000 | 375,000 | - | - | - | - | - | - |
| - 3 months | 26-Jan-23 | - | 770,000 | 470,000 | 300,000 | 297,311 | 297,196 | (114) | 11 | 9 |
| 6 months | | | | | | | | | | |
| - 6 months | 27-Jan-22 | - | 500,000 | 500,000 | - | - | - | - | - | - |
| - 6 months | 10-Feb-22 | - | 500,000 | 500,000 | - | - | - | - | - | - |
| - 6 months | 10-Mar-22 | - | 755,000 | 755,000 | - | - | - | - | - | - |
| - 6 months | 21-Apr-22 | - | 1,500,000 | 1,500,000 | - | - | - | - | - | - |
| - 6 months | 28-Apr-22 | - | 1,200,000 | 1,200,000 | - | - | - | - | - | - |
| - 6 months | 02-Jun-22 | - | 3,600,000 | 3,600,000 | - | - | - | - | - | - |
| - 6 months | 06-Oct-22 | - | 1,000,000 | 500,000 | 500,000 | 499,475 | 499,458 | (17) | - | - |
| 12 months | | | | | | | | | | |
| - 12 months | 06-Oct-22 | - | 850,000 | 850,000 | - | - | - | - | - | - |
| - 12 months | 20-Oct-22 | - | 550,000 | 550,000 | - | - | - | - | - | - |
| Total as at March 31, 2023 | | | | | | 796,785 | 796,654 | (131) | | |
| Total as at June 30, 2022 | | | | | | - | - | - | | |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

5.1.2 Pakistan investment bonds

| Particulars | Issue Date | Face value | | | | As at March 31, 2023 | | | Market value as a percentage of net assets | Market value as a percentage of total investments |
|-----------------------------------|------------------|-----------------------------|------------------------|-----------------------------|------------------------|----------------------|--------------|--|--|---|
| | | As at July 1, 2022 | | As at March 31, 2023 | | Carrying value | Market value | Unrealised appreciation / (diminution) | | |
| | | Purchased during the period | Sold during the period | Purchased during the period | Sold during the period | | | | | |
| Pakistan Investment Bonds-3 Years | August 5, 2021 | - | 250,000 | - | - | - | - | - | - | |
| Pakistan Investment Bonds-3 Years | August 4, 2022 | - | 1,350,000 | - | - | - | - | - | - | |
| Pakistan Investment Bonds-5 Years | April 29, 2022 | 150,000 | 1,100,000 | - | - | - | - | - | - | |
| Pakistan Investment Bonds-5 Years | October 13, 2022 | - | 550,000 | - | - | - | - | - | - | |
| Total as at March 31, 2023 | | | | | | | | | | |
| Total as at June 30, 2022 | | | | | | 121,735 | 121,317 | (418) | | |

5.1.3 Pakistan investment bonds - Floating Rate Bond

| Particulars | Issue Date | Face value | | | | As at March 31, 2023 | | | Market value as a percentage of net assets | Market value as a percentage of total investments |
|------------------------------------|-------------------|-----------------------------|------------------------|-----------------------------|------------------------|----------------------|--------------|--|--|---|
| | | As at July 1, 2022 | | As at March 31, 2023 | | Carrying value | Market value | Unrealised appreciation / (diminution) | | |
| | | Purchased during the period | Sold during the period | Purchased during the period | Sold during the period | | | | | |
| Pakistan Investment Bond - 2 years | November 5, 2020 | 550,000 | 1,100,000 | - | - | - | - | - | 0% | |
| Pakistan Investment Bond - 2 years | August 26, 2021 | 1,250,000 | 2,500,000 | 700,000 | 699,300 | 699,300 | - | - | 25% | |
| Pakistan Investment Bond - 2 years | September 8, 2022 | - | 600,000 | 1,000,000 | 991,510 | 988,200 | (3,310) | (3,310) | 35% | |
| Pakistan Investment Bond - 3 years | June 18, 2020 | - | 35,000 | - | - | - | - | - | 0% | |
| Pakistan Investment Bond - 5 years | May 6, 2021 | 175,000 | 350,000 | 175,000 | 341,935 | 335,825 | (6,110) | (6,110) | 12% | |
| Pakistan Investment Bond - 5 years | November 17, 2022 | - | 150,000 | - | - | - | - | - | 0% | |
| Total as at March 31, 2023 | | | | | | | | | | |
| Total as at June 30, 2022 | | | | | | 2,032,744 | 2,023,325 | (9,419) | | |
| | | | | | | 1,965,638 | 1,962,610 | (3,028) | | |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

| | | |
|-------------|-------------------------|-------------------------|
| | (Un-audited) | (Audited) |
| | March 31, | June 30, |
| | 2023 | 2022 |
| | ----- | ----- |
| | (Rupees in '000) | (Rupees in '000) |
| | ----- | ----- |
| Note | | |
| 5.1.4.1 | 93,553 | 93,553 |

5.1.4 Listed debt securities - term finance certificates

| | |
|---------------------------------|-----------------|
| Market value as at June 30 | 93,553 |
| Less: Provision as at July 1 | |
| - Pace Pakistan Limited | (49,940) |
| - Telecard Limited | (24,870) |
| - Trust Investment Bank Limited | (18,743) |
| | (93,553) |
| | 93,553 |

5.1.4.1 Listed debt securities - Term finance certificates

Certificates have a face value of Rs 5,000 each unless stated otherwise

| Name of investee company | Number of certificates | | | As at March 31, 2023 | | Market value as a percentage of net assets | Market value as a percentage of total investments |
|---|------------------------|-----------------------------|----------------------------------|----------------------|--|--|---|
| | As at July 1, 2022 | Purchased during the period | Sold / matured during the period | As at March 31, 2023 | Unrealised appreciation / (diminution) | | |
| Investment Banks / Investment Companies / Securities Companies | | | | | | | |
| Trust Investment Bank Limited | 10,000 | - | 10,000 | - | 18,743 | - | - |
| Miscellaneous | | | | | | | |
| Pace Pakistan Limited | 10,000 | - | 10,000 | - | 49,940 | - | - |
| Technology & Communication | | | | | | | |
| Telecard Limited | 15,980 | - | 15,980 | - | 24,870 | - | - |
| Total as at March 31, 2023 | | | | | 93,553 | 93,553 | |
| Total as at June 30, 2022 | | | | | 93,553 | 93,553 | |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

5.1.5 Unlisted debt securities - Term finance certificates

Certificates have a face value of Rs 100,000 each

| Name of investee company | Number of certificates | | | As at March 31, 2023 | | | Market value as a percentage of net assets | Market value as a percentage of total investments | |
|---|------------------------|-----------------------------|----------------------------------|----------------------|----------------|----------------|--|---|--|
| | As at July 1, 2022 | Purchased during the period | Sold / matured during the period | As at March 31, 2023 | Carrying value | Market value | | | Unrealised appreciation / (diminution) |
| Commercial Banks | | | | | | | ----- (Rupees in '000) ----- | ----- (%) ----- | |
| Askari Bank Limited - II | 30 | - | - | 30 | 30,450 | 29,972 | (478) | 1.07% | 0.91% |
| The Bank of Punjab | 1,730 | - | - | 1,730 | 170,596 | 173,255 | 2,660 | 6.17% | 5.23% |
| Bank Al habib Limited | 100,000 | - | 47,000 | 53,000 | 272,527 | 261,663 | (10,864) | 9.32% | 7.90% |
| Investment Banks / Investment Companies / Securities Companies | | | | | | | | | |
| Jahangir Siddiqui & Company Limited | 22,000 | - | - | 22,000 | 18,949 | 18,620 | (329) | 0.66% | 0.56% |
| Total as at March 31, 2023 | | | | | 492,522 | 483,510 | (9,012) | | |
| Total as at June 30, 2022 | | | | | 756,934 | 772,305 | 15,371 | | |

5.1.5.1 Significant terms and conditions of term finance certificates outstanding as at March 31, 2023 are as follows:

| Name of the Issuer | Mark-up rate (per annum) | Issue date | Maturity date | Rating |
|---|--------------------------|--------------------|--------------------|--------|
| Commercial Banks | | | | |
| Askari Bank Limited - II | 3 months KIBOR + 1.20% | March 17, 2020 | March 17, 2030 | AA |
| The Bank of Punjab | 6 months KIBOR + 1.25% | April 23, 2018 | April 23, 2028 | AA |
| Bank Al habib Limited | 6 months KIBOR + 0.75% | September 30, 2021 | September 30, 2031 | AAA |
| Investment Banks / Investment Companies / Securities Companies | | | | |
| Jahangir Siddiqui & Company Limited | 6 months KIBOR + 1.40% | March 6, 2018 | March 6, 2023 | AA+ |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

5.1.6 Unlisted debt securities - Sukuk certificates

Certificates have a face value of Rs 100,000 each

| Name of investee company | Number of certificates | | | As at March 31, 2023 | | | Market value as a percentage of net assets | Market value as a percentage of total investments |
|--|------------------------|-----------------------------|----------------------------------|----------------------|----------------|--------------|--|---|
| | As at July 1, 2022 | Purchased during the period | Sold / matured during the period | As at March 31, 2023 | Carrying value | Market value | | |
| Chemical | | | | | | | | |
| Ghani Gases Limited | 480 | - | - | 480 | 7,360 | 7,360 | - | 0.26 |
| Refinery | | | | | | | | |
| Cynergyco PK limited (Formerly: Byco Petroleum Pakistan Limited) | 10 | - | 10 | - | - | - | - | - |
| Total as at March 31, 2023 | | | | | 7,360 | 7,360 | - | |
| Total as at June 30, 2022 | | | | | 12,446 | 13,135 | 689 | |

* Face value of the certificate is Rs. 5,000

5.1.6.1 Significant terms and conditions of Sukuk certificates outstanding as at March 31, 2023 are as follows:

| Name of the Issuer | Mark-up rate (per annum) | Issue date | Maturity date | Rating |
|--|--------------------------|------------------|------------------|--------|
| Ghani Gases Limited | 3 months KIBOR + 1.00% | February 2, 2017 | February 2, 2024 | A |
| Cynergyco PK limited (Formerly: Byco Petroleum Pakistan Limited) | 3 months KIBOR + 1.05% | January 18, 2017 | January 18, 2022 | AAA |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

5.1.8 Status of non compliance as per Circular 16 of 2010 issued by the Securities and Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (SECP), vide its Circular no. 16 dated July 7, 2010 has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the collective investment schemes or with the investment requirements of their constitutive documents.

| Name of non-compliant investments | Note | Type of Instrument | Value of Investment before provision | Provision held if any | Value of Investment after provision | % of net assets | % of gross assets |
|-----------------------------------|---------|--------------------|--------------------------------------|-----------------------|-------------------------------------|-----------------|-------------------|
| Trust Investment Bank Limited | 5.1.4.1 | TFC | 18,743 | (18,743) | - | - | - |
| Telecard Limited | 5.1.4.1 | TFC | 24,870 | (24,870) | - | - | - |
| Pace Pakistan Limited | 5.1.4.1 | TFC | 49,940 | (49,940) | - | - | - |

Owing to continuous default on repayment of coupon by the issuer, the Fund had classified the said investment as non-performing. The Fund has recognised full provision against outstanding principal in accordance with applicable provisioning circular issued by the Securities and Exchange Commission of Pakistan and provisioning policy of the Fund duly approved by the Board of Directors of the Management Company. The Fund has suspended further accrual of mark-up there against.

* During the year, the issuer with the consent of TFC holders restructured the issue. The restructuring term spreads over a period of 8 years with the first payment of principal starting from March 2022 and thereafter in equal quarterly instalments, with maturity in December 2028. The fund has received 4 instalments amounting to 6.2 million.

| | Note | (Un-audited) March 31, 2023 (Rupees in '000) | (Audited) June 30, 2022 |
|--|------|---|-------------------------------|
| 6. PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY | | | |
| Management remuneration payable | 6.1 | 1,124 | 5,433 |
| Sindh sales tax payable on management remuneration | 6.2 | 146 | 706 |
| Sales load payable | | 246 | 55 |
| Payable against allocated expenses | 6.3 | 398 | 332 |
| Payable against marketing and selling expenses | 6.4 | 4,763 | 150 |
| | | 6,676 | 6,676 |

- 6.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. As per the offering document, the management company charged management fees at the rate of up to 10% of the gross earnings of the scheme, calculated on a daily basis.
- 6.2** Sindh Sales Tax on management fee has been charged at 13% (June 2022: 13%).
- 6.3** In accordance with 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 charged actual expenses related to registrar services, accounting, operations and valuation services to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

- 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). The Management Company has charged selling and marketing expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses.

| | | (Un-audited) March 31, 2023 | (Audited) June 30, 2022 |
|--|-----|-----------------------------------|-------------------------------|
| (Rupees in '000) | | | |
| 7. ACCRUED EXPENSES AND OTHER LIABILITIES | | | |
| Provision for federal excise duty and related tax on | 7.1 | | |
| - Management fee | | 9,210 | 9,210 |
| - Sales load | | 239 | 239 |
| Brokerage | | 70 | 9 |
| Capital gain tax | | 2,083 | 2,671 |
| Auditors' remuneration | | 528 | 409 |
| Legal and Professional Charges | | 20 | 34 |
| Other | | 511 | 40,268 |
| | | 12,661 | 52,840 |

7.1 Federal Excise Duty (FED) and related tax payable

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the audited financial statements of the Fund for the year ended June 30, 2022. Had the said provision for FED not been recorded in this condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2023 would have been higher by Rs. 0.2030 per unit (June 30, 2022: Re. 0.16 per unit).

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There were no contingencies as at March 31, 2023 (June 30, 2021: Nil).

9. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability in respect of income relating to current period as the Management Company intends to distribute in cash the required minimum percentage of the Fund's accounting income for the year ending June 30, 2023 as reduced by capital gains (whether realised or unrealised) to its unitholders.

| | | March 31, 2023 | March 31, 2022 |
|--------------------------------------|-------|-------------------|-------------------|
| ----- (Rupees in '000) ----- | | | |
| 10. CASH AND CASH EQUIVALENTS | | | |
| Bank balance | 4 | 129,250 | 4,115,068 |
| Market Treasury Bills | 5.1.1 | 297,196 | - |
| | | 426,446 | 4,115,068 |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

11. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

12. TOTAL EXPENSE RATIO

The total annualized expense ratio of the fund from July 01, 2022 to March 31, 2023 is 1.31% (March 31, 2022: 1.72%) and this includes 0.09% (March 31, 2022: 0.15%) representing Government Levy.

13. TRANSACTIONS WITH RELATED PARTY / CONNECTED PERSONS

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

Transactions with related parties / connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

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

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

| | For the nine months ended March 31, 2023 | | | | | | | |
|--|--|--------------------|----------|-------------------------|------------------------|--------------------|----------|-------------------------|
| | As at July 01, 2022 | Issued for cash | Redeemed | As at March 31, 2023 | As at July 01, 2022 | Issued for cash | Redeemed | As at March 31, 2023 |
| | Units | | | | (Rupees in '000) | | | |
| Adamjee Insurance Company Limited | 2,940,965 | - | - | 2,940,965 | 159,888 | - | - | 177,405 |
| Adamjee Insurance Company Limited - Managed Growth Fund | - | 428 | - | 428 | - | 25 | - | 26 |
| Adamjee Insurance Company Limited - DSF | - | 111,334 | 4,245 | 107,089 | - | 6,500 | 250 | 6,460 |
| D.G Khan Cement Company Limited | 476,145 | - | - | 476,145 | 25,885.96 | - | - | 28,722 |
| Security General Insurance Company Limited | 110,576 | - | - | 110,576 | 6,011.54 | - | - | 6,670 |
| Directors and key management personnel of the Management Company | 7 | 240,457 | 240,463 | 1 | 0 | 13,502 | 13,513 | 0 |
| Mandate under discretionary portfolio services | 100,520 | 186,516 | 225,907 | 61,129 | 5,464.84 | 10,803 | 13,076 | 3,687 |
| Unit holders holding 10% or more units* | - | 5,152,960 | - | 5,152,960 | - | 295,856 | - | 310,837 |

| | For the nine months ended March 31, 2022 | | | | | | | |
|--|--|--------------------|------------|-------------------------|------------------------|--------------------|-----------|-------------------------|
| | As at July 01, 2021 | Issued for cash | Redeemed | As at March 31, 2022 | As at July 01, 2021 | Issued for cash | Redeemed | As at March 31, 2022 |
| | Units | | | | (Rupees in '000) | | | |
| MCB Arif Habib Savings And Investments Limited | 7,152,428 | 8,753,800 | 15,906,228 | 0 | 388,254 | 486,000 | 881,428 | 0 |
| DG Khan Cement Company Limited -Employees Provident Fund Trust | - | 435,219 | - | 435,219 | - | 25,000 | - | 25,157 |
| Adamjee Insurance Company Limited - Employees Gratuity Fund | 264,275 | 33,280 | 297,556 | (1) | 14,346 | 1,820 | 16,486 | (0) |
| Security General Insurance Company Limited | 8,700,207 | 7,195,642 | 15,895,849 | (0) | 472,272 | 400,000 | 883,252 | (0) |
| Adamjee Life Assurance Company Limited | - | 2,716,884 | - | 2,716,884 | - | 150,000 | - | 157,047 |
| Directors and key management personnel of the Management Company | 55 | 70,384 | 70,386 | 53 | 3 | 3,957 | 3,962 | 3 |
| Mandate under discretionary portfolio services | 26,650,498 | 39,862,597 | 66,378,138 | 134,957 | 1,446,664 | 2,240,248 | 3,722,043 | 7,801 |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

13.2. Details of transactions with related parties / connected persons during the year

| | March 31, 2023 | March 31, 2022 |
|--|------------------------------|-------------------|
| | ----- (Rupees in '000) ----- | |
| MCB-Arif Habib Savings and Investments Limited - Management Company | | |
| Remuneration including indirect taxes | 12,997 | 60,248 |
| Allocated expenses | 3,510 | 5,991 |
| Marketing and selling expense | 10,987 | 2,329 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration including indirect taxes | 2,144 | 5,078 |
| CDS charges | 13 | 2,100 |
| Arif Habib Limited - Subsidiary of Associated Company | | |
| Brokerage expense * | 14 | 53 |
| MCB Bank Limited - Parent of the Management Company | | |
| Profit on bank balances | 6 | 125 |
| Bank charges | 23 | 55 |
| Aisha Steel Limited | | |
| Purchase of Nil shares (2022: 27,299,500 shares) | - | 592,440 |
| Sell of Nil shares (2022: 32,270,500 shares) | - | 716,900 |
| Dividend Income | - | 11,070 |
| DG Khan Cement Company Limited | | |
| Purchase of Nil shares (2022: 2,506,500 shares) | - | 243,649 |
| Sell of Nil shares (2022: 2,848,000 shares) | - | 287,319 |
| Dividend Income | - | 1,095 |
| Nishat Chunian Limited | | |
| Purchase of Nil shares (2022: 1,256,000 shares) | - | 61,065 |
| Sell of Nil shares (2022: 1,259,500 shares) | - | 57,548 |
| Dividend Income | - | 4,115 |
| Nishat Mills Limited | | |
| Purchase of Nil shares (2022: 644,000 shares) | - | 62,132 |
| Sell of Nil shares (2022: 683,000 shares) | - | 66,508 |
| Dividend Income | - | 46 |
| Power Cement Limited | | |
| Purchase of Nil shares (2022: 258,500 shares) | - | 2,147 |
| Sell of Nil shares (2022: 712,500 shares) | - | 6,706 |
| Pak Elektron Limited | | |
| Purchase of Nil shares (2022: 1,813,000 shares) | - | 58,338 |
| Sell of Nil shares (2022: 4,005,500 shares) | - | 137,039 |

13.3. Details of balances with related parties / connected persons as at year end

| | March 31, 2023 | June 30, 2022 |
|--|------------------------------|------------------|
| | ----- (Rupees in '000) ----- | |
| MCB-Arif Habib Savings and Investments Limited - Management Company | | |
| Management remuneration payable | 1,124 | 5,433 |
| Sindh sales tax payable on management remuneration | 146 | 706 |
| Sales load payable | 246 | 55 |
| Payable against allocated expenses | 398 | 332 |
| Payable against marketing and selling expenses | 4,763 | 150 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Trustee remuneration payable | 199 | 249 |
| Sindh sales tax payable on Trustee remuneration | 26 | 32 |
| Security deposit | 200 | 200 |
| MCB Bank Limited - Parent of the Management Company | | |
| Bank balance | 9,885 | 9,973 |
| Arif Habib Limited - Subsidiary of Associated Company | | |
| Brokerage expense * | 2 | - |

* The amount disclosed represents the amount of brokerage expense or brokerage payable to connected persons and not the purchase or sale value of securities transacted through them as the ultimate counter parties are not connected persons.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

15. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison.

16. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 14, 2023, by the Board of Directors of the Management Company.

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



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

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

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