

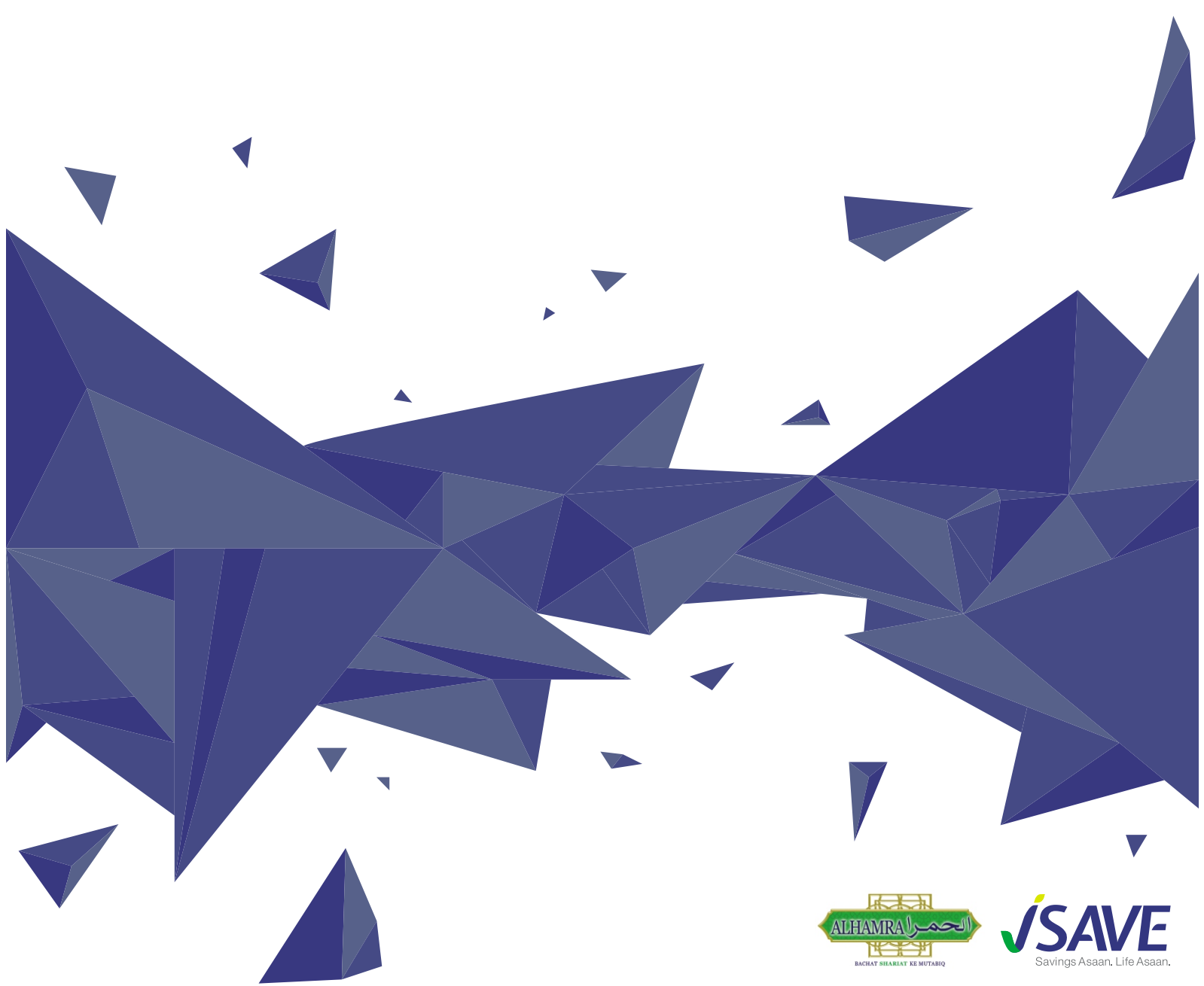


**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

MARCH  
**2023**  
(UNAUDITED)

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



# **MCB CASH MANAGEMENT OPTIMIZER**

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## FUND'S INFORMATION

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

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

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Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Cash Management Optimizer** 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 county'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 15.87% as against its benchmark return of 15.79%, a difference of 0.08%. WAM of the fund was 74 days at March end. The fund was 23.60% in cash, 49.30% in PIBs and 19.80% in T-Bills as of March end. The Net Assets of the Fund as at March 31, 2023 increased by 4.03% to Rs. 66,738 million as compared to Rs. 64,153 million as at June 30, 2022. The Net Asset Value (NAV) per unit as at March 31, 2023 was Rs. 101.5036 as compared to opening NAV of Rs. 101.3454 per unit as at June 30, 2022 registering an increase of Rs. 0.1582 per unit.

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

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## 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

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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

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

On behalf of Directors,



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Muhammad Saqib Saleem  
Chief Executive Officer  
April 14, 2023



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Nasim Beg  
Director/Vice Chairman

## ڈائریکٹرز رپورٹ

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 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 اہم فنڈز میں حکومتی بانڈز شامل کرنے کے مواقع سے استفادہ، جاری رکھیں گے تاکہ درمیانی مدت میں متوقع مالیاتی تسہیل سے فائدہ اٹھایا جاسکے۔

### میوچل فنڈ صنعت کا جائزہ

اپن 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 فیکسڈ 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 زیر 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 اہم 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 فنڈز 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 سہولیات 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 ڈسٹریبیوٹرز 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



## ڈائریکٹرز رپورٹ

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 15.87 فیصد تھا، جو مقررہ معیار کے منافع 15.79 فیصد کے مقابلے میں 0.08 فیصد زیادہ ہے۔ فنڈ کی پالوزن اوسط میچورٹی اختتام مدت پر 74 دن ہے۔ مارچ کے اختتام پر فنڈ 23.60 فیصد نقد میں، 49.30 پی آئی بی میں اور ٹی بلز میں 19.80 فیصد تھی۔ 31 مارچ 2023ء کو فنڈ کے خالص اثاثہ جات 66,738 ملین روپے تھے جو 30 جون 2022ء کی سطح 64,153 ملین روپے کے مقابلے میں 4.03 فیصد اضافہ ہے۔ 31 مارچ 2023ء کو خالص اثاثہ جات قدر (NAV) فی یونٹ 101.5036 روپے تھی جو 30 جون 2022ء کو ابتدائی اثاثہ جات قدر (NAV) 101.3454 روپے فی یونٹ کے مقابلے میں 0.1582 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 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 6.9- فیصد متوقع ہے جس کے اسباب طلب 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 2.3 فیصد ہو جائے گی۔

ہم حکومت سے امید 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 دوطرفہ 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 لنگر انداز کیا جاسکے۔

ہم سمجھتے ہیں کہ آئی ایم ایف کی پلار کاؤٹ 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 نے لگے گا جو اگلے سال کے آغاز سے مزید واضح ہوگا۔

کیپٹل 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 کی 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

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی کیش مینجمنٹ آپٹیمائزر کے اکاؤنٹس مختتمہ برائے نومبر اور سہ 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 کثیرالہجہتی 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 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 انفرافز، 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 مانیٹری 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**

	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Balances with banks	4 15,833,810	58,423,943
Investments	5 50,223,914	5,000,000
Advances, deposits, prepayments and other receivables	870,113	863,814
<b>Total assets</b>	<b>66,927,837</b>	<b>64,287,757</b>
<b>LIABILITIES</b>		
Payable to the MCB-Arif Habib Savings and Investments Limited - Management Company	6 95,262	28,973
Payable to Central Depository Company of Pakistan Limited - Trustee	3,424	2,854
Payable to the Securities and Exchange Commission of Pakistan	8,676	7,018
Accrued and other liabilities	7 82,420	95,744
<b>Total liabilities</b>	<b>189,782</b>	<b>134,589</b>
<b>NET ASSETS</b>	<b>66,738,055</b>	<b>64,153,168</b>
<b>Unit holders' fund (as per statement attached)</b>	<b>66,738,055</b>	<b>64,153,168</b>
<b>Contingencies and commitments</b>	8	
	<b>(Number of units)</b>	
<b>NUMBER OF UNITS IN ISSUE</b>	<b>657,494,532</b>	<b>633,015,098</b>
	<b>(Rupees)</b>	
<b>NET ASSET VALUE PER UNIT</b>	<b>101.5036</b>	<b>101.3454</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


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



Chief Executive Officer



Chief Financial Officer



Director

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

	Nine months period ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>INCOME</b>	Note -----(Rupees in '000)-----			
Capital gain / (loss) on sale of investments - net	70,175	79,254	(17,396)	12,734
Profit on term deposits	225,472	53,557	13,729	42,542
Profit on bank deposits	2,192,389	1,461,057	177,321	534,500
Income from government securities	4,110,569	774,673	2,515,127	360,016
Income on letter of placement	348,047	13,370	143,003	13,370
	6,946,652	2,381,911	2,831,784	963,162
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'- net	22,694	-	(12,084)	(2,960)
<b>Total income</b>	6,969,346	2,381,911	2,819,700	960,202
<b>EXPENSES</b>				
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	206,558	64,323	87,416	18,769
Sindh Sales tax on remuneration of the Management Company	26,853	8,364	11,364	2,442
Allocated expenses	10,233	18,616	2,030	8,474
Remuneration of Central Depository Company of Pakistan Limited - Trustee	23,858	14,796	9,277	4,832
Sindh Sales tax on remuneration of Trustee	3,102	1,923	1,206	628
Selling and marketing expenses	115,206	26,838	59,261	-
Annual fee to the Securities and Exchange Commission of Pakistan	8,676	5,090	3,373	1,758
Legal and professional charges	157	514	76	45
Brokerage expenses	6,262	1,731	3,040	713
Auditor's remuneration	921	765	265	223
Other expenses	2,133	1,092	780	407
<b>Total operating expenses</b>	403,959	144,052	178,088	38,291
<b>Net income from operating activities</b>	6,565,387	2,237,859	2,641,612	921,911
Reversal of Provision for Sindh Workers' Welfare Fund (SWWF)	-	134,276	-	-
<b>Net income for the period before taxation</b>	6,565,387	2,372,135	2,641,612	921,911
Taxation	9	-	-	-
<b>Net income for the period after taxation</b>	6,565,387	2,372,135	2,641,612	921,911
<b>Allocation of net income for the period:</b>				
Net income for the period	6,565,387	2,372,135		
Income already paid on units redeemed	(1,441,302)	(391,226)		
	5,124,085	1,980,909		
<b>Accounting income available for distribution</b>				
- Relating to capital gains	66,033	60,885		
- Excluding capital gains	5,058,052	1,920,024		
	5,124,085	1,980,909		

Earnings per unit

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The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	<u>Nine months</u> <u>March 31,</u> <u>2023</u>	<u>period ended</u> <u>March 31,</u> <u>2022</u>	<u>Quarter ended</u> <u>March 31,</u> <u>2023</u>	<u>March 31,</u> <u>2022</u>
	------(Rupees in '000)-----			
<b>Net income for the period after taxation</b>	6,565,387	2,372,135	2,641,612	921,911
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>6,565,387</u>	<u>2,372,135</u>	<u>2,641,612</u>	<u>921,911</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	Nine months period ended March 31, 2023			Nine months period ended March 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
<b>Note</b>	----- (Rupees in '000) -----					
<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 2,162,811,562 units - including additional units (2022: 1,144,094,072 units)						
- Capital value (at net asset value per unit at the beginning of the period)	219,191,003	-	219,191,003	115,530,619	-	115,530,619
- Element of income	1,355,347	-	1,355,347	350,342	-	350,342
	220,546,350	-	220,546,350	115,880,961	-	115,880,961
Redemption of 2,138,332,128 units (2022: 1,123,846,975 units)						
- Capital value (at net asset value per unit at the beginning of the period)	216,710,125	-	216,710,125	113,486,068	-	113,486,068
- Element of income	158,459	1,441,302	1,599,762	70,644	391,226	461,870
	216,868,584	1,441,302	218,309,887	113,556,712	391,226	113,947,938
Total comprehensive income for the period	-	6,565,387	6,565,387	-	2,372,135	2,372,135
Interim distribution during the period (including additional units)	(1,194,925)	(5,022,038)	(6,216,963)	(291,130)	(1,806,172)	(2,097,302)
14	(1,194,925)	1,543,349	348,424	(291,130)	565,963	274,833
<b>Net assets at the end of the period</b>	<u>66,262,782</u>	<u>475,273</u>	<u>66,738,055</u>	<u>35,903,637</u>	<u>333,882</u>	<u>36,237,519</u>
<b>Undistributed income brought forward comprising of:</b>						
- Realised		373,226			159,145	
- Unrealised		-			-	
		<u>373,226</u>			<u>159,145</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		66,033			60,885	
- Excluding capital gains		5,058,052			1,920,024	
		5,124,085			1,980,909	
Cash distribution during the period		5,022,038			1,806,172	
<b>Undistributed income carried forward</b>		<u>475,273</u>			<u>333,882</u>	
<b>Undistributed income carried forward comprising of:</b>						
- Realised		452,579			333,882	
- Unrealised		22,694			-	
		<u>475,273</u>			<u>333,882</u>	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
Net asset value per unit at the beginning of the period		<u>101.3454</u>			<u>100.9800</u>	
Net asset value per unit at the end of the period		<u>101.5036</u>			<u>101.4371</u>	

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	Nine months period ended	
	March 31, 2023	March 31, 2022
Note	------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	6,565,387	2,372,135
<b>Adjustments for:</b>		
Provision for Sindh Workers' Welfare Fund (SWWF)	-	(134,276)
	<u>6,565,387</u>	<u>2,237,859</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	(45,223,914)	-
Advances, deposits, prepayments and other receivables	(6,299)	(180,552)
Receivable against sale of investment	-	-
	<u>(45,230,213)</u>	<u>(180,552)</u>
<b>(Decrease) / increase in liabilities</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	66,289	(444)
Payable to Central Depository Company of Pakistan Limited - Trustee	570	(226)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	1,658	(1,337)
Payable against purchase of investments	-	-
Accrued and other liabilities	(13,324)	5,406
	<u>55,193</u>	<u>3,399</u>
<b>Net cash (used in) / generated from operating activities</b>	<u>(38,609,633)</u>	<u>2,060,706</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units (excluding additional units)	219,351,425	115,589,831
Payments on redemption of units	(218,309,887)	(113,947,938)
Cash distributions made during the period	(5,022,038)	(1,806,172)
<b>Net cash used in financing activities</b>	<u>(3,980,500)</u>	<u>(164,279)</u>
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<u>(42,590,133)</u>	<u>1,896,427</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>	<u>10</u> <u>15,833,810</u>	<u>35,942,785</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.


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



Chief Executive Officer



Chief Financial Officer



Director

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

## 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 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2022 to the Management Company and a stability rating of 'AA+(f)' dated March 09, 2023 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

This 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 requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.2 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.



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

- 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. 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 Funds for the year ended June 30, 2022.

<b>4</b>	<b>BALANCES WITH BANKS</b>	<b>Note</b>	<b>March 31, 2023 (Unaudited)</b>	<b>June 30, 2022 (Audited)</b>
			------(Rupees in '000)-----	
	In current accounts		53,679	2,753,875
	In saving accounts	4.1	15,780,131	55,670,068
		4.2	<u>15,833,810</u>	<u>58,423,943</u>

- 4.1** These carry mark-up at rates ranging between 12.25% to 19% per annum (June 2022: 5.5% to 17.05% per annum).
- 4.2** These include balances of Rs. 56.011 million (June 2022: Rs. 61.716 million) maintained with MCB Bank Limited (a related party).

<b>5</b>	<b>INVESTMENTS</b>	<b>Note</b>	<b>March 31, 2023 (Un-audited)</b>	<b>June 30, 2022 (Audited)</b>
			------(Rupees in '000)-----	
<b>5.1</b>	<b>Investments at fair value through profit or loss</b>			
	Term Deposit Receipt			5,000,000
	Government Securities	5.1.1	46,223,914	-
			<u>46,223,914</u>	<u>5,000,000</u>

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

**5.1.1 Market treasury bills - 'at fair value through profit or loss'**

Name of Security	Issue Date	Face value			As at 31 March, 2023			Market value as a percentage of	
		As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at March 31, 2023	Carrying value	Market value	Unrealised gain / (loss)	net assets

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

----- % -----

**Market treasury**

- 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	-	9,613,000	9,613,000	-	-	-	-	-	-
- 3 months	November 3, 2022	-	70,580,000	70,580,000	-	-	-	-	-	-
- 3 months	November 17, 2022	-	103,054,880	103,054,880	-	-	-	-	-	-
- 3 months	December 1, 2022	-	5,498,000	5,498,000	-	-	-	-	-	-
- 3 months	December 15, 2022	-	14,430,300	14,430,300	-	-	-	-	-	-
- 3 months	December 29, 2022	-	17,302,375	4,500,000	12,802,375	12,772,778	12,767,745	(5,033)	19.13	25.42
- 3 months	January 4, 2023	-	56,500,000	56,500,000	-	-	-	-	-	-
- 3 months	January 12, 2023	-	6,544,000	6,544,000	-	-	-	-	-	-
- 3 months	January 26, 2023	-	52,850,000	52,849,500	500	496	495	(1)	0.00	0.00
- 3 months	February 9, 2023	-	8,500,000	8,500,000	-	-	-	-	-	-
- 3 months	February 23, 2023	-	14,500,000	14,500,000	-	-	-	-	-	-

**Market treasury**

- 6 months	January 27, 2022	-	500,000	500,000	-	-	-	-	-	-
- 6 months	March 10, 2022	-	11,500,000	11,500,000	-	-	-	-	-	-
- 6 months	April 7, 2022	-	500,000	500,000	-	-	-	-	-	-
- 6 months	April 28, 2022	-	600,000	600,000	-	-	-	-	-	-
- 6 months	June 2, 2022	-	7,000,000	7,000,000	-	-	-	-	-	-
- 6 months	August 25, 2022	-	800,000	800,000	-	-	-	-	-	-
- 6 months	September 8, 2022	-	10,000	10,000	-	-	-	-	-	-
- 6 months	October 6, 2022	-	7,940,080	7,450,080	490,000	488,887	488,675	(212)	0.73	0.97
- 6 months	October 20, 2022	-	3,100,000	3,100,000	-	-	-	-	-	-

**Market treasury**

-12 months	January 27, 2022	-	3,350,000	3,350,000	-	-	-	-	-	-
-12 months	March 10, 2022	-	904,055	904,055	-	-	-	-	-	-
-12 months	April 7, 2022	-	565,500	565,500	-	-	-	-	-	-
-12 months	April 21, 2022	-	4,800,000	4,800,000	-	-	-	-	-	-

**Pakistan Investment Bonds**

- 2 years	August 26, 2021	-	35,500,000	2,500,000	33,000,000	32,939,058	32,967,000	27,942	49.40	65.64
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**Pakistan Investment Bonds**

- 3 years	June 18, 2020	-	16,943,700	16,943,700	-	-	-	-	-	-
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Total as at March 31, 2023

**46,201,218    46,223,914    22,696**

Total as at June 30, 2022

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

	Note	March 31, 2023 (Unaudited) ---(Rupees in '000)---	June 30, 2022 (Audited)
<b>6</b>	<b>PAYABLE TO MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>		
	Management remuneration payable	6.1	31,856
	Sindh sales tax payable on remuneration of the Management Company	6.2	4,141
	Allocated expenses payable	-	4,674
	Selling and marketing expenses payable	59,265	4,793
		<u>95,262</u>	<u>28,973</u>

**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 7.5% of the gross earnings of the 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%).

	Note	March 31, 2023 (Unaudited) ----- (Rupees in '000) -----	June 30, 2022 (Audited)
<b>7</b>	<b>ACCRUED AND OTHER LIABILITIES</b>		
	Provision for Federal Excise Duty payable on:		
	-Remuneration of the management fee	7.1	54,267
	-Sales load	19	19
	Brokerage payable	1,888	-
	Capital gain tax payable	14,322	38,706
	Auditor's remuneration payable	806	653
	Printing expense payable	35	40
	Other payable	11,083	2,059
		<u>82,420</u>	<u>95,744</u>

**7.1 Federal Excise Duty on remuneration of the Management Company**

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the period ended June 30, 2022. Had the provision for FED not been made, the Net Asset Value of the Fund as at March 31, 2023 would have been higher by Re 0.083 (June 30, 2022: Re 0.086) per unit.

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

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### 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2023 and June 30, 2022.

### 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. Since the management intends to distribute atleast 90% of income earned by the Fund in cash during the year ending June 30, 2022 to the unit holders therefore, no provision for taxation has been made in these condensed interim financial statements.

### 11 EARNINGS PER UNIT

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

### 12 EXPENSE RATIO

The total annualized expense ratio of the fund from July 01, 2022 to March 31, 2023 is 0.93% (March 31, 2022: 0.51%) and this includes 0.09% (March 31, 2022: 0.05%) representing Government Levy.

### 13 TRANSACTIONS WITH CONNECTED PERSONS / 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.

The details of transactions during the current period and balances at period end with related parties / connected persons are as follows:

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

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

	Nine months period ended March 31,	
	2023	2022
	----- (Unaudited) -----	
	----- (Rupees in '000) -----	
<b>MCB-Arif Habib Savings and Investments Limited</b>		
Remuneration of the Management Company and related taxes	233,411	72,687
Allocated expenses	10,233	18,616
Selling and marketing expenses	115,206	26,838
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee and related taxes	26,960	16,719
<b>MCB Bank Limited</b>		
Profit on bank deposits	1,034	825
Bank Charges	170	135
Purchase of securities - Face value of Rs Nil (2020: Rs. 1,000,000,000)	-	-
<b>Arif Habib Limited - Brokerage House</b>		
Brokerage expense*	219	245
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>March 31,</b>	<b>June 30,</b>
	<b>2023</b>	<b>2022</b>
	----- (Rupees in '000) -----	

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

<b>MCB-Arif Habib Savings and Investments Limited</b>		
Remuneration payable	31,856	17,261
Sindh sales tax payable on remuneration of the Management Company	4,141	2,244
Allocated expenses payable	-	4,674
Selling and marketing expenses payable	59,265	4,793
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	3,030	2,526
Sindh sales tax payable on trustee fee	394	328
<b>MCB Bank Limited</b>		
Bank deposits	56,010	61,716
Profit receivable on bank deposits	-	390
<b>Arif Habib Limited - Brokerage House</b>		
Brokerage payable*	57	-

\* The amount disclosed represents 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 (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2023

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

	For nine months ended March 31, 2023 (Unaudited)							
	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)			
<b>Associated Companies</b>								
MCB - Arif Habib Savings and Investments Limited - Management Company	-	47,331,689	44,341,229	2,990,460	-	4,811,597	4,530,359	303,542
Sayyed Engineers Limited	6,508	644	-	7,152	660	65	-	726
Adamjee Life Assurance Company Limited	360,356	37,379	-	397,735	36,520	3,788	-	40,372
Adamjee Life Assurance IMF	1,305,933	1,319,194	2,625,127	(0)	132,350	133,694	268,424	(0)
Adamjee Life Assurance Co.Ltd.(Isf)	13,019,718	36,002,817	38,661,926	10,360,609	1,319,489	3,651,827	3,936,656	1,051,639
Adamjee Life Assurance Co Ltd Isf li	5,747,888	30,095,680	24,002,874	11,840,694	582,522	3,056,253	2,447,986	1,201,873
Adamjee Insurance Co. Ltd.	2,737,042	1,050,105	3,787,146	1	277,387	106,423	387,615	-
Adamjee Insurance Co.Ltd Employees Provident Fund	665,703	891,903	1,552,383	5,223	67,466	90,390	157,574	530
Adamjee Life Assurance Co. Ltd Managed Growth Fund	-	28,446	26,992	1,454	-	2,883	2,759	148
Adamjee Life Assurance Co. Ltd. Conventional Business	3,474,011	360,355	-	3,834,366	352,075	36,520	-	389,202
Adamjee Life Assurance Company Limited - DSF	22,906	3,829,352	3,821,474	30,784	2,321	388,877	391,708	3,125
Adamjee Life Assurance Company Limited - DGF	-	1,991,083	1,991,083	-	-	202,243	204,118	-
Adamjee Life Assurance Co. Ltd.-Nuil Fund	1,523,731	2,372,510	3,009,108	887,132	154,423	240,536	305,668	90,047
Asghari Beg Memorial Trust	2	44,351	2	44,351	-	4,495	-	4,502
Nishat Power Limited Employees Provident Fund Trust	122,690	14,397	-	137,087	12,434	1,459	-	13,915
Nishat Paper Products Company Limited Staff Provident Fund Trust	172,688	36,426	-	209,114	17,501	3,692	-	21,226
MCB Financial Sevcies Limited	18,208	444,163	460,224	2,147	1,845	45,073	47,000	218
D.G. Khan Cement Company Limited	3	-	-	3	0	-	-	0
Security General Insurance Company Limited Security General Insurance Co. Ltd. Employees Provident Fund Trust	2,021,728	17,543	2,039,271	(0)	204,893	1,778	208,735	(0)
Adamjee Life Assurance Company Limited. Employees Gratuity Fund	91,735	10,765	-	102,500	9,297	1,091	-	10,404
Adamjee Insurance Company Limited. Employees Gratuity Fund	259,792	23,961	117,880	165,873	26,329	2,428	12,000	16,837
Adamjee Insurance Company Limited. Employees Gratuity Fund	333,855	544,477	773,234	105,098	33,835	55,180	78,821	10,668
<b>Directors and executives of the management company *</b>								
	36,723,098	26,838,627	9,657,728	53,903,997	3,721,717	2,721,166	984,164	5,471,449
<b>Mandate Under Discretionary Portfolio Services*</b>								
	9,574,252	53,329,411	52,714,635	10,189,028	970,306	5,413,216	5,387,953	1,034,223
<b>Unit holders holding 10% or more units</b>								
	138,589,039	401,036,010	422,614,934	117,010,114	14,045,362	40,653,023	43,036,888	11,876,947

\* This reflects the position of related party / connected person status as at March 31, 2023

	For nine months ended March 31, 2022 (Unaudited)							
	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)			
<b>Associated Companies</b>								
MCB - Arif Habib Savings and Investments Limited - Management Company	64,767	35,503,858	33,754,795	1,813,829	6,540	3,589,770	3,422,581	184,110
Sayyed Engineers Limited	5,981	338	-	6,319	604	24	-	641
Adamjee Life Assurance Company Limited Adamjee Life Assurance IMF	518,776	28,953	197,811	349,917	52,386	2,924	20,000	35,518
Adamjee Life Assurance Co.Ltd.(Isf) Adamjee Life Assurance Co Ltd Isf li	-	1,479,229	-	1,479,229	-	150,000	-	150,147
Adamjee Life Assurance Co.Ltd.-Nuil Fund	-	21,794,007	16,345,024	5,448,983	-	2,202,022	1,656,849	553,091
Asghari Beg Memorial Trust	-	38,096,480	32,152,823	5,943,657	-	3,848,116	3,256,925	603,302
Nishat Power Limited Employees Provident Fund Trust	-	1,783,013	-	1,783,013	-	180,049	-	180,982
MCB Financial Sevcies Limited D.G. Khan Cement Company Limited	111,101	7,421	-	118,522	11,219	749	-	12,030
Security General Insurance Company Limited Adamjee Insurance Company Limited.	862,616	33,409	863,649	32,377	87,107	3,374	87,500	3,286
Employees Gratuity Fund Adamjee Insurance Company Limited	10,276	122	10,399	(0)	1,038	12	1,051	-
Employees Provident Fund	68,133	318,078	386,210	1	6,880	32,119	39,057	-
Employees Provident Fund	196,012	634,587	830,600	(0)	19,793	64,081	83,987	-

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

**14 INTERIM DISTRIBUTION DURING THE PERIOD**

----- (Unaudited) -----					
-----March 31, 2023-----					
Rate per unit	Declaration date	Refund of capital	Distribution from income	Total distribution	
----- (Rupees in '000) -----					
For the period ended July 26, 2022	1.0346	July 27, 2022	67,711	387,633	455,344
For the period ended August 30, 2022	1.3809	August 31, 2022	112,409	441,365	553,774
For the period ended September 28, 2022	1.2335	September 29, 2022	207,080	524,357	731,438
For the period ended October 26, 2022	1.1762	October 27, 2022	108,073	518,926	626,999
For the period ended November 29, 2022	1.3125	November 30, 2022	126,214	540,867	667,081
For the period ended December 26, 2022	1.1518	December 27, 2022	162,207	465,814	628,022
For the period ended January 20, 2023	1.0867	January 23, 2023	136,537	556,098	692,634
For the period ended February 22, 2023	1.3247	February 23, 2023	141,277	670,025	811,302
For the period ended March 09, 2023	0.5715	March 10, 2023	43,091	289,917	333,007
For the period ended March 28, 2023	1.0375	March 29, 2023	90,327	627,035	717,361
			<u>1,194,925</u>	<u>5,022,037</u>	<u>6,216,962</u>

**15 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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

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

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

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

Level 3 : those with inputs for the asset or liability that are not based on observable market

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

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**16 GENERAL**

**16.1** Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**16.2** Certain prior period's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are material re-arrangements / re-classifications to report.

**17 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were 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**

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