

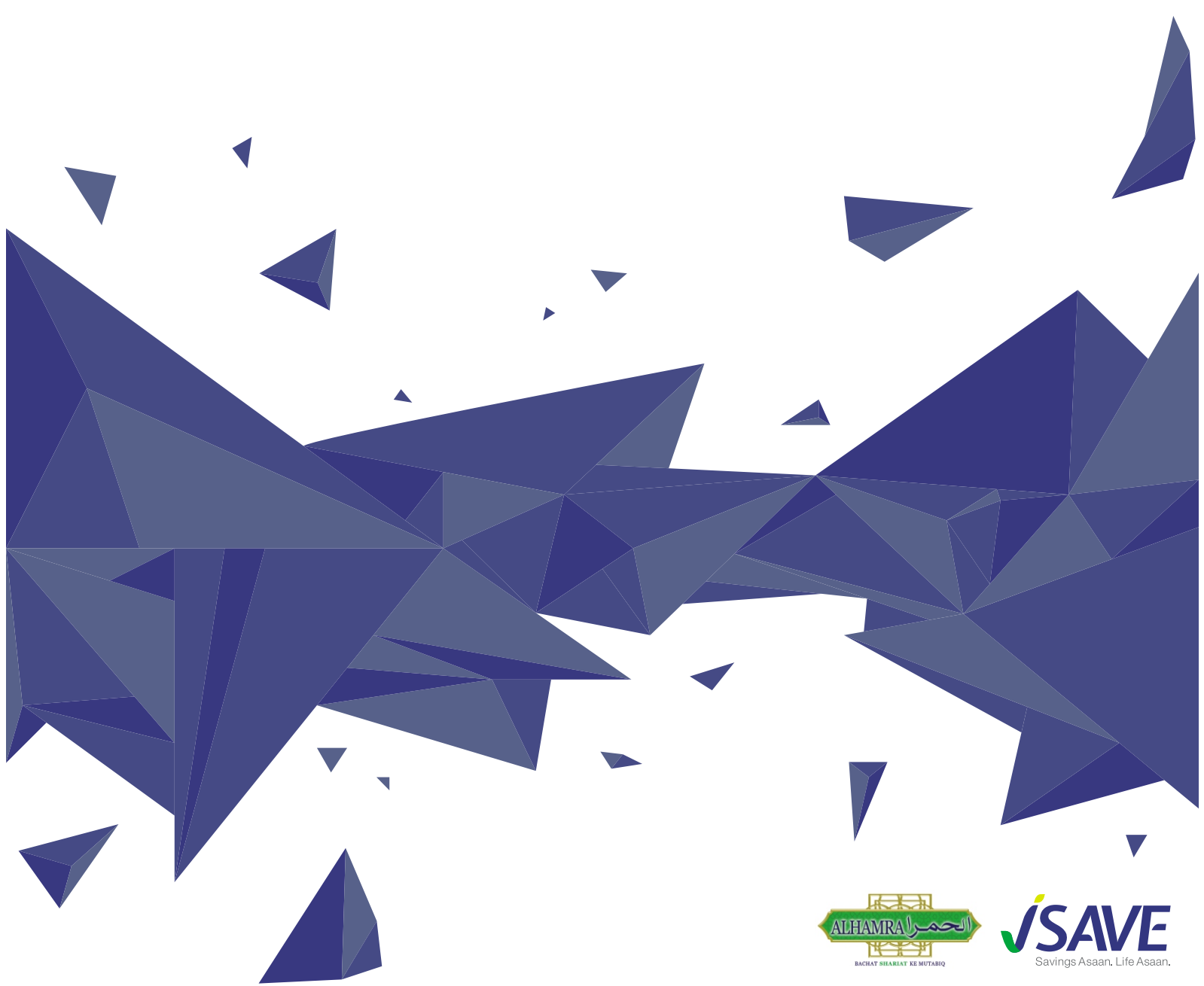


**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

MARCH  
**2023**  
(UNAUDITED)

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



# **MCB PAKISTAN STOCK MARKET FUND**

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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 Silk Bank Limited Bank Al Habib Limited Habib Bank Limited Allied Bank Limited Bank Alfalah Limited Habib Metropolitan Bank Limited Standard Chartered Bank Limited United Bank Limited JS Bank Limited National Bank Of Pakistan The Bank of Khyber	
<b>Auditors</b>	<b>Ernst &amp; Young Ford Rhodes</b> Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, Sindh-75530, Pakistan.	
<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 Pakistan Stock Market 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.

## **EQUITY MARKET REVIEW**

The KSE-100 index closed in negative territory, declining by 1,540 points (-3.7%) in 9MFY23 to close at 40,001 points. The initial exuberance on the account of the resumption of the IMF program and support from friendly countries soon washed away with catastrophic floods, which further deteriorated the already ailing economic conditions of the country. The period under review was marked with elevated inflation (CPI clocking the highest since 1974), depleting SBP Reserves (lowest levels since March 2014), and highest ever interest rates, which kept investors in a grim situation. Moreover, continuous delay in the completion of the 9th review under the IMF Program amid political turbulence in the country further dented investors' sentiments.

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

Foreigners turned net buyer with an inflow of USD 7.2 million, while on the local front, Mutual Funds offloaded about USD 111 million, which was largely absorbed by Companies, Banks and Individuals with net buying of USD 82.4 million, USD 60.0 million and USD 57.6 million, respectively. During the 9MFY23, average trading volumes saw a decline to 204 million shares compared to about 291 million shares during the preceding 9M. Similarly, the average trading value during the 9M saw a drop of 49% over the same period last year to near USD 28.2 million.

Pharma, Miscellaneous, Auto Assemblers, and Food sector were the major contributors to the index decline, posting -449/-426/-388/-318 points, respectively. Pharma sector struggled with the risk of exchange losses amid depreciating PKR against USD posing risk to near-term earnings. Automobile Assemblers struggled due to poor volumetric sales thanks to restrictions imposed by SBP. On the flip side, Technology sector added 801 points to the index.

### FUND PERFORMANCE

During the period, PSM generated a return of -6.26% as compared to a return of -3.71% witnessed by the KSE-100 Index. Overall equity exposure stood at 93.10% on March 31, 2023. The fund remained vigilant of the external factors and the investment strategy was maneuvered considering the fundamental developments. The allocation was mainly held in Commercial Banks, Cements and Food. The Net Assets of the fund as at March 31, 2023 stood at Rs. 5,815 million as compared to Rs. 8,875 million as at June 30, 2022 registering a decrease of 34.48%. The Net Asset Value (NAV) per unit as at March 31, 2023 was Rs. 81.0882 as compared to opening NAV of Rs. 86.5039 per unit as at June 30, 2022 registering a decrease of 6.26% per unit.

### 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.

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

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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.

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.

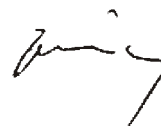
### ACKNOWLEDGEMENT

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,



Muhammad Saqib Saleem  
Chief Executive Officer  
April 14, 2023



Nasim Beg  
Director/Vice Chairman

## ڈائریکٹرز رپورٹ

شعبہ جاتی اعتبار سے مالی سال 2023ء کے ابتدائی نو ماہ کے اختتام پر Money مارکیٹ فنڈ تقریباً 57.1 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر انکم 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 پر کشش 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



محمد نایب سلیم

چیف ایگزیکٹو آفیسر

کراچی، 14 اپریل 2023ء



نسیم بیگ

ڈائریکٹر / وائس چیئرمین



## ڈائریکٹرز رپورٹ

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 اخراجات کو 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 کثیرالجہتی 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، بالمشابہت 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 بلا 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 اب ہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے ان کمپنیوں پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ تاہم ضخیم استعداد سے فائدہ اٹھانے کے لیے خارجی میدان کے مسائل سے نمٹنا ضروری ہے۔ موجودہ طور پر مارکیٹ میں 4.6x 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 سے 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۔

## ڈائریکٹرز رپورٹ

پالترتیب 479,226 اور 206 بی پی ایس کا اضافہ ہوا۔

### ایکوٹی مارکیٹ کا جائزہ

کراچی اسٹاک ایکسچینج KSE-100 انڈیکس منفی رجحان میں بند ہوا؛ مالی سال 2023ء کے ابتدائی نو ماہ میں 1540 پوائنٹس (3.7- فیصد) کم ہو کر 40,001 پوائنٹس پر بند ہوا۔ آئی ایم ایف پروگرام کی بحالی اور دوست ممالک کی طرف سے تعاون کے حوالے سے جو ابتدائی جوش و خروش تھا وہ جلد ہی تباہ کن سیلابوں کی نذر ہو گیا جس کے نتیجے میں ملک کی پہلے سے بد حال معیشت مزید ابتر ہو گئی۔ زیر جائزہ مدت میں مہنگائی میں اضافہ ہوا (سی پی آئی 1974ء سے اب تک کی بلند ترین سطح پر پہنچ گیا) جس کے باعث ایس بی پی کے ذخائر کم ہوئے مارچ 2014ء سے اب تک کی پست ترین سطح پر پہنچ گئے)، اور شروع سودا ب تک کی بلند ترین سطح پر پہنچ گیا جس کے باعث سرمایہ کاروں کی کیفیت میں ہتلا رہے۔ مزید برآں، آئی ایم ایف پروگرام کے تحت نویں (9th) جائزے میں مسلسل تاخیر اور ملک میں سیاسی افراتفری نے سرمایہ کاروں کو مزید پریشانی سے دوچار کر دیا۔

غیر ملکی افراد 7.2 ملین ڈالر آمداتی بہاؤ کے ساتھ net خریدار رہے، جبکہ مقامی جہت میں میوچل فنڈز نے 111 ملین ڈالر کی فروخت کی جس کے بڑے خریدار کمپنیاں (82.4 ملین ڈالر)، بینک (60.0 ملین ڈالر) اور افراد (57.6 ملین ڈالر) تھے۔ مالی سال 2023ء کے ابتدائی نو ماہ کے دوران اوسط تجارتی حجم کم ہو کر 204 ملین حصص ہو گیا، جبکہ سابقہ نو ماہ کے دوران تقریباً 291 ملین حصص تھا۔ اسی طرح، زیر جائزہ نو ماہ کے دوران اوسط تجارتی قدر سال گزشتہ مماثل مدت کے مقابلے میں 49 فیصد کم ہو کر تقریباً 28.2 ملین ڈالر ہو گئی۔

انڈیکس کی کمی میں اہم ترین کردار دو سازی کمپنی، دیگر کمپنیاں، گاڑیوں کی اسمبلنگ، اور ایشیائی خورد و نوش کے شعبوں نے ادا کیا جنہوں نے پالترتیب 449-، 426-، 388- اور 318- پوائنٹس پوسٹ کیے۔ روپے کی قدر میں کمی کے باعث دو سازی کے شعبے کو زبردستی کے خسارہ جات کا سامنا رہا جس کے نتیجے میں قریب المیہ کی آمدنیوں کو خطرہ لاحق ہوا۔ گاڑیوں کی اسمبلنگ کی کمپنیاں فروخت کے ناقص حجم کے باعث مشکل کا شکار ہوئیں جس کی وجہ ایس بی پی کی عائد کردہ پابندیاں ہیں۔ دوسری جانب ٹیکنالوجی کے شعبے نے انڈیکس میں 801 پوائنٹس کا اضافہ کیا۔

### فنڈ کی کارکردگی

دوران مدت فنڈ نے (6.26) فیصد منافع حاصل کیا، جبکہ کراچی اسٹاک ایکسچینج کے ایس ای-100 کا منافع (3.71) فیصد تھا۔ 31 مارچ 2023ء کے اختتام پر ایکوٹی میں مجموعی شمولیت 93.10 فیصد تھی۔ فنڈ خارجی عوامل کے حوالے سے چونکہ ربا اور بنیادی نوعیت کی تبدیلیوں کے پیش نظر سرمایہ کاری کی حکمت عملی میں ترمیم کی گئی۔ زیادہ تر اختصاص کمرشل بینکوں، سینٹ اور کھانے کی کمپنیوں میں رکھا گیا۔

31 مارچ 2023ء کو فنڈ کے خالص اثاثہ جات 5,815 ملین روپے تھے جو 30 جون 2022ء کی سطح 8,875 ملین روپے کے مقابلے میں 34.48 فیصد کمی ہے۔

31 مارچ 2023ء کو خالص اثاثہ جاتی قدر (NAV) فی یونٹ 81.0882 روپے تھی جو 30 جون 2022ء کو ابتدائی اثاثہ جاتی قدر (NAV) 86.5039 روپے فی یونٹ کے مقابلے میں 6.26 روپے فی یونٹ کمی 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

## ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان اسٹاک مارکیٹ فنڈ کے اکاؤنٹس مختتمہ برائے نو ماہ اور سہ ماہی 31 مارچ 2023ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار 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 اسٹاکنگ (غیر قانونی درآمدات) کی سرگرمیوں میں اضافہ ہوا ہے اور مشتہ 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۔

ہیڈلائن افراط زر، 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

**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) -----	
<b>ASSETS</b>		
Balances with banks	4 292,226	329,797
Investments	5. 5,518,086	8,600,491
Receivable against sale of investments	34,271	148,458
Dividend and profit receivables	60,936	5,318
Advances, deposits and other receivables	18,845	18,409
<b>Total assets</b>	<b>5,924,364</b>	<b>9,102,472</b>
<b>LIABILITIES</b>		
Payable to Management Company	30,500	48,463
Payable to Trustee	661	920
Payable to the Securities and Exchange Commission of Pakistan	1,126	2,231
Payable against purchase of investments	-	100,314
Accrued expenses and other liabilities	6 76,297	74,827
Payable against redemption of units	386	386
<b>Total liabilities</b>	<b>108,970</b>	<b>227,139</b>
<b>NET ASSETS</b>	<b>5,815,394</b>	<b>8,875,333</b>
<b>Unit holders' fund (as per statement attached)</b>	<b>5,815,394</b>	<b>8,875,333</b>
<b>Contingencies and Commitments</b>	7.	
	---- (Number of units) ----	
<b>NUMBER OF UNITS IN ISSUE</b>	<b>71,716,905</b>	<b>102,600,400</b>
	----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>	<b>81.0882</b>	<b>86.5039</b>

The annexed notes 1 to 14 form an integral part of these interim financial statements.

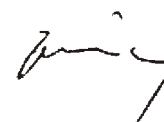
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	Note	Nine months ended		Quarter ended	
		March 31,		March 31,	
		2023	2022	2023	2022
		----- (Rupees in '000) -----			
<b>INCOME</b>					
(Loss) / gain on sale of investments - net		(75,800)	(594,620)	(31,939)	(211,387)
Dividend income		438,482	578,976	104,956	209,158
Income from Government securities		3,677	279	0	0
Profit on balances with banks		28,562	23,838	6,749	8,506
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - net	6.1	(644,165)	(319,539)	76,148	65,798
Other income		251	108	88	44
<b>Total income</b>		<b>(248,993)</b>	<b>(310,958)</b>	<b>156,002</b>	<b>72,119</b>
<b>EXPENSES</b>					
Remuneration of the Management Company		112,616	172,954	28,736	51,779
Sindh Sales Tax on remuneration of the Management Company		14,640	22,484	3,736	6,731
Remuneration of the Trustee		6,382	9,507	1,684	2,944
Sindh Sales Tax on remuneration of the Trustee		830	1,236	219	383
Annual fee of the Securities and Exchange Commission of Pakistan		1,126	1,751	287	539
Allocated expenses		5,631	8,755	1,437	2,696
Selling and marketing expenses		73,199	113,821	18,677	35,058
Auditors' remuneration		999	916	298	300
Securities transaction cost		24,879	2,805	8,580	(24,584)
Settlement and bank charges		1,981	39,966	624	37,944
Legal and professional charges		157	513	76	42
Fees and subscriptions		21	21	7	7
(Reversal) / provision for Sindh Workers' Welfare Fund		0	(120,605)	-	-
<b>Total expenses</b>		<b>242,461</b>	<b>254,124</b>	<b>64,361</b>	<b>113,839</b>
<b>Net (loss) / income for the period before taxation</b>		<b>(491,454)</b>	<b>(565,081)</b>	<b>91,640</b>	<b>(41,721)</b>
Taxation	8.	-	-	-	-
<b>Net (loss) / income for the period</b>		<b>(491,454)</b>	<b>(565,081)</b>	<b>91,640</b>	<b>(41,721)</b>
<b>Earnings per unit</b>	9.				
<b>Allocation of net income for the period after taxation</b>					
Net (loss) / income for the period		-	-		
Income already paid on units redeemed		-	-		
		-	-		
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		-	-		
- Excluding capital gains		-	-		
		-	-		

The annexed notes 1 to 14 form an integral part of these interim financial statements.

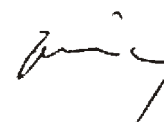
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



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**

	Nine months ended		Quarter ended	
	March 31, 2023	2022	March 31, 2023	2022
	----- (Rupees in '000) -----			
Net (loss) / income for the period	(491,454)	(565,081)	91,640	(41,721)
Other comprehensive income	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(491,454)</b>	<b>(565,081)</b>	<b>91,640</b>	<b>(41,721)</b>

The annexed notes 1 to 14 form an integral part of these 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 Ended March 31, 2023			Nine Months Ended March 31, 2022		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income	Total
	----- (Rupees in '000) -----					
<b>Net assets at the beginning of the period</b>	5,460,672	3,414,660	8,875,332	7,165,600	5,231,582	12,397,182
Issuance of 14,396,835(2022: 38,287,611) units:				-	-	-
- Capital value (at net asset value per unit at the beginning of the period) at Rs.86.5039	1,245,382	-	1,245,382	3,967,722	-	3,967,722
- Element of income	(25,655)	-	(25,655)	(112,362)	-	(112,362)
	1,219,727	-	1,219,727	3,855,361	-	3,855,361
Redemption of 45,280,330 (2022: 49,545,039 ) units:						
- Capital value (at net asset value per unit at the beginning of the period) at Rs.86.5039	(3,916,924)	-	(3,916,924)	(5,134,322)	-	(5,134,322)
- Element of (loss) / income	128,714	-	128,714	130,536	-	130,536
	(3,788,210)	-	(3,788,210)	(5,003,787)	-	(5,003,787)
Total comprehensive income for the period	-	(491,454)	(491,454)	-	(565,081)	(565,081)
Net income for the period less distribution	-	(491,454)	(491,454)	-	(565,081)	(565,081)
<b>Net assets as at the end of the period</b>	<b>2,892,189</b>	<b>2,923,206</b>	<b>5,815,394</b>	<b>6,017,175</b>	<b>4,666,501</b>	<b>10,683,676</b>
<b>Undistributed income brought forward comprising of:</b>						
- Realised	4,798,062			4,508,639		
- Unrealised	(1,383,402)			722,943		
	3,414,660			5,231,582		
Accounting income available for distribution:						
- Relating to capital gains	-			-		
- Excluding capital gains	-			-		
	-			-		
Net income for the period		(491,454)			(565,081)	
Undistributed income carried forward		2,923,206			4,666,501	
<b>Undistributed income carried forward comprising of:</b>						
- Realised	3,567,371			4,986,040		
- Unrealised	(644,165)			(319,539)		
	2,923,206			4,666,501		
		(Rupees)			(Rupees)	
Net assets value per unit as at beginning of the period		86.5039			103.6294	
Net assets value per unit as at end of the period		81.0882			98.5829	

The annexed notes 1 to 14 form an integral part of these interim financial statements.

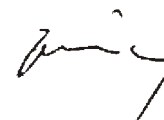
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director



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

	Nine Months ended	
	March 31,	
Note	2023	2022
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	(491,454)	(565,081)
<b>Adjustments for non cash and other items:</b>		
Unrealised (gain) / loss on revaluation of investments classified as 'at fair value through profit or loss' - net	644,165	319,539
	<u>152,711</u>	<u>(245,542)</u>
<b>(Increase) / decrease in assets</b>		
Investments - net	2,438,240	1,462,066
Receivable against sale of investments	114,187	294,841
Dividend and profit receivable	(55,618)	(56,223)
Advances, deposits and receivables	(436)	56,809
	<u>2,496,373</u>	<u>1,757,493</u>
<b>(Decrease) / Increase in liabilities</b>		
Payable to Management Company	(17,963)	(7,463)
Payable to Trustee	(259)	(173)
Payable to the Securities and Exchange Commission of Pakistan	(1,105)	(535)
Payable against purchase of investments	(100,314)	93,756
Accrued expenses and other liabilities	1,470	(122,753)
Payable against redemption of units	0	(68,754)
	<u>(118,171)</u>	<u>(105,922)</u>
<b>Net cash generated from/ (used) in operating activities</b>	<u>2,530,913</u>	<u>1,406,029</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issuance of units	1,219,727	3,855,360
Amount paid on redemption of units	(3,788,210)	(5,003,787)
<b>Net cash generated from / (used) in financing activities</b>	<u>(2,568,483)</u>	<u>(1,148,426)</u>
<b>Net (Decrease) in cash and cash equivalents during the period</b>	<u>(37,570)</u>	<u>257,603</u>
Cash and cash equivalents at the beginning of the period	329,797	265,333
<b>Cash and cash equivalents at the end of the period</b>	<u>292,227</u>	<u>522,936</u>

The annexed notes 1 to 14 form an integral part of these interim financial statements.

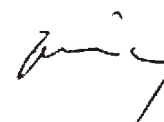
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director



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

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Pakistan Stock Market Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited) as "Management Company" and Central Depository Company of Pakistan Limited (CDC) 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 Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund has been categorised as equity scheme and offers units 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 units are listed on the Pakistan Stock Exchange. The Fund primarily invests in listed equity securities. However, it also invests in cash instruments and treasury bills not exceeding 90 days in maturities.
- 1.4 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 06, 2022 to the Management Company.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

## 2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards 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;
  - The NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed of 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 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.

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

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

- 3.1 The accounting policies applied 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.

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
		----- (Rupees in '000) -----	
<b>4 BALANCES WITH BANKS</b>	<b>Note</b>		
In current accounts	4.1	21,659	24,794
In savings accounts	4.2	270,567	305,003
		<b>292,226</b>	<b>329,797</b>

4.1 These include a balance of Rs.12.211 million (June 30, 2022: Rs.15.348) million maintained with MCB Bank Limited, a related party.

4.2 These carry profits at the rates ranging from 12.25% to 19% (June 30, 2022: 5.50% to 17.05%) per annum and include Rs.57.85 million (June 30, 2022: Rs.231.477) million maintained with MCB Bank Limited, a related party which carries profit at the rate of 12.25% to 15.50% (June 30, 2022: 5.50%) per annum.

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
		----- (Rupees in '000) -----	
<b>5. INVESTMENTS</b>	<b>Note</b>		
<b>At fair value through profit or loss</b>			
Listed equity securities	5.1	5,518,086	8,600,490
Government securities	5.2	-	-
		<b>5,518,086</b>	<b>8,600,490</b>

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

## 6.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	No. of shares				Balance as at March 31, 2023			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company	
	As at July 01, 2022	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2023	Carrying Value	Market value as at March 31, 2023			Unrealised gain / (loss)
(Rupees in '000)										
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
<b>Automobile Assembler</b>										
Honda Atlas Cars(Pakistan) Limited	55,100	140,000	-	95,100	100,000	13,940	11,783	(2,157)	0.20%	0.83%
Indus Motors Company Limited	-	42,300	-	42,300	-	-	-	-	0.00%	0.00%
Pak Suzuki Motors Company Limited	25,373	40,000	-	65,373	-	-	-	-	0.00%	0.00%
						<u>13,940</u>	<u>11,783</u>	<u>(2,157)</u>	<u>0.20%</u>	<u>0.83%</u>
<b>Automobile Parts &amp; Accessories</b>										
Agriauto Industries Limited	154,600	23,000	34,900	25,630	186,870	19,022	11,306	(7,717)	0.19%	6.28%
Atlas Battery Limited	13,000	9,800	3,250	4,187	21,863	3,148	3,550	401	0.06%	1.01%
Ghandhara Tyre & Rubber Company Limited	1,129,500	100,000	-	100,895	1,128,605	38,641	30,213	(8,429)	0.52%	2.48%
Thal Limited *	370,400	22,000	-	243,500	148,900	39,017	24,866	(14,151)	0.43%	6.14%
						<u>99,829</u>	<u>69,934</u>	<u>(29,894)</u>	<u>1.20%</u>	<u>15.91%</u>
<b>Cable &amp; Electrical Goods</b>										
Pak Elektron Limited ****	6,000,000	2,525,000	-	5,598,624	2,926,376	47,318	33,068	(14,250)	0.57%	0.39%
						<u>47,318</u>	<u>33,068</u>	<u>(14,250)</u>	<u>0.57%</u>	<u>0.39%</u>
<b>Cement</b>										
Attock Cement Pakistan Limited	-	-	-	-	-	-	-	-	0.00%	0.00%
Bestway Cement Limited	621,500	52,200	-	673,700	-	-	-	-	0.00%	0.00%
Cherat Cement Company Limited	1,035,187	1,388,094	-	1,959,281	464,000	46,075	52,237	6,162	0.90%	2.69%
D.G. Khan Cement Company Limited ****	4,048,278	1,579,159	-	5,627,437	-	-	-	-	0.00%	0.00%
Fauji Cement Company Limited	34,351,000	18,386,500	5,055,250	12,358,590	45,434,160	573,774	543,393	(30,382)	9.34%	2.22%
Gharibwal Cement Ltd	104,000	-	-	6,335	97,665	1,904	1,677	(228)	0.03%	0.04%
Kohat Cement Company Limited	820,870	438,466	-	1,177,596	81,740	10,304	11,397	1,093	0.20%	0.57%
Lucky Cement Limited	795,392	582,863	-	873,755	504,500	221,481	203,031	(18,450)	3.49%	6.28%
Maple Leaf Cement Factory Limited	6,848,546	21,486,379	-	9,043,951	19,290,974	466,799	501,180	34,380	8.62%	4.67%
Pioneer Cement Limited	-	1,630,000	-	1,100,000	530,000	32,325	37,185	4,860	0.64%	1.64%
						<u>1,352,662</u>	<u>1,350,099</u>	<u>(2,564)</u>	<u>23.22%</u>	<u>18.10%</u>
<b>Chemicals</b>										
Archroma Pakistan Limited	32,250	27,850	-	3,113	56,987	28,665	24,191	(4,474)	0.42%	7.09%
Dynea Pakistan Limited	24,700	97,600	-	24,700	97,600	9,813	11,709	1,896	0.20%	12.41%
Nimr Resins Limited	860,000	126,500	-	986,500	-	-	-	-	0.00%	0.00%
						<u>38,478</u>	<u>35,900</u>	<u>(2,578)</u>	<u>0.62%</u>	<u>19.50%</u>
<b>Commercial Banks</b>										
Allied Bank Limited	-	200,000	-	200,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Limited	7,227,192	7,296,921	-	10,374,099	4,150,014	133,311	119,437	(13,873)	2.05%	0.76%
Bank Al Habib Limited	153,091	2,242,016	-	929,333	1,465,774	75,719	62,295	(13,424)	1.07%	0.56%
BankIslami Pakistan Limited	5,845,000	4,921,000	-	10,766,000	-	-	-	-	0.00%	0.00%
Faysal Bank Limited	8,554,000	1,256,703	-	6,046,199	3,764,504	87,487	81,953	(5,534)	1.41%	0.25%
Habib Bank Limited	5,059,261	5,599,358	-	6,807,578	3,851,041	294,514	282,204	(12,310)	4.85%	1.92%
Habib Metropolitan Bank Limited	3,163,500	1,723,000	-	2,991,449	1,895,051	71,879	55,866	(16,013)	0.96%	0.53%
MCB Bank Limited ****	42,500	136,429	-	178,929	-	-	-	-	0.00%	0.00%
Meezan Bank Limited	6,218,543	2,541,318	599,256	6,074,285	3,284,832	332,981	312,716	(20,265)	5.38%	1.75%
United Bank Limited	3,773,488	1,386,351	-	2,245,994	2,913,845	328,781	310,499	(18,281)	5.34%	2.54%
						<u>1,324,672</u>	<u>1,224,972</u>	<u>(99,700)</u>	<u>21.06%</u>	<u>8.31%</u>
<b>Engineering</b>										
Agha Steel Ind. Ltd	937,000	438,500	-	1,375,500	-	-	-	-	0.00%	0.00%
Aisha Steel Mills Limited	4,687,030	3,111,316	-	1,008,779	6,789,567	75,723	46,373	(29,350)	0.80%	0.50%
Amreli Steels Limited	3,952,500	50,000	-	4,002,500	-	-	-	-	0.00%	0.00%
International Industries Limited	500,000	-	-	500,000	-	-	-	-	0.00%	0.00%
International Steels Limited	328,836	2,082,096	-	1,389,743	1,021,189	48,748	43,309	(5,439)	0.74%	1.00%
Mughal Iron & Steel Industries Limited	1,112,255	2,402,769	-	1,363,127	2,151,897	119,496	105,723	(13,774)	1.82%	3.15%
						<u>243,967</u>	<u>195,404</u>	<u>(48,563)</u>	<u>3.36%</u>	<u>4.65%</u>
<b>Fertilizer</b>										
Engro Fertilizer Limited	2,666,848	719,217	-	2,432,072	953,993	82,618	80,918	(1,701)	1.39%	0.61%
Engro Corporation Limited	444,000	1,339,571	-	1,383,470	400,101	103,058	110,740	7,682	1.90%	1.92%
Fauji Fertilizer Bin Qasim Limited	7,802,500	498,500	-	4,102,476	4,198,524	81,703	52,356	(29,348)	0.90%	0.41%
						<u>267,379</u>	<u>244,013</u>	<u>(23,366)</u>	<u>4.20%</u>	<u>2.93%</u>
<b>Food &amp; Personal Care Products</b>										
Murree Brewery Company	187,450	-	-	19,589	167,861	67,982	58,735	(9,247)	1.01%	21.23%
Nestle Pakistan Limited	833	-	-	820	13	75	65	(10)	0.00%	0.01%
AT-TAHUR LIMITED	1,490,000	1,146,500	236,150	297,236	2,575,414	46,829	39,146	(7,683)	0.67%	1.79%
The Organic Meat Company Limited	2,600,000	1,340,500	280,848	3,346,330	875,018	17,411	16,932	(479)	0.29%	1.25%
						<u>132,298</u>	<u>114,878</u>	<u>(17,420)</u>	<u>1.98%</u>	<u>24.29%</u>
<b>Glass &amp; Ceramics</b>										
Shabbir Tiles & Ceramics Limited *	1,917,500	2,106,000	-	339,592	3,683,908	53,387	31,350	(22,037)	0.54%	2.62%
Tariq Glass Industries	700,000	100,000	-	800,000	-	-	-	-	0.00%	0.00%
						<u>53,387</u>	<u>31,350</u>	<u>(22,037)</u>	<u>0.54%</u>	<u>2.62%</u>
<b>Insurance</b>										
Adamjee Life Assurance Company Limited ****	375,104	-	-	279,000	96,104	2,192	2,028	(164)	0.03%	0.06%
Jubilee Life Insurance Company Limited	170,800	1,000	-	171,800	-	-	-	-	0.00%	0.00%
						<u>2,192</u>	<u>2,028</u>	<u>(164)</u>	<u>0.03%</u>	<u>0.06%</u>
<b>Leather &amp; Tanneries</b>										
Bata Pakistan Limited	26,200	800	-	17,275	9,725	22,689	19,778	(2,911)	0.34%	0.98%
Service Industries	-	29,100	-	29,100	-	-	-	-	0.00%	0.00%
						<u>22,689</u>	<u>19,778</u>	<u>(2,911)</u>	<u>0.34%</u>	<u>0.98%</u>
<b>Miscellaneous</b>										
Pakistan Aluminium Beverage Cans Limited	-	-	-	-	-	-	-	-	0.00%	0.00%
Shifa International Hospitals	1,412,960	304,200	-	186,468	1,530,692	260,513	182,122	(78,392)	3.13%	28.81%
Synthetic Products Limited	1,358,000	1,066,000	-	169,383	2,254,617	28,154	25,364	(2,790)	0.44%	2.54%
						<u>288,667</u>	<u>207,486</u>	<u>(81,181)</u>	<u>3.57%</u>	<u>31.35%</u>

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

Name of the investee company	No. of shares					Balance as at March 31, 2023			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2022	Purchased during the period	Bonus / right issue during the	Sold during the period	As at March 31, 2023	Carrying Value	Market value as at March 31, 2023	Unrealised gain / (loss)		
						(Rupees in '000)			(%)	
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>										
Mari Petroleum Company Limited	375,133	79,471	-	275,489	179,115	293,208	271,055	(22,154)	4.66%	20.32%
Oil & Gas Development Company Limited	1,885,297	5,705,000	-	5,768,836	1,821,461	163,776	151,837	(11,939)	2.61%	0.35%
Pakistan Oilfields Limited	244,199	223,867	-	418,066	50,000	20,074	19,945	(129)	0.34%	0.70%
Pakistan Petroleum Limited	1,557,050	3,444,430	-	5,001,480	-	-	-	-	0.00%	0.00%
						477,058	442,836	(34,222)	7.61%	21.37%
<b>Oil And Gas Marketing Companies</b>										
Attock Petroleum Limited	50,000	-	-	50,000	-	-	-	-	0.00%	0.00%
Hi-Tech Lubricants Limited	947,000	2,575,500	-	1,172,377	2,350,123	90,170	55,486	(34,684)	0.95%	24.51%
Pakistan State Oil Company Limited	-	100,000	-	100,000	-	-	-	-	0.00%	0.00%
Sui Northern Gas Pipelines Limited	-	502,150	-	120,000	382,150	14,510	14,938	428	0.26%	0.24%
						104,681	70,425	(34,256)	1.21%	24.74%
<b>Paper And Board</b>										
Century Paper & Board Mills Limited	713,500	350,000	27,550	741,000	350,550	14,696	16,501	1,805	0.28%	0.74%
Cherat Packaging Limited	44,600	-	3,570	48,100	70	7	6	(1)	0.00%	0.00%
Packages Limited	576,700	46,100	-	246,684	376,116	150,124	127,767	(22,358)	2.20%	14.29%
Security Papers Limited	591,200	145,500	-	58,399	678,301	77,624	62,173	(15,451)	1.07%	10.49%
						242,452	206,447	(36,005)	3.55%	25.53%
<b>Pharmaceuticals</b>										
Abbott Laboratories (Pakistan) Limited	-	35,000	-	35,000	-	-	-	-	0.00%	0.00%
Agp Limited	729,182	1,046,263	-	436,112	1,339,333	97,896	72,592	(25,304)	1.25%	2.59%
Citi Pharma limited	4,500,000	2,744,718	-	3,039,359	4,205,359	127,976	107,531	(20,445)	1.85%	4.71%
Ferozsons Laboratories Limited	30,000	197,100	34,220	51,191	210,129	45,527	28,523	(17,004)	0.49%	0.00%
Glaxosmithkline Pakistan	-	75,000	-	-	75,000	7,037	6,191	(846)	0.11%	1.42%
Haleon Pakistan Limited	340,900	132,000	-	21,662	451,238	95,414	59,112	(36,301)	1.02%	5.05%
Highnoon Laboratories Limited	19,985	224,000	-	19,985	224,000	104,925	105,618	693	1.82%	25.22%
The Searle Company Limited	469,317	-	-	469,317	-	-	-	-	0.00%	0.00%
						478,774	379,567	(99,207)	6.53%	38.99%
<b>Power Generation &amp; Distribution</b>										
Altern Energy Limited	-	-	-	-	-	-	-	-	0.00%	0.00%
Hub Power Company Limited	841,400	3,831,548	-	2,572,448	2,100,500	137,041	141,847	4,805	2.44%	1.09%
Nishat Chunian Power Limited	-	2,618,132	-	2,618,132	-	-	-	-	0.00%	0.00%
						137,041	141,847	4,805	2.44%	1.09%
<b>Refinery</b>										
Attock Refinery Limited	1,016,000	50,000	-	1,066,000	-	-	-	-	0.00%	0.00%
						-	-	-	0.00%	0.00%
<b>Technology &amp; Communications</b>										
Air Link Communication Ltd	3,031,000	930,000	-	1,147,196	2,813,804	97,666	56,923	(40,742)	0.98%	1.44%
Hum Network Limited **	6,200,000	300,000	1,238,400	7,738,000	400	2	2	(0)	0.00%	0.00%
Octopus Digital Limited	225,000	325,000	-	549,896	104	7	5	(2)	0.00%	0.00%
Systems Limited	500,000	-	-	55,000	445,000	146,788	205,617	58,829	3.54%	7.08%
TRG Pakistan Limited	250,000	100,000	-	350,000	-	-	-	-	0.00%	0.00%
						244,463	262,547	18,084	4.51%	8.52%
<b>Textile Composite</b>										
Gul Ahmed Textile Mills Limited	2,948,940	2,438,373	-	522,313	4,865,000	153,300	102,749	(50,551)	1.77%	1.67%
Interloop Limited	862,686	3,343,023	135,856	1,078,412	3,263,153	190,088	156,272	(33,815)	2.69%	1.67%
Kohinoor Textile Mills Limited	1,444,718	591,000	-	534,164	1,501,554	73,440	78,696	5,257	1.35%	15.46%
Nishat (Chunian) Limited ****	5,373,058	1,998,849	-	6,948,761	423,146	9,264	8,759	(505)	0.15%	0.36%
Nishat Mills Limited ****	2,477,545	870,960	-	1,534,716	1,813,789	122,779	95,442	(27,337)	1.64%	2.71%
						548,870	441,918	(106,952)	7.60%	21.88%
<b>Textile Spinning</b>										
Gadoon Textile	29,000	-	-	29,000	-	-	-	-	0.00%	0.00%
						-	-	-	0.00%	0.00%
<b>Tobacco</b>										
PAKISTAN TOBACCO COMPANY LIMIED	-	52,650	-	5,171	47,479	41,437	31,806	(9,626)	0.55%	1.24%
						41,437	31,806	(9,626)	0.55%	1.24%
<b>Transport</b>										
Pakistan International Bulk Terminal Limited	3,800,000	-	-	3,800,000	-	-	-	-	-	-
						-	-	-	-	-
<b>Total as at March 31, 2023 (Un-audited)</b>						<b>6,162,256</b>	<b>5,518,086</b>	<b>(644,165)</b>		
Total as at June 30, 2022 (Audited)						9,983,897	8,600,490	(1,383,399)		

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

\*\* These have a face value of Rs.1 per share.

\*\*\* These have a face value of Rs.3.5 per share.

\*\*\*\* These are related parties

6.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) security against settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP:

	(Un-audited) March 31, 2023	(Audited) June 30, 2022	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	----- (Number of shares) -----		----- (Rupees in '000) -----	
The Hub Power Company Limited	-	750,000	-	51,127
Oil & Gas Development Company Limited	-	1,000,000	-	78,670
D.G Khan Cement Company Limited	-	2,000,000	-	125,000
FAUJI CEMENT COMPANY LIMITED	10,000,000	-	119,600	-
BANK ALFALAH LIMITED	1,000,000	-	28,780	-
	<b>11,000,000</b>	<b>3,750,000</b>	<b>148,380</b>	<b>254,797</b>

6.1.2 There is no change in the status of matter related to bonus shares as reported in the annual financial statements of the Fund for the year ended June 30, 2022. As at March 31, 2023, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.3.201 million (June 30, 2022: Rs.3.764 million).

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

**6.2 Government securities - at fair value through profit or loss**

Name of security	Issue date	Face value				Balances as at March 31, 2023		
		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)
----- (Rupees in '000) -----								
<b>Treasury Bills</b>								
Market Treasury Bills - 3 months	17-NOV-22	-	500,000,000	500,000,000	-	-	-	-
	22-SEP-22	-	100,000,000	100,000,000	-	-	-	-
	06-OCT-22	-	500,000,000	500,000,000	-	-	-	-
	26-JAN-23	-	500,000,000	500,000,000	-	-	-	-
	28-JUL-22	-	500,000,000	500,000,000	-	-	-	-
			<u>2,100,000,000</u>	<u>2,100,000,000</u>	-	-	-	-
<b>Total as at March 31, 2023 (Un-audited)</b>						-	-	-
<b>Total as at June 30, 2022 (Audited)</b>						-	-	-

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

	Note	(Un-audited) March 31, 2023	(Audited) June 30, 2022
----- (Rupees in '000) -----			
<b>6 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Federal Excise Duty payable on management remuneration	6.1	54,774	54,774
Federal Excise Duty payable on sales load		3,933	3,933
Unclaimed dividends		9,722	9,722
Brokerage payable		6,778	5,527
Auditors' remuneration		907	624
Withholding tax payable		115	172
Printing and related charges payable		47	40
Payable to legal advisor		21	35
Others		-	-
		76,297	74,827

**6.1** There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in the annual financial statements of the Fund for the year ended June 30, 2022. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at March 31, 2023 would have been higher by Re.0.82 per unit (2022: Re.0.57) per unit.

**7. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at the March 31, 2023 (June 30, 2022: Nil).

**8. TAXATION**

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income 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.

**9. 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.

**10. TOTAL EXPENSE RATIO**

The total annualized expense ratio of the fund from July 01, 2022 to March 31, 2023 is 4.30% (March 31, 2022: 4.28%) and this includes 0.35% (March 31, 2022: 0.30%) representing Government Levy.

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

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, 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 payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations and constitutive documents of the Fund respectively.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

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

	For the nine months ended March 31, 2023 (Un-audited)							
	As at July 01, 2022	Issued for cash / conversion in transferred in (Number of units)	Redeemed / conversion out / transfer out (Rupees in '000)	As at 31, March 2023	As at July 01, 2022	Issued for cash / conversion in transferred in (Rupees in '000)	Redeemed / conversion out / transfer out (Rupees in '000)	As at 31, March 2023
<b>12.1 Unit Holder's Fund</b>								
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>	1,044,926	1,199,781	1,610,741	633,966	90,390	100,000	145,323	51,407
<b>Group / associated companies / undertakings</b>								
Adamjee Insurance Company Limited - Employees Gratuity Fund	-	-	16,753,735	23,122,035	3,449,409	-	1,357,105	1,874,924
Adamjee Life Assurance Company Limited - IMF	39,875,771	-	-	-	-	-	-	-
Adamjee Life Assurance Company Limited -NUIL	19,165	19,165	19,165	19,165	1,658	-	-	1,554
Adamjee Life Assurance Company Limited -DGF	-	-	-	-	-	-	-	-
Adamjee Insurance Company Limited - Employees Provident Fund Trust	199,265	199,265	199,265	199,265	17,237	-	-	16,158
D.G. Khan Cement Company Limited - Employees Provident Fund Trust	33,038	-	27,112	5,925	2,858	-	2,250	480
Asghari Beg Memorial Trust	-	-	-	-	-	-	-	-
Nasim beg	-	-	-	-	-	-	-	-
Syed Savail Meekal Hussain	97,463	-	-	97,463	8,431	-	-	7,903
<b>Directors And Key Management Personnel</b>	13,747	608,697	609,634	12,810	2,024	50,661	52,027	1,039
<b>Mandate under discretionary portfolio services*</b>	121	1,638,239	464,808	1,173,552	10	136,825	38,542	95,161
<b>Unit holders holding 10% or more*</b>	12,564,079	-	-	12,564,079	1,086,842	-	-	1,018,799

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

	For the nine months ended March 31, 2022 (Un-audited)							
	As at July 01, 2021	Issued for cash / conversion in transferred in (Number of units)	Redeemed / conversion out / transfer out (Rupees in '000)	As at March 31, 2022	As at July 01, 2021	Issued for cash / conversion in transferred in (Rupees in '000)	Redeemed / conversion out / transfer out (Rupees in '000)	As at March 31, 2022
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>	1,415,391	742,947	1,415,391	742,947	109,584	75,000	140,830	73,242
<b>Group / associated companies / undertakings</b>								
Adamjee Insurance Company Limited - Employees Gratuity Fund	106,179	49,003	155,182	-	8,221	5,097	15,322	-
Adamjee Life Assurance Company Limited - IMF	35,917,385	6,660,065	2,873,582	39,703,868	2,780,832	665,000	293,000	3,914,122
Adamjee Life Assurance Company Limited -NUIL	1,609,457	306,633	1,916,090	-	124,609	32,000	201,356	-
Adamjee Life Assurance Company Limited -DGF	-	19,165	-	19,165	-	2,000	-	1,889
Adamjee Insurance Company Limited - Employees Provident Fund Trust	428,790	191,296	620,086	-	33,198	19,899	63,233	-
D.G. Khan Cement Company Limited - Employees Provident Fund Trust	199,265	-	7,689	199,265	15,428	-	-	19,644
Asghari Beg Memorial Trust	40,726	-	1,039	33,038	3,153	-	750	3,257
Nasim beg	836	203	-	-	65	21	101	-
Syed Savail Meekal Hussain	97,462	-	-	97,462	7,546	-	-	9,608
<b>Directors And Key Management Personnel</b>	139,320	882,462	998,530	23,253	10,787	88,684	100,860	2,292
<b>Mandate under discretionary portfolio services*</b>	1,986,606	1,212,590	1,822,156	1,377,040	153,809	123,858	179,210	135,753
<b>Unit holders holding 10% or more*</b>	11,370,827	1,193,252	-	12,564,079	880,364	120,480	-	1,238,603

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
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**12.2 Transactions during the period:**

	(Un-audited)	
	Nine Months ended March 31,	
	2023	2022
	----- (Rupees in '000) -----	
<b>MCB - Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration of the Management Company including indirect taxes	127,256	195,438
Marketing and Selling expense	73,199	113,821
Allocated Expenses	5,631	8,755
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee (including indirect taxes)	7,212	10,743
Central Depository Service charges	374	957
<b>Arif Habib Capital Limited - Brokerage House</b>		
Brokerage expense*	1,093	2,212
<b>MCB Bank Limited</b>		
Bank charges	26	83
Profit on balances with banks	15,234	18,131
Dividend income	-	4
Purchase of 136,429 (2022: 1,275,259 shares)	16,638	201,531
Sale of 178,929 (2022: 1,275,259 shares)	22,846	209,278
<b>Adamjee Insurance Company Limited</b>		
Dividend Income	-	1,552
Purchase of Nil Shares (2022: 65,000) shares	-	2,146
Sale of Nil Shares (2022: 1,099,500) shares	-	41,040
<b>Adamjee Life Assurance Company Limited</b>		
Purchase of NIL Shares(2022: 2,276,004) shares	-	63,745
Sale of 279,000 Shares (2022: 816,000) shares	5,391	20,077
<b>Aisha Steel Mills Limited</b>		
Dividend Income	-	3,700
Purchase of 3,111,316 (2022: 7,287,309 ) shares	35,182	109,945
Sale of 1,008,779 (2022: 7,740,000) shares	7,628	148,785
<b>Arif Habib Limited</b>		
Sale of NIL Shares (2022: 68,000) shares	-	6,121
<b>D.G. Khan Cement Company Limited</b>		
Dividend Income	1,320	1,888
Purchase of 1,579,159 (2022: 6,111,925) shares	80,114	490,204
Sale of 5,627,437 (2021: 2,954,826) shares	331,258	271,016
<b>Lalpir Power Limited</b>		
Dividend Income	-	7,191
Purchase of NIL Shares (2022:NIL) shares	-	-
Sale of NIL Shares (2022: 7,202,500) shares	-	111,248
<b>Nishat Chunian Limited</b>		
Dividend Income	10,000	32,344
Purchase of 1,998,849 (2022: 7,668,753) shares	66,341	374,260
Sale of 6,948,761 (2021: 2,141,446) shares	249,302	103,132
<b>Nishat Chunian Power Limited</b>		
Dividend Income	13,181	-
Purchase of 2,618,132 (2022: NIL) shares	42,047	-
Sale of 2,618,132(2021: NIL) shares	52,438	-
<b>Nishat Mills Limited</b>		
Dividend Income	5,859	398
Purchase of 870,960 (2022: 3,151,785) shares	52,434	262,514
Sale of 1,534,716 (2022: 884,500) shares	108,335	80,806
<b>Nishat Power Limited</b>		
Dividend Income	-	4,504
Purchase of NIL Shares (2022: 700,000) shares	-	14,760
Sale of NIL shares (2022: 1,669,000) shares	-	31,945
<b>Power Cement Limited</b>		
Purchase of NIL Shares (2022: NIL) shares	-	-
Sale of NIL Shares (2022: 7,193,000) shares	-	63,266
<b>International Steels Limited</b>		
Purchase of 2,082,096 Shares (2022: NIL) shares	100,859	-
Sale of 1,389,743 Shares (2022: NIL) shares	67,898	-



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

**12.3 Balances outstanding at period end:**

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	----- (Rupees in '000) -----	
<b>Management Company</b>		
<b>MCB - Arif Habib Savings and Investment Limited - Management Company</b>		
Remuneration payable	9,991	14,623
Sindh sales tax payable on remuneration	1,299	1,901
Sales load payable including related taxes	34	21
Payable against allocated expense	499	731
Payable against marketing and selling expenses	18,677	31,187
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	585	814
Sindh sales tax payable on remuneration	76	106
Security deposit	500	500
<b>Group / associated companies</b>		
<b>MCB Bank Limited</b>		
Bank balance	70,061	246,826
Profit receivable on bank balances	1,120	3,039
<b>MCB Bank Limited</b>		
Nil shares (2022: 42,500 shares)	-	5,227
<b>Adamjee Insurance Company Limited</b>		
Nil shares (2022: shares)	-	-
<b>Adamjee Life Assurance Company Limited</b>		
96,104 shares (2022: 375,104 shares)	2,028	8,556
<b>Aisha Steel Limited</b>		
6,789,567 shares (2022: 4,687,030 shares)	46,373	51,792
<b>Arif Habib Limited</b>		
Nil shares (2022: Nil shares)	-	-
<b>D.G. Khan Cement Company Limited</b>		
NIL shares (2022: 4,048,278 shares)	-	253,017
<b>Lalpir Power Limited</b>		
Nil shares (2022: NIL shares)	-	-
<b>Nishat Chunian Limited</b>		
423,146 shares (2022: 5,373,058 shares)	8,759	240,659
<b>Nishat Chunian Power Limited</b>		
NIL shares (2022: Nil shares)	-	-
<b>Nishat Mills Limited</b>		
1,813,789 shares (2022: 2,477,545 shares)	95,442	183,115
<b>Nishat Power Limited</b>		
Nil shares (2022: Nil shares)	-	-
<b>Power Cement Limited</b>		
Nil shares (2022: NIL shares)	-	-
<b>Arif Habib Limited - Brokerage House</b>		
Brokerage payable *	180	300
<b>International Steels Limited</b>		
1,021,189 shares (2022: Nil shares)	43,309	-

\* 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 (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

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**12 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 data (unobservable inputs).

**13 GENERAL**

**13.1** Prior period's figures have been rearranged / reclassified wherever necessary for better presentation and comparison. However, there were no material reclassifications to report.

**13.2** Figures have been rounded off to the nearest thousand rupee unless otherwise stated.

**14 DATE OF AUTHORISATION FOR ISSUE**

These interim financial statement were authorised for issue by the Board of Directors of the Management Company in the meeting held on April 14, 2023.

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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