

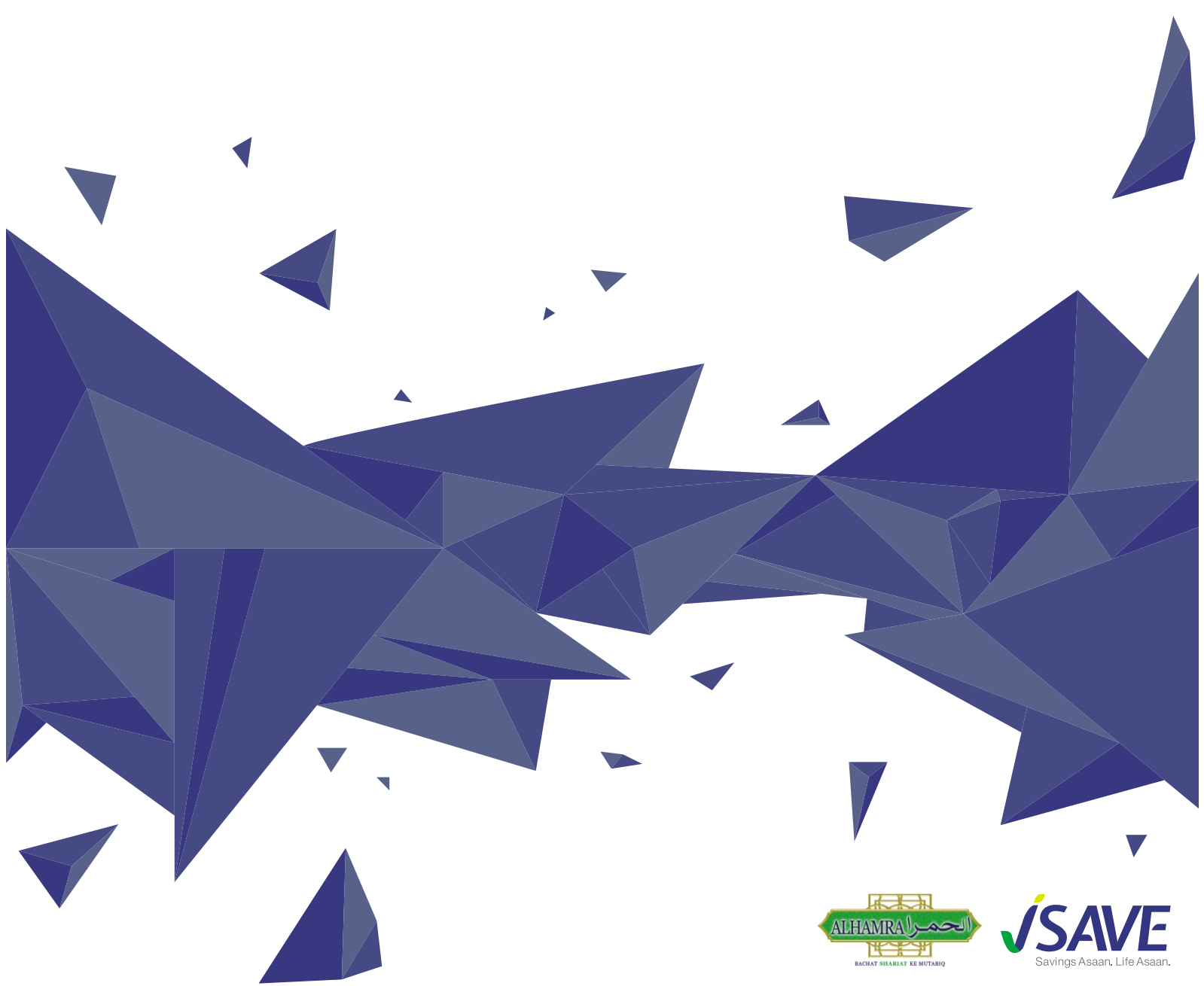


MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2023
(UNAUDITED)

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



MCB PAKISTAN ASSET ALLOCATION FUND

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FUND'S INFORMATION

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

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

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **MCB Pakistan Asset Allocation 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

The fund posted a return of -2.71% during the period under review against the benchmark return of -0.67%. The fund has exposure in equities at 74.10% by the end of March 31, 2023 and at the same time it increased the exposure in cash to 22.60% at the end of March 31, 2023. On the equity side, the fund was mainly invested in Commercial Banks, Oil & Gas Exploration, Fertilizers and Cement. The Net Assets of the Fund as at March 31, 2023 stood at Rs. 606 million as compared to Rs. 838 million as at June 30, 2022 registering a decrease of 27.68%. The Net Asset Value (NAV) per unit as at March 31, 2023 was Rs. 74.0403 as compared to opening NAV of Rs. 76.1026 per unit as at June 30, 2022 registering a decrease of 2.0623 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. Market cap to GDP ratio has declined to 7.7%, a discount of 61% from its historical average. Similarly,

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

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

طرح، Earning Yield Minus Risk Free Rate تقریباً 6.8 فیصد ہیں، اور ان کے قدیم اوسط 2.7 فیصد سے موازنہ کرنے پر مارکیٹ میں ہونے والی تجارت میں بھرپور کمی کا پتہ چلتا ہے۔ ہم سمجھتے ہیں کہ شعبہ جات اور اسٹاکس کا بہت قریبی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے 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 کے PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی آمدنی 12.1 فیصد پر ہے۔

حالیہ 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

اوپن اینڈ میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2023ء کے ابتدائی نو ماہ کے دوران تقریباً 22.8 فیصد بڑھ کر 1,491 بلین روپے ہو گئے۔ مجموعی Money مارکیٹ فنڈز میں جون 2022ء سے اب تک تقریباً 26.8 فیصد اضافہ ہوا۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈز 1.1 فیصد بڑھ کر 441 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 82.2 فیصد بڑھ کر 411 بلین روپے ہو گئے۔ مزید برآں، مجموعی فکسڈ انکم فنڈز جون 2022ء سے اب تک تقریباً 24.0 فیصد بڑھ کر 358 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 21.9 فیصد کم ہو گئے جس کی وجہ زبردستی 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 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 کار ان پر کشش سطحوں پر ایکویٹی میں مزید بیسہ لگانا چاہیں گے۔ ہمارے آپریٹرز بلا رکاوٹ جاری رہے، اور ڈیجیٹل ریسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

اظہار تشکر

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

من جانب ڈائریکٹرز



نسیم بیگ
ڈائریکٹر / وائس چیئرمین



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

ڈائریکٹرز رپورٹ

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

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے (2.71) فیصد منافع پوسٹ کیا، جبکہ مقررہ معیار کا منافع (0.67) فیصد تھا۔

فنڈ نے ایکویٹیز میں شمولیت کو بتدریج زیادہ کر کے مارچ 2023ء کے اختتام تک 74.10 فیصد کر دیا، اور بیک وقت نقد میں شمولیت کو کم کر کے مارچ 2023ء کے اختتام تک 22.60 فیصد کر دیا۔ ایکویٹی کی جہت میں فنڈ کی زیادہ تر سرمایہ کاری کمرشل بینکوں، تیل اور گیس کی تلاش، کھاد، اور سیمنٹ کے شعبوں میں تھی۔

31 مارچ 2023ء کو فنڈ کے خالص اثاثہ جات 606 ملین روپے تھے جو 30 جون 2022ء کی سطح 838 ملین روپے کے مقابلے میں 27.68 فیصد کمی ہے۔

31 مارچ 2023ء کو خالص اثاثہ جاتی قدر (NAV) نی یونٹ 74.0403 روپے تھی جو 30 جون 2022ء کو ابتدائی اثاثہ جاتی قدر (NAV) 76.102 روپے نی یونٹ کے مقابلے میں 2.0623 روپے نی یونٹ کی 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 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 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 دو طرفہ اور کثیر الجہتی ذرائع سے رقم حاصل کر سکیں گے۔ موجودہ غیر یقینی صورتحال کے باعث حصول رقم کے دیگر خارجی ذرائع بشمول براہ راست غیر ملکی سرمایہ کاری (FDI) اور روٹن 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 ہتھیاروں 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 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

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان ایسیٹ ایلیکشن 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 اسمگلنگ (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

	Note	(Un-audited) March 31, 2023	(Audited) June 30, 2022
----- (Rupees in '000) -----			
ASSETS			
Bank balances	4	147,005	91,513
Investments	5	482,690	829,059
Dividend and profit receivable		8,832	2,506
Receivable against sale of investments		7,400	-
Receivable from National Clearing Company of Pakistan Limited		1,134	1,134
Advances, deposits, prepayments and other receivables		4,115	4,108
Total assets		651,176	928,320
LIABILITIES			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	6	1,998	2,738
Payable to Central Depository Company of Pakistan Limited - Trustee		118	159
Payable to Securities and Exchange Commission of Pakistan		114	216
Payable against redemption of units		31	31
Payable against purchase of investments		5,945	51,051
Accrued expenses and other liabilities	7	36,848	36,142
Total liabilities		45,054	90,337
NET ASSETS		606,122	837,983
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		606,122	837,983
CONTINGENCIES AND COMMITMENTS			
	8		
----- (Number of units) -----			
NUMBER OF UNITS IN ISSUE		8,186,379	11,011,225
----- (Rupees) -----			
NET ASSET VALUE PER UNIT		74.0403	76.1026

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

Note	Nine months ended March 31,		Quarter ended March 31,	
	2023	2022	2023	2022
----- (Rupees in '000) -----				
INCOME				
Income from government securities	4,935	4,499	230	1,361
Capital (loss)/gain on sale of investments - net	(30,074)	(61,324)	(15,541)	(45,317)
Dividend income	46,901	42,295	11,026	17,548
Profit on bank deposits	12,275	7,806	4,436	3,718
Unrealised (Diminution) /Appreciation in fair value of investments classified as fair value through Profit and Loss -Net	(30,659)	10,338	11,123	34,640
Other income	100	42	36	15
Total (Loss)/Income	3,476	3,656	11,310	11,965
EXPENSES				
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	18,671	24,532	5,124	6,430
Sindh Sales Tax on remuneration of Management Company	2,427	3,189	666	836
Allocated expenses	564	834	153	286
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,126	1,574	309	532
Sindh Sales Tax on remuneration of Trustee	147	205	41	69
Annual fee to Securities and Exchange Commission of Pakistan	114	167	31	57
Brokerage and settlement charges	2,619	3,699	931	1,045
Legal and professional charges	157	511	76	40
Auditors' remuneration	740	630	226	207
Other expenses	401	466	311	45
Total expenses	26,966	35,807	7,868	9,547
Net income from operating expenses	(23,490)	(32,151)	3,442	2,418
(Reversal) of provision against Sindh Workers' Welfare Fund	-	(15,700)	-	-
Net Income for the period before taxation	(23,490)	(16,451)	3,442	2,418
Taxation	9. -	-	-	-
Net (loss) / income for the period after taxation	(23,490)	(16,451)	3,442	2,418
Allocation of net income for the period				
Net income for the period after taxation	-	-	-	-
Income already paid on units redeemed	-	-	-	-
Accounting income available for distribution				
Relating to capital gains	-	-	-	-
Excluding capital gains	-	-	-	-
Earnings per unit	10			

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	Nine months ended March 31,		Quarter ended March 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Net income for the period after taxation	(23,490)	(16,451)	3,442	2,418
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	(23,490)	(16,451)	3,442	2,418

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	For Nine months ended March 31,					
	2023			2022		
	(Rupees in '000)					
Capital Value	Accumulated Losses	Total	Capital Value	Accumulated Losses	Total	
Net assets at beginning of the period	2,024,393	(1,186,410)	837,983	1,967,011	(1,054,948)	912,063
Issue of 386,052 units (2022: 5,794,135 units)						
- Capital value (at net asset value per unit at the beginning of the period)	29,380	-	29,380	502,060	-	502,060
- Element of income	(370)	-	(370)	(8,023)	-	(8,023)
	29,010	-	29,010	494,037	-	494,037
Redemption of 3,210,898 units (2022: 3,116,216 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(244,358)	-	(244,358)	(270,019)	-	(270,019)
- Element of income	6,978	-	6,978	6,628	-	6,628
	(237,380)	-	(237,380)	(263,391)	-	(263,391)
Total comprehensive Loss for the period	-	(23,490)	(23,490)	-	(16,451)	(16,451)
Distribution during the period	-	-	-	-	(6,315)	(6,315)
Net assets at end of the period	1,816,023	(1,209,900)	606,122	2,197,657	(1,077,714)	1,119,943
Undistributed loss brought forward						
- Realised		(1,111,834)			(1,095,583)	
- Unrealised		(74,576)			40,635	
		(1,186,410)			(1,054,948)	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
Net loss for the period after Taxation		(23,490)			(16,451)	
Final distribution during the year ended June 30, 2021 at the rate of Rs 0.6 per unit (Declared on July 01, 2021)		-			(6,315)	
Undistributed loss carried forward		(1,209,900)			(1,077,714)	
Undistributed loss carried forward						
- Realised		(1,179,241)			(1,088,052)	
- Unrealised		(30,659)			10,338	
		(1,209,900)			(1,077,714)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		<u>76,1026</u>			<u>86.6497</u>	
Net assets value per unit at end of the period		<u>74.0403</u>			<u>84.8198</u>	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	Nine Months ended March 31,	
	2023	2022
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income for the period before taxation	(23,490)	(16,451)
Adjustments for non cash and other items:		
Unrealised diminution/(appreciation) in fair value of investments classified as 'at fair value through profit or loss' - net	30,659	(10,338)
Reversal of Provision against Sindh Workers' Welfare Fund	-	(15,700)
Dividend Income	(46,901)	(42,295)
	<u>(39,732)</u>	<u>(84,784)</u>
(Increase) / decrease in assets		
Investments	315,710	(104,410)
Dividend and profit receivable	(6,838)	(11,812)
Receivable against sale of investments	(7,400)	31,155
Receivable from National Clearing Company of Pakistan Limited	-	-
Advances, deposits, prepayments and other receivables	(7)	(25)
	<u>301,465</u>	<u>(85,092)</u>
Increase / (decrease) in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(740)	1,439
Payable to Central Depository Company of Pakistan Limited - Trustee	(41)	18
Payable to Securities and Exchange Commission of Pakistan	(102)	(82)
Payable on redemption of units	-	-
Payable against purchase of investments	(45,106)	(3,125)
Accrued expenses and other liabilities	705	(40)
	<u>(45,284)</u>	<u>(1,790)</u>
Dividend received	47,413	42,807
Net cash (Used in)/generated from operating activities	<u>263,862</u>	<u>(128,859)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	29,010	494,037
Payments against redemption of units	(237,380)	(263,391)
Dividend paid during the period	-	(6,315)
Net cash (used in) / generated financing activities	<u>(208,370)</u>	<u>224,331</u>
Net increase in cash and cash equivalents during the period	<u>55,492</u>	<u>95,472</u>
Cash and cash equivalents at beginning of the period	91,513	172,930
Cash and cash equivalents at end of the period	<u>147,005</u>	<u>268,402</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

MCB Pakistan Asset Allocation Fund (the Fund) was established under a Trust Deed dated November 22, 2007 executed between MCB Asset Management Company Limited as the Management Company and the Central Depository Company of Pakistan Limited as the Trustee. Pursuant to the merger of MCB Asset Management Limited and Arif Habib Investments Limited, the name of the Management Company was changed from MCB Asset Management Company Limited to MCB–Arif Habib Savings and Investments Limited with effect from June 27, 2011. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 17, 2007 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely “Sindh Trusts Act, 2020” (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

The Fund is an open-end collective investment scheme categorized as an "Asset Allocation" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned Management quality rating of “AM1” on October 06, 2022 to the Management Company.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act 2017 along with part VIII A of the repealed Companies ordinance, 1984 ; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, 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 VIII A 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 VIII A 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 (UN-AUDITED) 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. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

- 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.
- 3.1** 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.

	Note	(Un-audited) March 31, 2023 --- (Rupees in '000) ---	(Audited) June 30, 2022
4. BANK BALANCES			
Savings accounts	4.1	143,391	86,350
Current accounts	4.2	3,614	5,163
		147,005	91,513

- 4.1** These carry profit at the rates ranging between 12.25% to 19.00% (June 30, 2022: 5.50% to 17.05%) per annum. It includes balance of Rs. 0.012 Milion (June 30, 2022 Rs. 0.006 Million) placed with MCB Bank Limited, a related party.

- 4.2** This include Rs 3.614 million (June 30, 2022: Rs 5.16 million) maintained with MCB Bank Limited (a related party)

	Note	(Un-audited) March 31, 2023 ----- (Rupees in '000) -----	(Audited) June 30, 2022
5. INVESTMENTS			
Financial assets 'at fair value through profit or loss'			
Listed equity securities - Ordinary Shares	5.1.1	458,730	660,891
Listed equity securities - Preference Shares	5.1.1.3	23,960	22,700
Market treasury bills	5.1.1.4	-	145,468
		482,690	829,059

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

5.1 Financial assets 'at fair value through profit or loss'

5.1.1 Listed equity securities - Ordinary Shares

Ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of investee company	As at July 1, 2022	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2023	As at March 31, 2023			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
					(Rupees in '000)			(%)			
Automobile Parts and Accessories											
Agriato Industries Limited	54,100	-	13,525	4,500	63,125	6,767	3,819	(2,948)	0.63%	0.79%	2.12%
Ghandhara Tyre & Rubber Company Limited	-	92,000	-	92,000	-	-	-	-	0.00%	0.00%	0.00%
Panther Tyres Limited	4,656	-	-	4,656	-	-	-	-	0.00%	0.00%	0.00%
Thal Limited	27,200	15,000	-	42,200	-	-	-	-	0.00%	0.00%	0.00%
						6,767	3,819	(2,948)			
Cable and Electrical Goods											
Pak Elektron Limited	350,000	137,500	-	487,500	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-			
Cement											
Attock Cement Pakistan Limited	-	59,000	-	55,000	4,000	280	230	(50)	0.04%	0.05%	0.02%
Cherat Cement Company Limited	-	210,000	-	210,000	-	-	-	-	0.00%	0.00%	0.00%
D.G. Khan Cement Company Limited*	140,000	485,000	-	625,000	-	-	-	-	0.00%	0.00%	0.00%
Fauji Cement Company Limited**	2,973,000	812,000	457,500	2,017,500	2,225,000	28,404	26,611	(1,793)	4.39%	5.51%	0.11%
Gharibwal Cement Ltd	200,000	-	-	51,500	148,500	2,896	2,550	(346)	0.42%	0.53%	0.06%
Kohat Cement Company Limited	1,600	54,797	-	4,347	52,050	6,268	7,257	989	1.20%	1.50%	0.36%
Lucky Cement Limited	61,003	65,501	-	60,004	66,500	29,087	26,762	(2,324)	4.42%	5.54%	0.83%
Maple Leaf Cement Factory Limited**	590,309	1,639,500	-	1,289,809	940,000	21,241	24,421	3,180	4.03%	5.06%	0.23%
Pioneer Cement Limited	-	43,000	-	-	43,000	3,095	3,017	(78)	0.50%	0.63%	0.13%
						91,272	90,848	(423)			
Chemicals											
Archroma Pakistan Limited	9,100	-	-	-	9,100	4,996	3,863	(1,133)	0.64%	0.80%	1.13%
						4,996	3,863	(1,133)			
Commercial Banks											
Bank Alfalah Limited**	680,281	484,000	-	664,281	500,000	16,118	14,390	(1,728)	2.37%	2.98%	0.09%
Faysal Bank Limited	1,732,500	66,500	-	1,149,000	650,000	14,985	14,151	(834)	2.33%	2.93%	0.09%
BankIslami Pakistan Limited	1,729,500	255,500	-	1,985,000	-	-	-	-	0.00%	0.00%	0.00%
Habib Bank Limited	293,885	396,860	-	361,885	328,860	24,187	24,099	(88)	3.98%	4.99%	0.16%
Habib Metropolitan Bank Limited	340,000	-	-	340,000	-	-	-	-	0.00%	0.00%	0.00%
Meezan Bank Limited	369,500	245,944	36,000	234,670	416,774	42,288	39,677	(2,611)	6.55%	8.22%	0.22%
United Bank Limited**	192,000	343,000	-	245,000	290,000	32,804	30,902	(1,901)	5.10%	6.40%	0.25%
						130,382	123,219	(7,163)			

Name of investee company	As at July 1, 2022	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2023	As at March 31, 2023			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee
						Carrying value	Market value	Unrealised appreciation / (diminution)			
					(Rupees in '000)			(%)			
Engineering											
Aisha Steel Mills Limited*	700,000	-	-	700,000	-	-	-	-	0.00%	0.00%	0.00%
Mughal Iron and Steel Industries Limited	145,000	230,000	-	159,000	216,000	10,511	10,612	101	1.75%	2.20%	0.32%
						10,511	10,612	101			
Fertilizer											
Engro Fertilizer Limited	60,000	70,000	-	60,000	70,000	5,945	5,937	(8)	0.98%	1.23	0.04%
Engro Corporation Limited	65,000	130,000	-	112,000	83,000	22,836	22,973	136	3.79%	4.76	0.40%
						28,781	28,910	129			
Food & Personal Care Products											
Murree Brewery Company	10,650	-	-	-	10,650	4,313	3,726	(587)	0.61%	0.77%	1.35%
Shezan International Limited	5,626	-	-	5,600	26	4	3	(2)	0.00%	0.00%	0.00%
The Organic Meat Company Limited	360,500	140,000	34,222	226,000	308,722	6,071	5,974	(97)	0.99%	1.24%	0.44%
						10,388	9,703	(685)			
Glass & Ceramics											
Tariq Glass Industries Limited	86,500	-	-	86,500	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-			
Leather & Tanneries											
Bata Pakistan Limited	12,220	-	-	10,300	1,920	4,569	3,905	(665)	0.64%	0.81	5.16%
						4,569	3,905	(665)			
Oil and Gas Exploration Companies											
Oil and Gas Development Company Limited	-	592,000	-	402,000	190,000	16,503	15,838	(665)	2.61%	3.28%	0.04%
Pakistan Oilfields Limited	-	8,000	-	8,000	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	-	823,000	-	823,000	-	-	-	-	0.00%	0.00%	0.00%
Mari Petroleum Company Limited	43,255	-	-	25,455	17,800	30,967	26,937	(4,031)	4.44%	5.58%	2.02%
						47,471	42,775	(4,695)			
Paper And Board											
Century Paper & Board Mills Limited	-	70,000	-	-	70,000	2,940	3,300	360	0.54%	0.68%	0.15%
Packages Limited	42,000	-	-	8,700	33,300	13,282	11,312	(1,970)	1.87%	2.34%	1.27%
						16,222	14,612	(1,610)			

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

Name of investee company	As at July 1, 2022	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2023	As at March 31, 2023			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
(Number of shares)						(Rupees in '000)			(%)		
Pharmaceuticals											
Citi Pharma limited	540,500	-	-	155,000	385,500	12,583	9,857	(2,725)	1.63%	2.04%	0.43%
Haleon Pakistan Limited	85,400	-	-	30,400	55,000	13,108	7,205	(5,903)	1.19%	1.49%	0.62%
Highnoon Laboratories Limited	17,285	19,500	-	17,285	19,500	9,139	9,194	56	1.52%	1.90%	2.20%
AGP Limited	-	25,000	-	25,000	-	-	-	-	0.00%	0.00%	0.00%
						34,829	26,257	(8,573)			
Power Generation and Distribution											
Hub Power Company Limited	-	365,000	-	25,000	340,000	23,993	22,960	(1,033)	3.79%	4.76%	0.18%
Nishat Chunian Power Limited	-	460,920	-	460,920	-	-	-	-	0.00%	0.00%	0.00%
						23,993	22,960	(1,033)			
Refinery											
Attock Refinery Limited	19,000	-	-	19,000	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-			
Technology and Communication											
Air Link Communication Ltd	248,000	-	-	248,000	-	-	-	-	0.00%	0.00%	0.00%
Systems Limited	38,000	73,950	-	42,450	69,500	28,719	32,113	3,394	5.30%	6.65%	1.11%
						28,719	32,113	3,394			
Textile Composite											
Nishat (Chunian) Limited	774,345	70,000	-	844,345	-	-	-	-	0.00%	0.00%	0.00%
Gul Ahmed Textile Mills Limited	352,354	50,000	-	162,000	240,354	7,953	5,076	(2,877)	0.84%	1.05%	0.08%
Kohinoor Textile Mills Limited	298,000	-	-	4,000	294,000	14,700	15,409	709	2.54%	3.19%	0.51%
Nishat Mills Limited	30,000	210,000	-	240,000	-	-	-	-	0.00%	0.00%	0.00%
Interloop Limited	-	441,608	9,035	140,729	309,914	17,720	14,842	(2,878)	2.45%	3.07%	0.16%
						40,373	35,327	(5,046)			
Tobacco											
PAKISTAN TOBACCO COMPANY LIMIED	-	9,400	-	-	9,400	8,217	6,298	(1,919)	1.04%	1.30%	0.25%
						8,217	6,298	(1,919)			
Miscellaneous											
Shifa International Hospital Limited	180,000	8,000	-	188,000	-	-	-	-	0.00%	0.00%	0.00%
Synthetic Products Limited	-	318,000	-	6,000	312,000	3,160	3,510	350	0.58%	0.73%	0.35%
						3,160	3,510	350			
Total as at March 31, 2023						490,649	458,730	(31,919)			
Total as at June 30, 2022						735,242	660,891	(74,351)			

* These denote related parties / connected persons.

** These shares having market value aggregating to Rs 34.355 million (June 2022: Rs 33.175 million) which have been pledged with the National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

5.1.1.2 There is no change in the status of matter related to bonus shares as reported in note 5.1.1.2 to the annual audited financial statements of the Fund for the year ended June 30, 2022. The bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares having market value as at March 31, 2023 amounted to Rs. 0.843 million (June 30, 2022: Rs 1 million).

5.1.1.3 Listed equity securities - Preference Shares

Name of investee company	As at July 1, 2022	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2023	As at March 31, 2023			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
(Rupees in '000)						(Rupees in '000)			(%)		
Engro Polymer and Chemicals Limited	2,000,000	-	-	-	2,000,000	22,700	23,960	1,260	3.95%	4.96%	0.05%
Total as at March 31, 2023						22,700	23,960	1,260			

These shares carry dividend at the rate of 6 months KIBOR + 3.5% per annum on cumulative basis. The rate prevailing on June 30 and March 31 will be considered.

5.1.1.4 Government Securities-Market Treasury Bills

Tenor	Issue date	Face value			As at March 31, 2023	As at March 31, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2022	Purchased during the period	Sold / matured during the period		Carrying value	Market value	Unrealised appreciation / (diminution)		
(Rupees in 000)										
3 months										
3 months	May 19, 2022	-	16,000	16,000	-	-	-	-	-	-
3 months	July 28, 2022	-	500,000	500,000	-	-	-	-	-	-
3 months	October 6, 2022	-	500,000	500,000	-	-	-	-	-	-
3 months	November 17, 2022	-	635,000	635,000	-	-	-	-	-	-
3 months	January 26, 2022	-	500,000	500,000	-	-	-	-	-	-
3 months	April 21, 2022	50,000	45,000	95,000	-	-	-	-	-	-
6 months	April 21, 2022	100,000	-	100,000	-	-	-	-	-	-
6 months	October 6, 2022	-	500,000	500,000	-	-	-	-	-	-
6 months	January 27, 2022	-	19,000	19,000	-	-	-	-	-	-
As at March 31, 2023						-	-	-		
As at June 30, 2022						145,993	145,468	(525)		

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

		(Un-audited) March 31, 2023 (Rupees in '000)	(Audited) 30 June 2022
6. PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	6.1	1,722	2,331
Sindh sales tax payable on management remuneration	6.2	224	303
Sales load payable		-	33
Payable against allocated expenses		52	71
		1,998	2,738

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 offering document, the Management Company can charge management fee up to 4% per annum of the average annual Net Assets of the Fund calculated on daily basis. The remuneration is payable to the Management Company monthly in arrears.

6.2 During the year, Sindh Sales Tax on management fee has been charged at 13% (June 2022: 13%).

	Note	(Un-audited) March 31, 2023 (Rupees in '000)	(Audited) June 30, 2022
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty and related tax on	7.1		
- Management fee		19,027	19,027
- Sales load		16,173	16,173
Withholding Tax Payable		-	2
Auditors' remuneration payable		686	502
Brokerage payable		589	168
Others		373	270
		36,848	36,142

7.1 Federal Excise Duty on remuneration to the Management Company

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual audited financial statements of the Fund for the year ended June 30, 2022. Had the said provision for FED not been recorded in this condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2023 would have been higher by Rs. 4.30 per unit (June 30, 2022: Rs. 3.20 per unit).

8. CONTINGENCIES AND COMMITMENTS

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

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

9. TAXATION

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

10. EARNINGS PER UNIT

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

11. EXPENSE RATIO

The total annualized expense ratio of the fund from July 01, 2022 to March 31, 2023 is 4.77% (March 31, 2022: 4.29%) and this includes 0.53% (March 31, 2022: 0.43%) representing Government Levy.

12. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

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

	For the nine months ended March 31, 2023				For the nine months ended March 31, 2022			
	As at July 1, 2022	Issued for cash	Redeemed	As at March 31, 2023	As at July 1, 2022	Issued for cash	Redeemed	As at March 31, 2022
	Units							
Associated companies / undertakings	(Rupees in '000)							
Adamjee Life Assurance Company Limited. IMIF	3,878,276	-	-	3,878,276	295,147	-	-	287,149
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,272	-	-	35,272	2,684	-	-	2,612
Mandate Under Discretionary Portfolio Services	157,085	190,941	60,278	287,748	11,955	14,000	4,498	21,305
Unitholders 10% or more	951,285	-	-	951,285	72,395	-	-	70,433
	Units							
	(Rupees in '000)							
MCB-Arif Habib Savings and Investments Limited - Management Company	-	1,572,494	307,912	1,264,582	-	135,000	25,000	107,262
Associated companies / undertakings	(Rupees in '000)							
Adamjee Life Assurance Company Limited-NUIL Fund	51,887	308	52,195	-	4,496	26	4,602	-
Adamjee Life Assurance Company Limited-Investment Multiplier Fund	1,036,747	3,361,879	520,349	3,878,276	89,834	285,529	43,000	328,955
D.G. Khan Cement Company Ltd Employees Provident Fund Trust	35,028	244	-	35,272	3,035	21	-	2,992
Mandate Under Discretionary Portfolio Services	499,824	295,078	329,094	465,808	43,310	25,200	28,550	39,510
Directors and Key management personnel	22,573	142	22,715	-	1,956	12	1,918	-

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

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

	(Un-audited) March 31, 2023	(Un-audited) March 31, 2022
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration of the Management Company (including indirect taxes)	21,098	27,722
Allocated expenses	564	834
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	1,274	1,779
CDC settlement charges	32	111
MCB Bank Limited - holding company of the Management Company		
Purchase of shares Nil (2021: 365,000)	-	18,358
Sale of shares Nil (2021: 628,519)	-	19,240
Profit on bank balances	1	27
Bank charges	3	6
D. G. Khan Cement Company Limited		
Purchase of shares 485,000 (2022: 290,000)	24,708	20,528
Sale of shares 625,000 (2022: 200,670)	32,935	16,704
Dividend income	210	
Adamjee Insurance Company Limited		
Sale of shares Nil (2022: 14,000)	-	522
Dividend income	-	21
Arif Habib Limited		
Brokerage expense *	55	164
Power Cement Limited		
Sale of shares Nil (2022: 186,000)	-	1,711
Aisha Steel Mills Limited		
Purchase of Shares 650,000 (2022:Nil)	7,602	14,977
Sale of shares 1,350,000 (2022:350,000)	9,713	5,495
Lalpir Power Limited		
Sale of shares Nil (2022: 705,000)	-	11,047
Dividend income	-	705
Nishat (Chunian) Limited		
Purchase of shares 70,000 (2022:625,000)	2,599	28,958
Sale of shares 844,345 (2022:175,000)	28,071	9,198
Dividend income	1,668	990
Nishat Mills limited		
Purchase of shares 210,000 (2022:Nil)	15,159	-
Sale of shares 240,000 (2022:175,000)	15,676	-
Dividend income	620	-

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	----- (Rupees in '000) -----	
12.3 Amount outstanding as at period end / year end		
MCB-Arif Habib Savings and Investments Limited - Management Company		
Management remuneration payable	1,722	2,331
Sindh sales tax payable on management remuneration	224	303
Sales load payable	-	33
Payable against allocated expenses	52	71
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	104	141
Sindh Sales Tax payable on trustee remuneration	14	18
Security deposits	100	100
MCB Bank Limited - Parent of the Management Company		
Bank balances	3,626	5,165
Arif Habib Limited		
Brokerage payable *	20	40
D.G. Khan Cement Company Limited		
Shares held by Fund 2023 Nil (June 2022: 140,000)	-	8,750
Nishat (Chunian) Limited		
Shares held by the Fund 2023: Nil (June 2022: 774,345)	-	34,683
Aisha Steel Mills Limited		
Shares held by the Fund 2023: Nil (June 2022: 700,000)	-	7,735

* The amount disclosed represents the amount of brokerage expense or brokerage payable to related parties / 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 related parties / connected persons.

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

13 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).

14 CORRESPONDING FIGURES

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

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was 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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