

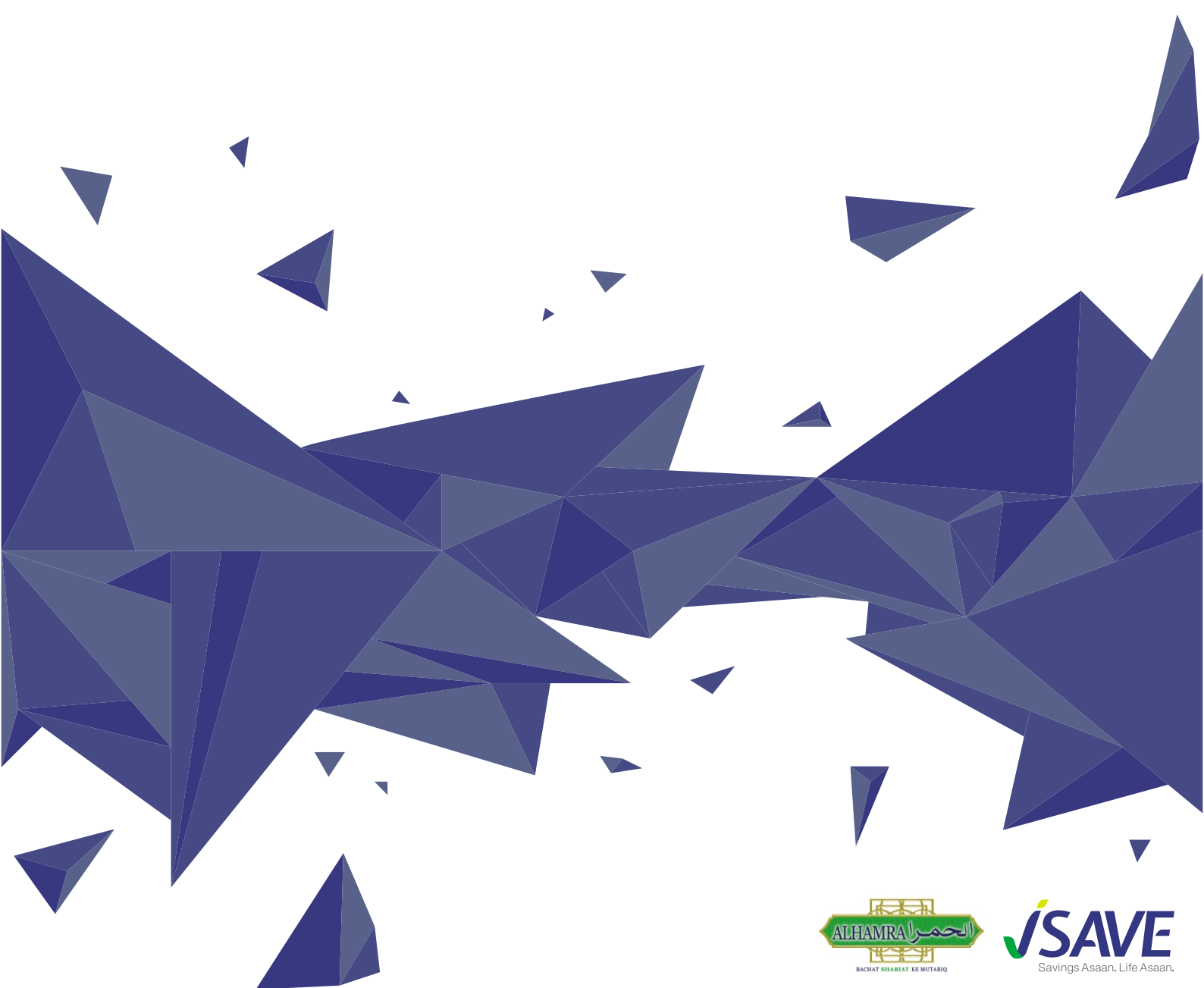


MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2023
(UNAUDITED)

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



**MCB PAKISTAN OPPORTUNITY FUND
DIVIDEND YIELD PLAN**

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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 Shakra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Limited Allied Bank Limited	
Auditors	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, Sindh-75530, Pakistan.	
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, we are pleased to present **MCB Pakistan Dividend Yield Plan** accounts review for the nine months and quarter ended March 31, 2023 (Fund launched on June 29, 2022).

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 under review, the fund posted a return of 6.54% against 2.87% for the benchmark. The fund was 83.7% invested in Equities and 16.3% in Cash and others as at 31 March, 2023. The Net Assets of the Fund as at 31 March stood at Rs. 185 million. The Net Asset Value (NAV) per unit as at March 31, 2023 was Rs. 106.2085.

ECONOMY & MARKET – FUTURE OUTLOOK

We expect FY23 GDP growth to decline to 0.1% as monetary tightening, rupee devaluation and the prevailing uncertainty will lead to slowdown in the economy. The loss of cotton and rice crop in the aftermath of floods would trim agriculture growth to 0.4% while industrial growth is expected at clock at -6.9% owing to demand slowdown and shortage of raw materials. The government is taking administrative measures to control imports, which may reduce service sector growth to 2.3%.

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

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

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

From capital market perspective, particularly equities, the correction in stock prices has further opened up valuation. The market appears to have priced in the interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 7.7%, a discount of 61% from its historical average. Similarly, Earning Yield Minus Risk Free Rate are close to 6.8%, compared to historical average of 2.7% signifying deep discount at which market is trading. We believe a micro view of sectors and stock will remain important and investment selection should focus on companies which trade at a deep discount to their

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

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.

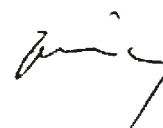
ACKNOWLEDGEMENT

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

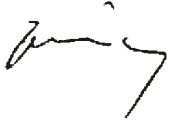
ڈائریکٹرز رپورٹ

کم سطح پر رہنا چاہتے ہیں۔ تاہم اسٹاک کی قیمتوں میں تصحیح سے تعینات قدر کھل گئی ہیں اور طویل المیعاد سرمایہ کاران پرکشش سطحوں پر ایکویٹی میں مزید پیسہ لگانا چاہیں گے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

اظہار تشکر

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

من جانب ڈائریکٹرز



نسیم بیگ
ڈائریکٹر / وائس چیئرمین



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

ڈائریکٹرز رپورٹ

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

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

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

کیپیٹل مارکیٹ، خصوصاً ایکویٹی، کے نقطہ نظر سے اسٹاک کی قیمتوں میں تصحیح سے تعین قدر مزید کھل گئی ہے۔ مارکیٹ نے بظاہر شرح سود میں اضافے اور روپے کی قدر میں کمی کو مد نظر رکھا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 7.7 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 61 فیصد کمی ہے۔ اسی طرح، Earning Yield Minus Risk Free Rate تقریباً 6.8 فیصد ہیں، اور ان کے قدیم اوسط 2.7 فیصد سے موازنہ کرنے پر مارکیٹ میں ہونے والی تجارت میں بھرپور کمی کا پتہ چلتا ہے۔ ہم سمجھتے ہیں کہ شعبہ جات اور اسٹاکس کا بہت قریبی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے 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۔

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 پیکر شرحوں پر انکم فنڈز میں حکومتی بانڈز شامل کرنے کے مواقع سے استغاثہ، 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 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 زبرد جائزہ مدت کے دوران مارکیٹ میں اضطراب اور اثاثہ جات تحت الانظامیہ میں کمی ہے کیونکہ مجموعی معاشی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔

شعبہ جاتی اعتبار سے مالی سال 2023ء کے ابتدائی نو ماہ کے اختتام پر Money مارکیٹ فنڈز 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

ڈائریکٹرز رپورٹ

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

ایکویٹی 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 ناگوں کی کیفیت میں مبتلا 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 آمدنی 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 زرمبادلہ کے خسارے کا سامنا رہا جس کے نتیجے میں قریب المیعا 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

زیر جائزہ مدت کے دوران فنڈ کا منافع 6.54 فیصد تھا، جبکہ مقررہ معیار کا منافع 2.87 فیصد تھا۔ 31 مارچ 2023ء فنڈ کو ایکویٹی میں 83.7 فیصد اور نقد میں شمولیت 16.3 فیصد تھی۔ 31 مارچ 2023ء کو فنڈ کے خالص اثاثہ جات 185 ملین روپے تھے۔ 31 مارچ 2023ء کو خالص اثاثہ جاتی قدر (NAV) فی یونٹ 106.2085 روپے تھی۔

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 اُمید کرتے ہیں کہ وہ درآمدات کی لگام مضبوطی سے کھینچ کر رکھے گی اور ڈالر کے غیر ضروری اخراجاتی بہاؤ کی حوصلہ شکنی کرے گی۔ درآمدات متوقع طور پر 20 فیصد YoY کم ہو کر 66 بلین ڈالر ہو جائیں گی کیونکہ معیشت کے متعدد گوشوں کے حجم سنکڑ جائیں گے۔ چنانچہ ہمیں توقع ہے کہ مالی سال 2023ء میں سی اے ڈی کم ہو کر 5.8 بلین ڈالر (جی ڈی پی کا 1.7 فیصد) ہو جائے گا جو مالی سال 2022ء کے 17.4 بلین ڈالر (جی ڈی پی کے 4.5 فیصد) کے مقابلے میں قابل ذکر کمی ہے۔

ڈائریکٹرز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان ڈیویڈنڈ ییلڈ پلان -1 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 متحرک 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 پُر عزم 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 کثیر الجہتی 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۔

ہیڈ لائن 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 مانیٹری پالیسی میں پالیسی شرح کو مزید 100 بیسیس پوائنٹس (بی پی ایس) بڑھا کر 21.0 فیصد کر دیا۔ مالیاتی جہت میں ایف بی آر کی ٹیکس وصولی میں مالی سال 2023ء کے ابتدائی نو ماہ میں 17.6 فیصد اضافہ ہوا اور 5,156 بلین روپے ٹیکس جمع ہوئے، جبکہ گزشتہ سال مماثل مدت میں 4,385 بلین روپے تھا اور ہدف سے 304 بلین روپے کم تھا۔

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

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

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
	Note	-----Rupees-----	
ASSETS			
Balances with banks	4	25,231,843	110,019,463
Investments	5	155,048,315	-
Markup receivable		356,876	73,842
Advances, deposits and other receivables		4,726,409	10,000
Total assets		185,363,443	110,103,305
LIABILITIES			
Payable to Management Company		208,156	33,395
Payable to Trustee		35,631	679
Payable to the Securities and Exchange Commission of Pakistan	6	20,434	60
Accrued expenses and other liabilities	7	576,507	413,350
Total liabilities		840,728	447,484
NET ASSETS		184,522,715	109,655,821
Unit holders' fund (as per statement attached)		184,522,715	109,655,821
Contingencies and Commitments	8		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		1,737,362	1,100,000
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		106.2085	99.6871

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	Note	Nine Months Period ended March 31, 2023	Quarter ended March 31, 2023
		-----Rupees-----	
INCOME			
Markup on balances with banks		3,075,792	1,222,116
Dividend income		15,444,283	8,311,255
Loss on sale of investments - net		(996,227)	161,026
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	5.1	(5,025,544)	1,457,640
Total income		12,498,304	11,152,037
EXPENSES			
Remuneration of the Management Company		1,021,699	445,948
Sindh sales tax on remuneration of the Management Company		132,821	57,973
Remuneration of the Trustee		204,341	89,191
Sindh sales tax on remuneration of the Trustee		26,564	11,594
Annual fee of the Securities and Exchange Commission of Pakistan	6	20,434	8,919
Auditors' remuneration		415,184	118,637
Securities transaction cost		461,098	132,121
Settlement and bank charges		247,355	87,240
Legal and professional charges		181,049	72,180
Printing and related charges		42,116	28,022
Fees and subscriptions		133,454	6,781
Total expenses		2,886,115	1,058,606
Net (loss) / income for the period before taxation		9,612,190	10,093,431
Taxation	9	-	-
Net (loss) / income for the period		9,612,190	10,093,431
Earnings per unit	10		
Allocation of net income for the period after taxation			
Net income for the period		9,612,190	
Income already paid on units redeemed		(23,208)	
		9,588,982	
Accounting income available for distribution:			
- Relating to capital gains		-	
- Excluding capital gains		9,588,982	
		9,588,982	

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	<u>Nine Months Period ended</u>	<u>Quarter ended</u>
	<u>March 31, 2023</u>	<u>March 31, 2023</u>
	-----Rupees-----	
Net (loss) / income for the period	9,612,190	10,093,431
Other comprehensive income for the period	-	-
Total comprehensive (loss) / income for the period	<u>9,612,190</u>	<u>10,093,431</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	Nine months ended March 31, 2023		
	Capital Value	Undistributed (loss)	Total
	-----Rupees-----		
Net assets at the beginning of the period	110,000,000	(344,179)	109,655,821
Issuance of 757,252 units:			
- Capital value (at net asset value per unit at the beginning of the period) at Rs.99.6871	75,488,304	-	75,488,304
- Element of income	1,724,610	-	1,724,610
	77,212,914	-	77,212,914
Redemption of 119,890 units:			
- Capital value (at net asset value per unit at the beginning of the period) at Rs.99.6871	11,951,485	-	11,951,485
- Element of income	(16,483)	23,208	6,725
	11,935,002	23,208	11,958,210
Total comprehensive loss for the period	-	9,612,190	9,612,190
Distributions during the period	-	-	-
Net Income for the period	-	9,612,190	9,612,190
Net assets as at the end of the period	175,277,912	9,244,803	184,522,715

Undistributed loss brought forward comprising of:

- Realised	(344,179)
- Unrealised	-
	(344,179)

Accounting income available for distribution:

- Relating to capital gains	-
- Excluding capital gains	9,588,982
	9,588,982

Undistributed loss carried forward

9,244,803

Undistributed loss carried forward comprising of:

- Realised	14,270,347
- Unrealised	(5,025,544)
	9,244,803

(Rupees)

Net assets value per unit as at beginning of the period 99.6871

Net assets value per unit as at end of the period 106.2085

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

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

	Nine Months ended
	March 31,
	2023
	-----Rupees-----
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss for the period before taxation	9,612,190
Adjustments for non cash and other items:	
Mark-up on balances with banks	(3,075,792)
Loss on sale of investments - net	996,227
Unrealised loss on revaluation of investments classified as 'at fair value through profit or loss' - net	5,025,544
	12,558,169
(Increase)/ Decrease in assets	
Investments - net	(161,070,086)
Advances, deposits and other receivables	(4,716,409)
	(165,786,495)
Increase/ (Decrease) in liabilities	
Payable to Management Company	174,761
Payable to Trustee	34,952
Payable to the Securities and Exchange Commission of Pakistan	20,374
Accrued expenses and other liabilities	163,157
	393,244
Markup received on balances with bank	2,792,757
Net cash used in from operating activities	(150,042,324)
CASH FLOWS FROM FINANCING ACTIVITIES	
Amount received on issuance of units	77,212,914
Amount paid on redemption of units	(11,958,210)
Net cash generated from financing activities	65,254,704
Net decrease in cash and cash equivalents during the period	(84,787,620)
Cash and cash equivalents at the beginning of the period	110,019,463
Cash and cash equivalents at the end of the period	25,231,843

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

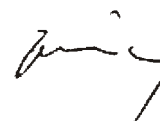
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Pakistan Opportunity Fund (the Fund) has been established through the Trust Deed (the Deed) dated March 10, 2022 under the Sindh Act, 2020 entered into and between MCB-Arif Habib Savings and Investments Limited, the Management Company, and Central Depository Company of Pakistan Limited, the Trustee and is authorised under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the "Rules") and Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("Regulations"). The Securities and Exchange Commission of Pakistan (SECP) has authorised the offer of Units of MCB Pakistan Opportunity Fund and has registered the fund as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("Regulations") vide letter No SCD/AMCW/MPOF/344/2022 dated May 19, 2022. SECP has approved the Offering Document under the Regulations vide its Letter No. SCD/AMCW/MPOF/378/2022 dated June 16, 2022.
- 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 located at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The duration of the fund is perpetual. The Fund is an open-end collective investment scheme categorised as a "Asset Allocation Scheme". However, SECP or the Management Company may wind it up on the occurrence of certain events as specified in the offering document of the Fund. The Management Company launched its first plan under MCB Pakistan Opportunity Fund on June 29, 2022 i.e. IPO date of the Plan (MCB Pakistan Dividend Yield plan). Therefore, there is no comparative information disclosed in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cashflow statement, as the same is not applicable.
- 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 The objective of fund is to provide investors with long term capital growth from an actively managed portfolio of listed equities belonging to equity securities.
- 1.6 Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited 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 IAS 34 Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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

- 2.2** The disclosures made in these condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published audited financial statements of the Fund for the year ended June 30, 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.
- 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 these condensed interim financial statements give a true and fair view of the state of the Fund.
- 2.5** These condensed interim financial statements are presented in Pakistani Rupee, which is the functional and presentation currency of the Fund.

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 information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2022.

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

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
Note	-----Rupees-----	
BALANCES WITH BANKS		
In savings accounts	4.1 <u>25,231,843</u>	110,019,463
	<u>25,231,843</u>	<u>110,019,463</u>

- 4.1** These carry markup at the rates ranging from 12.25% to 19% (June 30, 2022: 12.25%) per annum and include Rs.2.02 million maintained with MCB Bank Limited, a related party which carries mark-up at the rate of 15.50% per annum.

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
Note	-----Rupees-----	
INVESTMENTS		
At fair value through profit or loss		
Listed equity securities	5.1 <u>155,048,315</u>	<u>-</u>

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

5.1 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			Unrealised (loss)
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Chemical										
Archroma Pakistan Limited	-	9,800	-	-	9,800	5,096,240	4,160,100	(936,140)	2.25%	0.03%
Engro Polymers and Chemicals Limited	-	43,500	-	43,500	-	-	-	-	0.00%	0.00%
						5,096,240	4,160,100	(936,140)	2.25%	0.03%
Commercial banks										
Bank Alfalah Limited	-	351,744	-	68,744	283,000	9,261,373	8,144,740	(1,116,633)	4.41%	0.02%
Faysal Bank Limited	-	363,000	-	103,000	260,000	6,449,326	5,660,200	(789,126)	3.07%	0.02%
Habib Metropolitan Bank Limited	-	113,000	-	-	113,000	4,173,203	3,331,240	(841,963)	1.81%	0.01%
MCB Bank Limited	-	132,800	-	18,800	114,000	13,779,066	13,110,000	(669,066)	7.10%	0.01%
Standard Chartered Bank	-	112,000	-	-	112,000	2,240,000	2,213,120	(26,880)	1.20%	0.00%
United Bank Limited	-	165,200	-	26,200	139,000	15,353,315	14,811,840	(541,475)	8.03%	0.01%
						51,256,283	47,271,140	(3,985,143)	25.61%	0.08%
Fertilizer										
Engro Corporation Limited	-	59,400	-	2,500	56,900	14,262,725	15,748,782	1,486,057	8.53%	0.01%
Engro Fertilizer Limited	-	221,000	-	10,000	211,000	17,998,469	17,897,020	(101,449)	9.70%	0.02%
Fauji Fertilizer Bin Qasim Limited	-	137,000	-	137,000	-	-	-	-	0.00%	0.00%
Fauji Fertilizer Company Limited	-	132,000	-	6,000	126,000	13,429,042	12,596,220	(832,822)	6.83%	0.01%
						45,690,236	46,242,022	551,786	25.06%	0.04%
Oil and gas exploration companies										
Mari Petroleum Company Limited	-	10,750	-	2,250	8,500	14,230,791	12,863,050	(1,367,741)	6.97%	0.01%
Pakistan Oilfields Limited	-	35,000	-	-	35,000	13,881,658	13,961,150	79,492	7.57%	0.01%
						28,112,449	26,824,200	(1,288,249)	14.54%	0.02%
Oil and gas marketing companies										
Attock Petroleum Limited	-	48,550	2,750	5,800	45,500	13,163,027	13,359,710	196,683	7.24%	0.04%
						13,163,027	13,359,710	196,683	7.24%	0.04%
Paper and Board										
Security Papers Limited	-	4,800	-	-	4,800	551,189	439,968	(111,221)	0.24%	0.01%
						551,189	439,968	(111,221)	0.24%	0.01%

**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 period	Sold during the period	As at March 31, 2023	Carrying Value	Market value		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise									
Power generation and distribution									
Hub Power Company Limited	-	324,000	-	115,000	209,000	13,482,026	14,113,770	631,744	7.65%
Nishat Power Limited	-	103,000	-	103,000	-	-	-	-	0.00%
						13,482,026	14,113,770	631,744	7.65%
Real Estate Investment Trust									
Dolmen City REIT	-	193,500	-	-	193,500	2,722,410	2,637,405	(85,005)	1.43%
						2,722,410	2,637,405	(85,005)	1.43%
Textile Composite									
Nishat (Chunian) Limited	-	27,500	-	27,500	-	-	-	-	0.00%
						-	-	-	0.00%
Total as at March 31, 2023 (Un-audited)						160,073,860	155,048,315	(5,025,545)	
Total as at June 30, 2022 (Audited)						-	-	-	

5.1.1 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) (Audited)		(Un-audited) (Audited)	
	March 31, 2023	June 30, 2022	March 31, 2023	June 30, 2022
	----- (Number of shares) -----		----- (Rupees) -----	
Bank Alfalah Limited	200,000	-	-	5,756,000
Fauji Fertilizer Company Limited	20,000	-	-	1,999,400
	220,000	-	-	7,755,400

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

6. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

This represents annual fee payable to SECP in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.02% (June 30, 2022: 0.02%) of the average daily net assets of the Fund.

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
7. ACCRUED EXPENSES AND OTHER LIABILITIES	-----Rupees-----	
Brokerage payable	123,821	-
Auditors' remuneration	361,184	356,400
Withholding tax payable	657	-
Printing and related charges payable	50,418	40,000
Payable to legal advisor	19,784	16,950
Others	20,643	-
	<u>576,507</u>	<u>413,350</u>

8. CONTINGENCIES AND COMMITMENTS

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

9. TAXATION

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

10. 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.

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)							
	----- (Number of units) -----			-----Rupees-----			
	As at July 01, 2022	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at March 31, 2023	As at July 01, 2022	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out
11.1 Unit Holder's Fund							
MCB-Arif Habib Savings and Investments Limited - Management Company	600,000	48,812	100,644	548,168	59,812,266	5,000,000	10,000,000
Key Management Personnel	0	1,967	1,967	-	0	200,000	209,356
Group / associated companies / undertakings	500,000	-	-	500,000	49,843,555	-	-
Adamjee Life Assurance Company Limited - IMF	-	686,663	-	686,663	-	70,000,000	-
Unit holders holding 10% or more	-	-	-	-	-	-	72,929,438

**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-----	
11.2 Transactions during the period:		
MCB - Arif Habib Savings and Investments Limited - Management Company		
Remuneration of the Management Company		1,021,699
Sindh Sales Tax on remuneration of the Management Company		132,821
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)		204,341
Sindh Sales Tax on remuneration of the Trustee		26,564
CDC settlement charges		10,558
MCB Bank Limited - Parent of the Management Company		
Purchase 132,800 shares		16,122,553
Sales 18,800 shares		2,374,089
Dividend Income		1,255,000
Mark-up on bank balances		64,064
Bank charges		1,497
Nishat (Chunian) Limited - Group Company of Associated Company		
Purchase 27,500 shares		1,130,875
Sales 27,500 shares		990,807
Nishat Power Limited - Group Company of Parent Company		
Purchase 103,000 shares		2,190,420
Sales 103,000 shares		2,421,680
Dolmen City REIT - Group Company of Parent Company		
Purchase 193,500 shares		2,722,405
11.3 Balances outstanding at period end:	(Un-audited)	(Audited)
	March 31,	June 30,
	2023	2022
	-----Rupees-----	
Management Company		
MCB - Arif Habib Savings and Investment Limited - Management Company		
Remuneration payable	157,660	3,004
Sindh sales tax payable on remuneration	20,496	391
Other payable	30,000	30,000
Other receivable	-	10,000
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	31,532	601
Sindh sales tax payable on remuneration	4,099	78
Group / associated companies		
MCB Bank Limited		
114,000 shares (2022: Nil) shares	13,110,000	-
Bank balance	2,017,149	-
Dolmen City REIT		
193,500 shares (2022: Nil) shares	2,637,405	-

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

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 statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is 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. TOTAL EXPENSE RATIO

The total annualized expense ratio of the fund from July 01, 2022 to March 31, 2023 is 2.82% as on March 31, 2023 and this includes 0.23% representing Government Levy.

14. GENERAL

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

15. DATE OF AUTHORISATION FOR ISSUE

These condensed 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

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