



MCB-ARIF HABIB  
Savings and Investments Limited

# QUARTERLY REPORT

MARCH  
**2020**  
(UNAUDITED)

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



# **MCB PAKISTAN STOCK MARKET FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
<b>Bankers</b>	MCB Bank Limited Silk Bank Limited Bank Al Habib Limited Habib Bank Limited Allied Bank Limited Bank Alfalah Limited Habib Metropolitan Bank Limited Standard Chartered Bank Limited United Bank Limited JS Bank Limited National Bank Of Pakistan	
<b>Auditors</b>	<b>Ernst &amp; Young Ford Rhodes</b> Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, Sindh-75530, Pakistan.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
<b>Rating</b>	<b>AM2++</b> Asset Manager Rating assigned by PACRA	

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

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## Dear Investor,

On behalf of the Board of Directors, we are pleased to present **MCB Pakistan Stock Market Fund** accounts review for the quarter ended March 31, 2020.

## ECONOMY OVERVIEW

The third quarter of FY20 was full of gloom and doom, after the Coronavirus (Covid-19) outbreak wreaked havoc on the global economy. Global cases topped 1.5 million, while more than 80,000 people became the morsel of death as the fatal outbreak continued to spread throughout the world. While China took stringent measures to rein in the coronavirus, the other part of the globe especially EU and US was hit hard by the pandemic. On the flip side, the number of cases on the domestic side still dwarfed the developed world (~4,500 cases as of now), however, the situation was still uncertain as of now. The country has also been forced into a semi lockdown, which has affected the domestic businesses.

The outlook on GDP growth ranged from 2.4%-3.0% according to various institutions, prior to Covid-19 outbreak. However, as of late, the outbreak of COVID-19 has created uncertainty relative to trajectory of the GDP growth going forward. The weak production outlook of major crops (Cotton, Wheat and Sugar) along with a lower industrial growth arising out of weaker than expected LSM growth is expected to take a dent on the overall growth. Large Scale Manufacturing as anticipated continued on a downward trajectory as the import based consumption demand evaporated. LSM posted a decline of ~3.4% in the first seven months of FY20, with most of the decline emanating from petroleum production and cyclical sectors.

Lagged impacts of policy action in terms of monetary tightening and exchange rate adjustments continued to bear fruits as reflected in improvement in Balance of Payments position. The current account deficit in the first eight months of this year contracted by ~70% on Year on Year basis to USD 2.8 billion. Imports of goods and services continued to decline as it compressed by ~15% while exports have started to inch up registering increase of ~3.2% in first eight months of FY20. Remittances provided some cushion to BoP position increasing by ~5% over the period. The country received net foreign investment in debt securities worth ~USD 3.1 billion during Jul-Feb period. However, USD 1.8 billion worth of sovereign debt was divested in the month of March. The foreign exchange reserves increased by USD 2.9 billion from Jul-Mar FY20 supported by flows from IMF, multilateral institutions and foreign portfolio investors along with a curtailed current account deficit.

FBR has collected provisional taxes of PKR 3,050 billion during the first nine months of this fiscal year. Provisional tax collection prior to month of March was very encouraging, growing at a rate of 17% YoY. However, lockdown enforced during the month of March led to a shortfall of nearly PKR 100-150 billion, which weakened the overall growth to 13% in the first nine months of FY20.

Average CPI for clocked in CPI in at 11.5% YoY for the first nine months of FY20. Major hit on food inflation surfaced from a hike in the prices of perishable food items after imports from India was banned. However, the inflationary pressures have started trending downwards with inflation for March clocking in at 10.2% as lower petroleum prices along with easing food inflation put breaks on overall inflation. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged 8.1% for the period.

The MPC committee in its first meeting of the month reduced the interest rate by 75 bps citing the easing outlook on inflation. During the month, another emergent meeting was called whereby the MPC decided to reduce the interest rates by a further of 150 bps following a global trend of easing by the central banks as a response to coronavirus outbreak.

## EQUITIES MARKET OVERVIEW

As panic hit equity markets around the globe post novel coronavirus spread, KSE-100 Index was no different. The benchmark index plunged by ~28% in the third quarter of the current fiscal year, reversing all the previous gains of the fiscal year. This took the cumulative negative return of nine months of FY20 to 13.8%. Also, KSE had its worst month since the financial crisis of 2008 as the global pandemic took a

## **REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020**

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toll on all risk assets. Foreigners continued to shun risk assets across the emerging market and Pakistan did not turn out to be an exception. FIPI selling during the quarter amounted to USD 130 million during the period. Individuals were the main buyers during the period taking exposure of USD 144 million in equities, while commercial banks and mutual funds turned out to be net sellers reducing their exposure by USD 48 million and USD 85 million respectively. Volumes and values traded averaged around 191 mn shares/ PKR 7.1 bn during the period.

The energy chain underperformed severely during the quarter as crude oil prices had its one of the worst month of history, after Saudi Arabia started a price war as an agreement wasn't reached between OPEC and Russia. Alongside, a weak global demand amidst the contagious virus added fuel to the fire. Oil prices touched its 18-year low during the month. E&Ps, and OMC's lost more than 40% during the quarter. Commercial banks also lost nearly 30% during the period, as central bank continued its easing policy, while foreigners continued to dump local banks as they shunned risk assets. Fertilizers and Pharmaceutical sectors outperformed the index as defensive plays remained in the radar of investors

### **FUND PERFORMANCE**

During the period, PSM generated a return of -18.95% as compared to a return of -13.78% witnessed by the KSE100 Index. Overall equity exposure stood at 90.9% on March 31, 2020. The fund remained vigilant of the external factors and the investment strategy was maneuvered considering the fundamental developments. The allocation was mainly held in Commercial Banks, Oil & Gas Exploration Companies and Fertilizers.

The Net Assets of the fund as at March 31, 2020 stood at Rs. 7,281 million as compared to Rs. 9,556 million as at June 30, 2019 registering a decrease of 23.81%.

The Net Asset Value (NAV) per unit as at March 31, 2020 was Rs. 64.2761 as compared to opening NAV of Rs. 79.3006 per unit as at June 30, 2019 registering a decrease of 15.0245 per unit.

### **FUTURE OUTLOOK**

The COVID-19 outbreak has created uncertainty related to economic numbers. Independent reports point out that Pakistan can lose up to 4.0% of GDP, if the lockdown is enforced for at least one more month. While Pakistan currently lags behind developed countries in terms of number of cases, we still await more data to have a clearer picture. Global picture also points out that with social distancing in place, things will get in control over the course of next two months. If the trend continues, we expect global growth to show sign of recoveries by the third quarter. Albeit, if a second wave erupts, our optimism will not hold true. On the local side, the current data shows some light at the end of the tunnel. However, if things get out of control, Pakistan will have a more severe impact as it lacks health infrastructure along with fiscal muscles to combat the pandemic in the short run.

Government has announced fiscal stimulus worth PKR 700-800 billion to protect the vulnerable industries and segments of the society which are worst hit from the pandemic. With lower tax collection (PKR 500 billion shortfall expected from our expectation) and higher expenditures we expect fiscal deficit to fall north of 9% of GDP. We believe the government will get a waiver from IMF to meet the primary balance target this year.

Balance of Payment worries are over for now as current account deficit has adjusted to reasonable level since the policy actions taken by the central government. The plunge of international oil prices to USD 34/BBL has come as a blessing in disguise. Global slowdown would be detrimental for exports and remittances from oil producing nations would be affected due to lower oil prices. Our forecast is that CAD will settle at 2.3% of GDP for FY20 and 1.3% of GDP for FY21, assuming the global economy starts picking up from third quarter of the calendar year. Given the rise in bond yields of emerging market countries, we expect the idea of raising funds from Eurobond to be shelved. Alongside privatization flows are also expected to be deferred for next year. Furthermore, we expect portfolio flows to revert back to zero this year. To meet the shortfall in external financing, a lot would depend on whether multilateral and bilateral institutions will facilitate deferred debt payments along with extension of additional credit. We expect additional financing of USD 2 billion from IMF and multilateral institutions, while we also expect Pakistan will be able to restructure debt of USD 2.5 billion. Assuming if the scenario plays out as we are

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

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expecting, the currency should stabilize at current levels as the REER as per our estimates is undervalued by 10% at current level (PKR 167 vs USD).

CPI is expected to average ~11.1% in the current fiscal year owing to lagged impact of currency depreciation along with a rise in food inflation. The plunge in oil prices has provided much needed respite to inflationary outlook. With subdued oil prices and high base effect, we expect headline inflation to ease off in the next year and decline to an average of ~7.4%. Risk to our expectations are significant increase in international commodity prices along with more than expected adjustment in utility tariffs. Based on our outlook of inflation, we expect interest rates to ease off by 100-150 bps in the next 12 months. However, if recessionary pressures build over the course of time, we do not rule out further cuts in interest rate from our base case.

From capital market perspective, particularly equities, we await more clarity on local status of Covid-19. Equities in terms of valuations have not been as cheap as they are now, however, at the same time, the economic outlook has not been as uncertain as it is now owing to Covid-19. On the flip side, the bond market is pricing a relatively normal economic scenario, whereby it expects inflation to significantly fall and economic activities to resume in the short run after the lockdown period. If that is the case, then equities as an asset class is bound to outperform all the relative asset classes in the domestic market. The risk premiums (difference between earnings yield and 10Y bonds) have moved into unseen territory. Risk premium is currently close to ~10.0% against the historical average of 0.9% and a 15-year low of 6.0% (happened in the financial crisis of 2008-09). We believe a micro view of sectors and stock will remain more important this year and investment selection should focus on companies which trade at a deep discount to their intrinsic value. Similarly, focus should also revert back to companies that are expected to exhibit stellar earnings growth over the medium term.

### ACKNOWLEDGMENT

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

On behalf of Directors,



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Muhammad Saqib Saleem  
Chief Executive Officer  
April 20, 2020



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Nasim Beg  
Director/Vice Chairman

## ڈائریکٹر رپورٹ

کپیٹل مارکیٹ خصوصاً ایکویٹیز کے معاملے میں ہم کو وڈ-۱۹ کی مقامی صورتحال مزید واضح ہونے کے منتظر ہیں۔ ایکویٹیز اپنی قدر کے اعتبار سے جتنی سستی فی الوقت ہیں اتنی پہلے کبھی نہیں تھیں، تاہم، بیک وقت، معاشی مستقبل بھی اتنا غیر یقینی پہلے کبھی نہیں تھا جتنا کو وڈ-۱۹ کی وجہ سے فی الوقت ہے۔ دوسری طرف بانڈ مارکیٹ نسبتاً معمول کے مطابق معاشی منظر پیش کر رہی ہے جس میں لاک آؤٹ مدت کے بعد مختصر میعاد میں افراط زر میں بڑی کمی اور معاشی سرگرمیوں کی بحالی کی اُمید کی جا رہی ہے۔ اگر ایسا ہی ہو تو ایکویٹیز ایک اثاثہ جاتی زمرے کی حیثیت سے مقامی مارکیٹ میں ضرور تمام دیگر اثاثہ جاتی زمروں سے کارکردگی میں سبقت لے جائیں گی۔ خطرات کے پرمیئم (منافعوں اور دس سالہ بانڈز میں فرق) نامعلوم مقام پر چلے گئے ہیں۔ موجودہ طور پر خطرات کے پرمیئم تقریباً 10.0 فیصد کے قریب ہیں جبکہ اس کا تاریخی اوسط 0.9 فیصد ہے اور گزشتہ پندرہ برسوں کی کم ترین سطح 6.0 فیصد ہے (جو 2008-09ء کے مالی بحران کے دوران دیکھی گئی تھی)۔ ہم سمجھتے ہیں کہ سیلٹرز اور اسٹاک کی وسیع تصویر اس سال زیادہ اہم رہے گی اور سرمایہ کاری کے انتخاب کا انحصار ایسی کمپنیوں پر ہونا چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ اسی طرح ایسی کمپنیوں کی طرف بھی توجہ دوبارہ مرکوز ہونی چاہیے جن کی درمیانی مدت کی آمدنی میں زبردست ترقی متوقع ہے۔

### اظہار تشکر

بورڈ فنڈ کے گراں قدر سرمایہ کاروں، سیورٹیز اینڈ ایڈجسٹمنٹ کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کی مسلسل معاونت اور پشت پناہی کے لئے شکر گزار ہے۔ مزید برآں، مینجمنٹ ٹیم کی کاوشوں کو بھی ڈائریکٹر کی طرف سے خراج تحسین پیش کیا جاتا ہے۔

برائے اور من جانب بورڈ



نسیم بیگ  
ڈائریکٹر /وائس چیئرمین



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
۱۲ اپریل 2020ء



## مستقبل کے امکانات

کووڈ-۱۹ وبا کے باعث معاشی اعداد میں عدم یقینی پیدا ہو گئی ہے۔ آزاد ذرائع کی رپورٹس اشارہ کر رہی ہیں کہ اگر لاک ڈاؤن کم سے کم بھی ایک اور مہینہ نافذ رہتا ہے تو پاکستان کو جی ڈی پی کے 4 فیصد تک کا نقصان ہو سکتا ہے۔ اگرچہ پاکستان میں کورونا وائرس سے متاثرہ افراد کی تعداد تاحال ترقی یافتہ ممالک کے مقابلے میں کم ہے لیکن واضح صورتحال جاننے کے لیے مزید معلومات اور اعداد و شمار درکار ہیں۔ عالمی منظر نامے سے ظاہر ہوتا ہے کہ سماجی فاصلہ اختیار کرنے سے اگلے دو ماہ کے دوران حالات قابو میں آ سکتے ہیں۔ اگر یہ رجحان برقرار رہا تو تیسری سہ ماہی تک عالمی ترقی میں بحالی کی علامات ظاہر ہونے کے امکانات موجود ہیں۔ تاہم اگر وبا کی دوسری لہر ابھر آئی تو ہماری رجائیت پسندی درست ثابت نہیں ہوگی۔ مقامی سطح پر موجودہ اعداد و شمار کچھ حد تک اُمید کی کرن ثابت ہو سکتے ہیں۔ لیکن اگر حالات قابو سے باہر ہو گئے تو پاکستان شدید تر متاثر ہوگا کیونکہ یہاں صحت عامہ کے شعبے کا ڈھانچہ اور مالیاتی پٹھے کمزور ہونے کے باعث مختصر معیاد میں اس وبا کا مقابلہ کرنے کی صلاحیت کا فقدان ہے۔

حکومت نے وبا سے سب سے زیادہ متاثرہ صنعتوں اور سماجی طبقات کے تحفظ کے لیے 700 سے 800 بلین روپے مالیت کی مالی امداد کا اعلان کیا ہے۔ ٹیکس کے وصولی میں (متوقع طور پر 500 بلین روپے کی) کمی اور خرچوں میں اضافے کی بدولت اُمید کی جاسکتی ہے کہ مالیاتی خسارے میں جی ڈی پی کے 9 فیصد سے زائد کمی ہوگی۔ ہمارے اندازے کے مطابق حکومت کو آئی ایم ایف کی طرف سے سال رواں بقایا جات کا بنیادی ہدف پورا کرنے کی چھوٹ مل جائے گی۔

ادائیگی کے توازن کی پریشانیوں فی الوقت ختم ہو گئی ہیں کیونکہ کرنٹ اکاؤنٹ خسارہ مرکزی حکومت کے پالیسی اقدامات کے بعد معقول سطح تک آ گیا ہے۔ تیل کی بین الاقوامی قیمتوں کا 34 ڈالر فی بیرل تک کم ہونا زحمت کے بھیس میں رحمت ثابت ہوا ہے۔ عالمی سطح پر منسٹ روی کے برآمدات پر منفی اثرات مرتب ہوں گے اور تیل کی پست قیمتوں کے باعث تیل کی پیداوار کرنے والے ممالک سے ترسیلات زر بھی متاثر ہوں گی۔ ہماری پیشن گوئی ہے کہ کرنٹ اکاؤنٹ کا خسارہ مالی سال 2019-20ء کے لیے مجموعی ملکی پیداوار کے 2.3 فیصد پر، اور مالی سال 2020-21ء کے لیے مجموعی ملکی پیداوار کے 1.3 فیصد پر آ کر رکے گا، اس مفروضے کی بنیاد پر کہ عالمی معیشت میں جولائی سے بحالی کا سلسلہ شروع ہو جائے گا۔ ابھرتی ہوئی مارکیٹوں کے ممالک میں بانڈ کے منافع جات میں اضافے کے پیش نظر ہمیں توقع ہے کہ ایورو بانڈ کے ذریعے فنڈ میں اضافے کی حکمت عملی کو فی الوقت اختیار نہیں کیا جائے گا۔ ساتھ ساتھ نجکاری سے ہونے والی آمدات متوقع طور پر اگلے سال کے لیے ملتی کر دی جائیں گی۔ مزید براں ہمیں توقع ہے کہ پورٹ فولیو آمدات سال رواں واپس صرف تک چلی جائیں گی۔ خارجی فنانسنگ میں کمی کو پورا کرنے کے لیے بہت کچھ اس بات پر منحصر ہوگا کہ کثیر الجہتی اور دو جہتی ادارے قرضہ جات کی ملتی شدہ ادائیگیوں کی سہولت کے علاوہ اضافی قرضوں کی توسیع فراہم کر رہے ہیں یا نہیں۔ ہمیں آئی ایم ایف اور کثیر الجہتی اداروں سے 2 بلین ڈالر کی اضافی رقم کی فراہمی کی توقع ہے، جبکہ ہمیں یہ بھی اُمید ہے کہ پاکستان 2.5 بلین ڈالر قرض کی تشکیل نو کر سکے گا۔ اگر صورتحال ہماری توقعات کے مطابق رہی تو ہمارا تخمینہ ہے کہ روپیہ موجودہ سطحوں پر مستحکم ہو جائے گا کیونکہ REER کی قدر موجودہ سطح پر ہمارے تخمینوں کے مطابق 10 فیصد کم مقرر ہوئی ہے (167 روپے بمقابلہ امریکی ڈالر)۔

موجودہ مالی سال میں صارفی قیمت کے انڈیکس (سی پی آئی) کا متوقع اوسط 11.1 فیصد ہوگا جس کا سبب روپے کی قدر کی سست رفتار پذیریری اور اشیائے خورد و نوش کی افراط زر میں اضافہ ہے۔ تیل کی قیمتوں میں چھلانگ سے افراط زر کے رجحان کو مطلوبہ مہلت حاصل ہوئی۔ تیل کی گھٹی ہوئی قیمتوں اور بلند base effect کی بنیاد پر ہمیں اُمید ہے کہ مجموعی افراط زر کا اوسط اگلے سال کم ہو کر 7.4 فیصد ہو جائے گا۔ بین الاقوامی اشیاء کی قیمتوں میں کسی منفی اضافے کے ساتھ ساتھ یوٹیلٹی کی محصولات وغیرہ میں متوقع سے زیادہ تر میمات کے باعث ہماری توقعات غلط ثابت ہو سکتی ہیں۔ افراط زر سے متعلق ہماری پیش بینی کی بنیاد پر انٹریسٹ کی شرحوں میں اگلے بارہ ماہ میں 100 سے 150 بی پی ایس تک کی کمی کی اُمید ہے۔ تاہم اگر وقت گزرنے کے ساتھ کساد بازاری کے دباؤ میں اضافہ ہو تو انٹریسٹ کی شرحوں میں مزید کمی بعید از قیاس نہیں ہے۔

## ڈائریکٹرز رپورٹ

اس کا اوسط 8.1 فیصد تھا۔

مانیٹری پالیسی کمیٹی (ایم پی سی) نے اپنے پہلے ماہانہ اجلاس میں افراط زر کی صورتحال میں بہتری کا حوالہ دیتے ہوئے انٹریسٹ کی شرح میں 75 بیسیس پوائنٹس (بی پی ایس) کمی کی۔ دوران ماہ ایک اور اجلاس منظر عام پر آیا جس میں ایم پی سی نے کورونا وائرس کی وبا کے رد عمل کے طور پر عالمی سطح پر مرکزی بینکوں کے رجحان کی پیروی کرتے ہوئے انٹریسٹ کی شرحوں میں مزید 150 بی پی ایس کمی کا فیصلہ کیا۔

### ایکویٹیز مارکیٹ کا مجموعی جائزہ

کورونا وائرس کی وبا پھیلنے کے بعد دنیا بھر میں ایکویٹی مارکیٹس کو نقصان ہوا، اور کراچی اسٹاک ایکسچینج (کے ایس ای -100) کا معاملہ کچھ مختلف نہ تھا۔ انڈیکس کا یہ مقررہ معیار موجودہ مالی سال کی تیسری سہ ماہی میں تقریباً 28 فیصد گر گیا جس کے باعث مالی سال کے دوران ہونے والے تمام سابقہ منافع جات رائیگاں ہو گئے۔ اس کے نتیجے میں مالی سال 2019-20ء کے نو ماہ کا مجموعی منفی منافع 13.8 فیصد تک پہنچ گیا۔ مزید برآں، 2008ء کے مالی بحران کے بعد کے ایس ای کے لیے یہ بدترین مہینہ تھا کیونکہ عالمی وبائے خطرات پر مبنی اثاثہ جات کو زبوں حالی کا شکار کر دیا۔ غیر ملکیوں نے پوری اُبھرتی ہوئی مارکیٹ میں خطرات پر مبنی اثاثہ جات سے گریز کیا اور پاکستان اس صورتحال سے مستثنیٰ نہیں تھا۔ دوران سہ ماہی غیر ملکی سرمایہ کاروں کے دائرہ کار کی سرمایہ کاری (ایف آئی پی آئی) کی فروخت 130 ملین ڈالر کی سطح پر تھی۔ دوران سہ ماہی بنیادی خریدار افراد تھے جنہوں نے ایکویٹیز میں 48 ملین ڈالر کی سرمایہ کاری کی جبکہ کمرشل بینک اور میوچل فنڈز حتمی فروخت کار رہے جنہوں نے سرمایہ کاری میں بالترتیب 48 ملین ڈالر اور 85 ملین ڈالر کی۔ دوران مدت خرید و فروخت ہونے والے حجم اور قدروں کا اوسط تقریباً 191 ملین حصص / 7.1 بلین روپے تھا۔

دوران سہ ماہی توانائی کی کاروباری زنجیر میں کارکردگی شدید ناقص رہی کیونکہ خام تیل کی قیمتوں کی تاریخ کا یہ ایک بدترین مہینہ تھا۔ سعودی عرب نے قیمت کی جنگ شروع کر دی تھی کیونکہ پٹرولیم برآمد کرنے والے ممالک کی تنظیم (اوپیک) اور روس کے ساتھ معاہدہ طے نہیں پاسکا تھا۔ ساتھ ساتھ متعدد وائرس کے باعث کمزور عالمی مانگ نے صورتحال کو مزید خراب کر دیا۔ تیل کی قیمتیں گزشتہ اٹھارہ برسوں کی پست ترین سطح پر پہنچ گئیں۔ (تیل کی دریافت اور پیداوار (ای این ڈی پی) اور تیل کی مارکیٹنگ کی کمپنیوں (اویم سی) کو دوران سہ ماہی 40 فیصد سے زائد کا نقصان ہوا۔ کمرشل بینکوں کو بھی تقریباً 30 فیصد خسارے کا سامنا ہوا کیونکہ مرکزی بینک نے تسہیل کی پالیسی جاری رکھی جبکہ غیر ملکیوں میں خطرات پر مبنی اثاثہ جات سے گریز اور اس کے نتیجے میں مقامی بینکوں سے بے اعتنائی کا رجحان برقرار رہا۔ کھاد اور دواسازی کے شعبوں کی کارکردگی انڈیکس سے سبقت لے گئی کیونکہ سرمایہ کاروں کی توجہ دفاعی حکمت عملی پر مرکوز رہی۔

### فنڈ کی کارکردگی

دوران مدت فنڈ نے کراچی اسٹاک ایکسچینج KSE-100 کے 13.78 فیصد منافع کے مقابلے میں 18.95 فیصد منافع حاصل کیا۔ 31 مارچ 2020ء کو ایکویٹیز میں مجموعی شمولیت 90.9 فیصد تھی۔ فنڈ خارجی عوامل سے چوکنا رہا اور بنیادی تبدیلیوں کے پیش نظر سرمایہ کاری کی حکمت عملی میں ترمیم کی گئی۔ زیادہ تر اختصاص کمرشل بینکوں، تیل اور گیس کی دریافت کی کمپنیوں اور کھاد کے شعبے میں رکھی گئی۔ 31 مارچ 2020ء کو فنڈ کے net اثاثہ جات 7,281 ملین روپے تھے جو 30 جون 2019ء کو 9,556 ملین روپے کے مقابلے میں 23.81 فیصد کمی ہے۔

31 مارچ 2020ء کو net اثاثہ جاتی قدر (این اے وی) 64.2761 روپے فی یونٹ تھی جو 30 جون 2019ء کو ابتدائی این اے وی 79.3006 روپے فی یونٹ کے مقابلے میں 15.0245 روپے فی یونٹ کمی ہے۔

### عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی طرف سے ایم سی بی پاکستان اسٹاک مارکیٹ فنڈ کے اکاؤنٹس کا جائزہ برائے سہ ماہی مختتمہ 31 مارچ 2020ء پیش خدمت ہے۔

### معیشت اور بازار کا جائزہ

مالی سال 2019-20ء کی تیسری سہ ماہی تاریکی و تباہی سے بھرپور تھی کیونکہ کورونا وائرس (کووڈ-۱۹) کی وبا نے عالمی معیشت میں آفت مچادی۔ دیکھتے ہی دیکھتے یہ قاتل وبا دنیا بھر میں پھیل گئی جس سے پندرہ لاکھ سے زائد افراد متاثر ہوئے جبکہ ۸۰ ہزار سے زائد لقمہء اجل بن گئے۔ چین نے سخت اقدامات اٹھا کر کورونا وائرس کو شکست دی جبکہ دنیا کے دوسرے حصے خصوصاً یورپی یونین اور امریکا بری طرح متاثر ہوئے۔ دوسری جانب اگرچہ ہمارے ملک میں متاثرہ افراد کی تعداد اب تک ترقی یافتہ دنیا کے مقابلے میں کم ہے (تقریباً 4,500 تا حال) لیکن صورت حال فی الوقت غیر یقینی ہے۔ ملک بھر میں نیم لاک ڈاؤن نافذ ہے جس سے مقامی کاروبار متاثر ہوئے ہیں۔

کووڈ-۱۹ کی وبا پھیلنے سے قبل مجموعی ملکی پیداوار (جی ڈی پی) میں متوقع ترقی مختلف اداروں کے مطابق 2.4 فیصد سے 3.0 فیصد تک تھی۔ تاہم وبا کے باعث جی ڈی پی کی ترقی غیر یقینی صورتحال کا شکار ہو گئی ہے۔ اہم فصلوں (کپاس، گندم اور چینی) کی پیداوار میں متوقع کمی کے ساتھ ساتھ بڑے پیمانے کی مینوفیکچرنگ (ایل ایس ایم) کی متوقع سے کم ترقی کے نتیجے میں سست صنعتی پیش رفت کے باعث مجموعی ترقی متاثر ہونے کا امکان ہے۔ ایل ایس ایم توقع کے مطابق کمی کا شکار رہی کیونکہ درآمداتی کھپت کی مانگ ہوا میں تحلیل ہو گئی۔ مالی سال 2019-20ء کے ابتدائی سات ماہ میں ایل ایس ایم میں تقریباً 3.4 فیصد کمی ہوئی جس کا بڑا تناسب پٹرولیم کی پیداوار اور گردش شعبوں سے متعلق ہے۔

مالیاتی سختی اور زیرمبادلہ کی شرحوں میں ترمیمات کے لحاظ سے پالیسی اقدام کے تاخیر شدہ اثرات کے ثمرات حاصل ہونے کا سلسلہ جاری رہا جس کی عکاسی ادائیگیوں کے توازن (بی او پی) کی صورتحال میں بہتری سے ہوتی ہے۔ سال رواں کے ابتدائی آٹھ ماہ میں کرنٹ اکاؤنٹ کا خسارہ سال در سال (YoY) بنیاد پر تقریباً 70 فیصد کم ہو کر 2.8 بلین ڈالر ہو گیا۔ مالی سال 2019-20ء کے ابتدائی آٹھ ماہ میں اشیاء اور خدمات کی درآمدات میں کمی کا سلسلہ جاری رہا اور یہ تقریباً 15 فیصد کم ہوئیں جبکہ برآمدات میں اضافے کا سلسلہ شروع ہو گیا ہے اور ان میں تقریباً 3.2 فیصد اضافہ ہوا۔ ترسیلات زر سے بی او پی کی حالت کو کچھ سہارا ملا کیونکہ دوران مدت ان میں تقریباً 5 فیصد اضافہ ہوا۔ جولائی تا فروری کی مدت کے دوران ملک میں قرضہ جاتی سکیورٹیز میں تقریباً 3.1 بلین ڈالر مالیت کی حتمی غیر ملکی سرمایہ کاری ہوئی۔ تاہم مارچ کے مہینے میں 1.8 بلین مالیت کے خود مختار قرضوں کی سرمایہ کاری واپس لے لی گئی۔ زیرمبادلہ کے ذخائر میں جولائی تا مارچ کے دوران 2.9 بلین ڈالر اضافہ ہوا جس کی معاونت انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف)، کثیرالجہتی اداروں اور غیر ملکی دائرہ کار کے سرمایہ کاروں سے آمدات کے ساتھ ساتھ کرنٹ اکاؤنٹ کے خسارے میں کمی سے ہوئی۔

مالی سال کے ابتدائی نو ماہ کے دوران فیڈرل بورڈ آف ریونیو (ایف بی آر) نے 3,050 بلین روپے کے عارضی ٹیکس جمع کیے۔ مارچ کے مہینے سے پہلے عارضی ٹیکس کی وصولی بہت حوصلہ افزا تھی اور اس میں 17 فیصد سال در سال ترقی ہو رہی تھی۔ تاہم مارچ کے مہینے میں لاک ڈاؤن کے نفاذ کے نتیجے میں تقریباً 100 سے 150 بلین روپے کی کمی ہوئی جس سے مالی سال 2019-20ء کے ابتدائی نو ماہ میں مجموعی ترقی 13 فیصد کم ہو گئی۔

مالی سال 2019-20ء کے ابتدائی نو ماہ کے لیے صارفی قیمت کے انڈیکس (سی پی آئی) کا اوسط 11.5 فیصد تھا۔ بھارت سے درآمدات پر پابندی عائد ہونے کے بعد جلد خراب ہونے والی اشیائے خورد و نوش کی قیمتوں میں اضافے کے باعث اشیائے خورد و نوش کی افراط زر پر بڑی ضرب پڑی۔ تاہم افراط زر کے دباؤ میں کمی کا رجحان شروع ہو گیا ہے جو مارچ میں 10.2 فیصد تھی کیونکہ پٹرولیم کی قیمتوں اور اشیائے خورد و نوش کی افراط زر میں کمی سے مجموعی افراط زر میں بھی کمی ہوئی ہے۔ بہر حال اشیائے خورد و نوش اور توانائی کے علاوہ دیگر شعبوں میں پیمائش کردہ بنیادی افراط زر قابو میں رہی اور مذکورہ مدت کے لیے

# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2020

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Balances with banks	4	582,411	929,080
Investments	5	6,821,510	8,600,528
Receivable against sale of investments		2,960	163,621
Dividend and profit receivables		81,733	29,655
Advances, deposits and other receivables		12,256	9,473
<b>Total assets</b>		<b>7,500,869</b>	<b>9,732,357</b>
<b>LIABILITIES</b>			
Payable to Management Company		47,780	29,739
Payable to Trustee		875	1,020
Payable to the Securities and Exchange Commission of Pakistan	6	1,336	10,579
Payable against purchase of investments		27,447	-
Accrued expenses and other liabilities	7	141,945	134,799
Payable against redemption of units		386	386
<b>Total liabilities</b>		<b>219,769</b>	<b>176,523</b>
<b>NET ASSETS</b>		<b>7,281,100</b>	<b>9,555,834</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>7,281,100</b>	<b>9,555,834</b>
<b>Contingencies and Commitments</b>	8		
<b>NUMBER OF UNITS IN ISSUE</b>			
		113,278,431	120,501,368
<b>NET ASSET VALUE PER UNIT</b>			
		64.2761	79.3006

The annexed notes 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020

		Nine months ended		Quarter ended	
		March 31,		March 31,	
		2020	2019	2020	2019
Note		(Rupees in '000)			
<b>INCOME</b>					
		249,662	(156,252)	2,764	13,010
		372,875	409,368	99,644	147,099
		31,757	38,231	4,306	8,230
		33,901	55,221	7,841	23,950
	5.1	(2,115,148)	(716,408)	(2,957,809)	533,540
		12	-	5	-
		(1,426,941)	(369,840)	(2,843,249)	725,830
<b>EXPENSES</b>					
		133,549	171,062	47,428	56,460
		17,362	22,238	6,166	7,340
		7,429	9,304	2,620	3,069
		965	1,210	340	400
		1,336	8,125	475	2,681
	9	6,677	9,481	2,371	3,006
	10	71,659	34,210	30,829	11,291
		829	749	350	255
		30,110	21,343	14,183	5,583
		2,126	1,914	960	713
		43	135	(49)	45
		33	16	7	(46)
		-	-	(24,997)	-
		272,117	279,787	80,682	90,796
		(1,699,058)	(649,627)	(2,923,931)	635,034
	11	-	-	-	-
		(1,699,058)	(649,627)	(2,923,931)	635,034
	12				
<b>Allocation of net income for the year after taxation</b>					
		-	-	-	-
		-	-	-	-
		-	-	-	-
<b>Accounting income available for distribution:</b>					
		-	-	-	-
		-	-	-	-
		-	-	-	-

The annexed notes 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2020**

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u>		<u>March 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>----- (Rupees in '000) -----</u>			
<b>Net income / (loss) for the period after taxation</b>	<b>(1,699,058)</b>	<b>(649,627)</b>	<b>(2,923,931)</b>	<b>635,034</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u><b>(1,699,058)</b></u>	<u><b>(649,627)</b></u>	<u><b>(2,923,931)</b></u>	<u><b>635,034</b></u>

The annexed notes 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Nine Months Ended March 31, 2020			Nine Months Ended March 31, 2019			
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Unrealised appreciation on available for sale investments	Total
(Rupees in '000)							
<b>Net assets at the beginning of the period</b>	6,482,505	3,073,329	9,555,834	5,096,092	4,646,316	370,176	10,112,584
Re-classification under IFRS 9	-	-	-	-	370,176	(370,176)	-
Issuance of 66,172,107 (2019: 76,737,926) units:							
- Capital value (at net asset value per unit at the beginning of the period) at Rs.79.3006	5,247,490	-	5,247,490	7,275,185	-	-	7,275,185
- Element of income / (loss)	169,815	-	169,815	(184,361)	-	-	(184,361)
	5,417,305	-	5,417,305	7,090,824	-	-	7,090,824
Redemption of 73,395,044 (2019: 55,806,724 ) units:							
- Capital value (at net asset value per unit at the beginning of the period) at Rs.79.3006	(5,820,273)	-	(5,820,273)	(5,290,790)	-	-	(5,290,790)
- Element of loss / (income)	(172,708)	-	(172,708)	172,510	-	-	172,510
	(5,992,981)	-	(5,992,981)	(5,118,280)	-	-	(5,118,280)
Total comprehensive income / (loss) for the period	-	(1,699,058)	(1,699,058)	-	(649,627)	-	(649,627)
Distributions during the period	-	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	(1,699,058)	(1,699,058)	-	(649,627)	-	(649,627)
<b>Net assets as at the end of the period</b>	<b>5,906,829</b>	<b>1,374,271</b>	<b>7,281,100</b>	<b>7,068,636</b>	<b>4,366,865</b>	<b>-</b>	<b>11,435,501</b>
<b>Undistributed income brought forward comprising of:</b>							
- Realised		4,858,310			5,005,515		
- Unrealised		(1,784,981)			(359,199)		
		3,073,329			4,646,316		
Re-classification under IFRS 9		-			370,176		
<b>Undistributed income brought forward</b>		<b>3,073,329</b>			<b>5,016,492</b>		
Accounting income available for distribution:							
- Relating to capital gains		-			-		
- Excluding capital gains		-			-		
Net loss for the period		(1,699,058)			(649,627)		
Undistributed income carried forward		1,374,271			4,366,865		
<b>Undistributed income carried forward comprising of:</b>							
- Realised		3,489,419			5,083,273		
- Unrealised		(2,115,148)			(716,408)		
		1,374,271			4,366,865		
		(Rupees)			(Rupees)		
Net assets value per unit as at beginning of the period		79.3006			94.8056		
Net assets value per unit as at end of the period		64.2761			89.6215		

The annexed notes 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director



# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2020

		Nine Months ended March 31,	
	Note	2020	2019
		---- (Rupees in '000) ----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income / (loss) for the period before taxation		(1,699,058)	(649,627)
<b>Adjustments for non cash and other items:</b>			
Unrealised (gain) / loss on revaluation of investments classified as 'at fair value through profit or loss' - net		2,115,148	(716,408)
		<u>416,090</u>	<u>(1,366,035)</u>
<b>Decrease / (increase) in assets</b>			
Investments - net		(336,129)	(54,262)
Receivable against sale of investments		160,661	39,473
Dividend and profit receivable		(52,078)	(145,212)
Advances, deposits and receivables		(2,783)	(231,830)
		<u>(230,329)</u>	<u>(391,831)</u>
<b>Increase / (decrease) in liabilities</b>			
Payable to Management Company		18,041	2,262
Payable to Trustee		(145)	110
Payable to the Securities and Exchange Commission of Pakistan		(9,243)	(1,839)
Payable against purchase of investments		27,447	(118,674)
Accrued expenses and other liabilities		7,146	(4,884)
		<u>43,246</u>	<u>(123,025)</u>
<b>Net cash generated from / (used) in operating activities</b>		<u>229,007</u>	<u>(1,880,891)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amount received on issuance of units		5,417,305	7,090,824
Amount paid on redemption of units		(5,992,981)	(5,118,280)
<b>Net cash (used) in / generated from financing activities</b>		<u>(575,676)</u>	<u>1,972,543</u>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>		<u>(346,669)</u>	<u>91,652</u>
Cash and cash equivalents at the beginning of the period		929,080	664,008
<b>Cash and cash equivalents at the end of the period</b>	4	<u>582,411</u>	<u>755,660</u>

The annexed notes 1 to 16 form an integral part of these interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2020

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## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Pakistan Stock Market Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as "Management Company" and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October 23, 2001 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 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 has been changed from 24th Floor, Centrepont, Off Shaheed-e-Millat Expressway, Near K.P.T. Interchange, Karachi, Pakistan to Adamjee House, MCB-AH Savings, 2nd Floor, I.I Chundrigar Rd, Karachi, Pakistan.
- 1.3 The Fund has been categorised as equity scheme and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The units are listed on the Pakistan Stock Exchange. The Fund primarily invests in listed equity securities. However, it also invests in cash instruments and treasury bills not exceeding 90 days in maturities.
- 1.4 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM2++' dated October 08, 2019 to the Management Company.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund. The duration of the Fund is perpetual. 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.

## 2. BASIS OF PREPARATION

- 2.1 This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of
  - International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984;
  - The NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed of Trust Deed.

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

- 2.2 This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2019. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2020 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2019, 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 2019.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2020

**2.3** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.

**2.4** In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.

**2.5** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

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

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, 2019.

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, 2019. 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, 2019.

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
<b>4. BALANCES WITH BANKS</b>			
In current accounts	4.1	19,544	11,672
In savings accounts	4.2	562,867	917,408
		<u>582,411</u>	<u>929,080</u>

**4.1** These include a balance of Rs.9.83 (June 30, 2019: Rs.5.66) million maintained with MCB Bank Limited, a related party.

**4.2** These carry profits at the rates ranging from 9.5% to 11.83% (June 30, 2019: 10.00% to 13.00%) per annum and include Rs.507.53 (June 30, 2019: Rs.14.90) million maintained with MCB Bank Limited, a related party which carries profit at the rate of 10.25% (June 30, 2019: 10.25%) per annum.

## **5. INVESTMENTS**

### **At fair value through profit or loss**

Listed equity securities	5.1	6,821,510	8,600,528
Government securities	5.2	-	-
		<u>6,821,510</u>	<u>8,600,528</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

**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, 2020			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2019	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2020	Carrying Value	Market value as at March 31, 2020		
							Unrealised gain / (loss)		
							(Rupees in '000)		(%)
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise									
<b>Automobile assembler</b>									
Indus Motors Company Limited	-	52,940	-	-	52,940	56,646	38,621	(18,025)	0.53%
Millat Tractors Limited	-	156,000	-	75,000	81,000	56,523	44,004	(12,519)	0.60%
						<b>113,169</b>	<b>82,625</b>	<b>(30,544)</b>	<b>0.23%</b>
<b>Automobile parts and accessories</b>									
Thal Limited *	-	574,300	-	-	574,300	195,123	168,718	(26,405)	2.32%
						<b>195,123</b>	<b>168,718</b>	<b>(26,405)</b>	<b>0.71%</b>
<b>Cable and electrical goods</b>									
Pak Elektron Limited	1,850,000	10,291,000	-	2,897,000	9,244,000	254,942	171,661	(83,281)	2.36%
						<b>254,942</b>	<b>171,661</b>	<b>(83,281)</b>	<b>1.86%</b>
<b>Cement</b>									
Cherat Cement Company Limited	-	1,312,000	-	-	1,312,000	102,794	72,672	(30,122)	1.00%
D.G. Khan Cement Company Limited	-	4,803,000	-	2,805,000	1,998,000	150,000	118,382	(31,618)	1.63%
Fauji Cement Company Limited	-	9,852,500	-	130,000	9,722,500	168,856	143,990	(24,866)	1.98%
Kohat Cement Limited	553,670	-	-	-	553,670	29,084	48,308	19,224	0.66%
Lucky Cement Limited	4,061	1,707,800	-	960,261	751,600	326,963	278,618	(48,345)	3.83%
Maple Leaf Cement Factory Limited	1,058,500	22,025,000	-	13,858,500	9,225,000	234,404	191,142	(43,262)	2.63%
Pioneer Cement Limited	-	2,567,000	-	-	2,567,000	90,861	71,106	(19,755)	0.98%
						<b>1,102,962</b>	<b>924,218</b>	<b>(178,744)</b>	<b>12.69%</b>
<b>Chemical</b>									
AKZO Nobel Pakistan Ltd	-	100,000	-	-	100,000	27,000	27,000	-	0.37%
Archroma Pakistan Limited	65,850	-	-	35,000	30,850	14,658	15,949	1,291	0.22%
Engro Polymer and Chemicals Limited	13,400,155	2,202,000	-	3,845,500	11,756,655	329,180	288,273	(40,907)	3.96%
Lotte Chemical Pakistan Limited	210,000	-	-	210,000	-	-	-	-	0.00%
						<b>370,838</b>	<b>331,222</b>	<b>(39,616)</b>	<b>4.55%</b>
<b>Commercial banks</b>									
Allied Bank Limited	-	1,939,100	-	-	1,939,100	189,007	137,909	(51,098)	1.89%
Askari Bank Limited	10,540,000	-	-	10,540,000	-	-	-	-	0.00%
Bank Al Falah Limited	16,786,100	547,862	-	15,597,105	1,736,857	68,528	55,249	(13,279)	0.76%
Bank Al Habib Limited	5,606,000	3,495,000	-	2,707,500	6,393,500	484,408	344,418	(139,990)	4.73%
Bank Of Punjab	1,778,000	11,629,500	-	1,778,000	11,629,500	143,620	89,082	(54,538)	1.22%
Faysal Bank Limited	7,415,725	-	-	4,074,500	3,341,225	71,903	46,343	(25,560)	0.64%
Habib Bank Limited	2,079,900	4,020,400	-	3,801,900	2,298,400	358,354	237,264	(121,090)	3.26%
Habib Metropolitan Bank Limited	825,500	1,874,000	-	-	2,699,500	101,458	83,010	(18,448)	1.14%
MCB Bank Limited	2,771,900	1,862,403	-	3,001,900	1,632,403	222,792	243,685	20,893	3.35%
National Bank Of Pakistan	1,238,500	-	-	1,238,500	-	-	-	-	0.00%
United Bank Limited	209,200	5,477,000	-	3,005,700	2,680,500	370,717	270,221	(100,496)	3.71%
						<b>2,010,787</b>	<b>1,507,181</b>	<b>(503,606)</b>	<b>20.70%</b>
									<b>2.28%</b>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2020

Name of the investee company	No. of shares				Balance as at March 31, 2020		Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2019	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2020	Unrealised gain / (loss)		
					Carrying Value	Market value as at March 31, 2020		(Rupees in '000)
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise								
<b>Engineering</b>								
International Industries Limited	667,800	450,000	-	667,000	517,580	39,114	0.54%	0.39%
Mughal Iron & Steel Industries Limited	1,544,760	1,111,500	-	1,791,000	865,260	27,109	0.37%	0.34%
					<b>88,025</b>	<b>66,223</b>	<b>0.91%</b>	<b>0.73%</b>
<b>Fertilizer</b>								
Engro Fertilizer Limited	5,695,500	3,672,000	-	6,380,500	2,987,000	163,623	2.37%	0.22%
Engro Corporation Limited	1,691,580	1,623,500	-	1,953,700	1,361,380	412,012	4.99%	0.24%
Fatima Fertilizer Company Limited	4,548,500	-	-	407,000	4,141,500	88,711	1.22%	0.20%
Fauji Fertilizer Company Limited	5,085,500	2,989,500	-	3,590,521	4,484,479	418,924	5.73%	0.35%
					<b>1,118,183</b>	<b>1,041,394</b>	<b>14.30%</b>	<b>1.01%</b>
<b>Food and personal care products</b>								
Al-Shaheer Corporation	23,455	-	-	13,000	10,455	132	0.00%	0.01%
National Foods Limited	246,000	-	49,200	-	295,200	58,665	0.81%	0.20%
Nestle Pakistan Limited	3,033	-	-	-	3,033	20,321	0.28%	0.01%
AT-Tahir Limited	-	1,712,000	-	-	1,712,000	24,995	0.37%	1.06%
					<b>90,651</b>	<b>105,946</b>	<b>1.46%</b>	<b>1.28%</b>
<b>Glass and ceramics</b>								
Tariq Glass Industries	1,078,200	125,500	580,100	43,500	1,740,300	92,123	1.21%	1.58%
					<b>92,123</b>	<b>87,955</b>	<b>1.21%</b>	<b>1.58%</b>
<b>Insurance</b>								
Adamjee Insurance Co. Limited	-	2,118,000	-	-	2,118,000	92,656	0.77%	0.61%
Pakistan Reinsurance Co. Limited	2,157,000	-	-	11,000	2,146,000	53,564	0.73%	0.72%
					<b>146,220</b>	<b>109,837</b>	<b>1.51%</b>	<b>1.33%</b>
<b>Leather and tanneries</b>								
Service Industries	50,875	40,100	12,718	17,250	86,443	49,675	0.76%	0.46%
					<b>49,675</b>	<b>55,553</b>	<b>0.76%</b>	<b>0.46%</b>
<b>Miscellaneous</b>								
Synthetic Products Limited	1,678,500	-	67,140	300,000	1,445,640	30,845	0.58%	1.63%
					<b>30,845</b>	<b>42,444</b>	<b>0.58%</b>	<b>1.63%</b>
<b>Oil and gas exploration companies</b>								
Mari Petroleum Company Limited	9,865	268,420	-	25,265	253,020	322,050	3.10%	0.19%
Oil & Gas Development Company Limited	6,593,700	1,520,000	-	4,262,500	3,851,200	473,120	4.072%	0.09%
Pakistan Oilfields Limited	1,267,630	111,600	-	700,600	678,630	274,870	2.444%	0.24%
Pakistan Petroleum Limited	4,300,230	3,361,900	683,386	3,713,300	4,632,216	579,097	4.569%	0.17%
					<b>1,649,137</b>	<b>1,032,553</b>	<b>14.18%</b>	<b>0.69%</b>
<b>Oil and gas marketing companies</b>								
Attock Petroleum Limited	29	210,000	-	3,029	207,000	75,321	0.67%	0.21%
Hi-Tech Lubricants Limited	651,600	45,500	-	697,000	100	3	0.00%	0.00%
Pakistan State Oil Company Limited	959,840	928,200	-	1,888,040	-	-	0.00%	0.00%
Shell (Pakistan) Limited	21,900	-	-	21,900	-	-	0.00%	0.00%
Sui Northern Gas Pipelines Limited	4,488,300	3,651,500	-	3,650,500	4,489,300	321,307	2.28%	0.71%
Sui Southern Gas Company Limited	9,500	-	-	9,500	-	-	0.00%	0.00%
					<b>396,631</b>	<b>214,511</b>	<b>2.95%</b>	<b>0.92%</b>
<b>Pharmaceuticals</b>								
Abbott Laboratories (Pakistan) Limited	-	212,700	-	-	212,700	88,458	0.93%	0.22%
Agp Limited	577	-	-	577	-	-	0.00%	0.00%
The Searle Company Limited	6,146	-	-	297	5,849	857	0.01%	0.00%
					<b>89,315</b>	<b>68,613</b>	<b>0.94%</b>	<b>0.22%</b>

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2020

Name of the investee company	No. of shares				Balance as at March 31, 2020		Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2019	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2020	Unrealised gain / (loss)		
								(Rupees in '000)
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise								
<b>Power generation and distribution</b>								
Altem Energy Limited	327,000	-	-	-	327,000	10,902	7,358	(3,544)
Hub Power Company Limited	7,368,766	3,277,000	-	5,986,000	4,659,766	408,156	318,122	(90,034)
Kot Addu Power Co. Limited	-	187,500	-	-	187,500	5,480	3,617	(1,863)
K-Electric Limited**	-	10,142,000	-	-	10,142,000	50,332	28,702	(21,630)
Lalpir Power Limited	-	4,100,000	-	-	4,100,000	55,616	41,574	(14,042)
						<b>530,486</b>	<b>399,373</b>	<b>(131,113)</b>
								<b>5.49%</b>
<b>Refinery</b>								
Attock Refinery Limited	-	650,000	-	650,000	-	-	-	-
National Refinery Limited	-	296,500	-	-	296,500	35,590	24,844	(10,746)
						<b>35,590</b>	<b>24,844</b>	<b>(10,746)</b>
								<b>0.34%</b>
<b>Technology and communication</b>								
Hum Network Systems Limited	10,750,000	-	-	-	10,750,000	34,078	23,113	(10,965)
	1,534,225	-	-	1,534,225	-	-	-	-
						<b>34,078</b>	<b>23,113</b>	<b>(10,965)</b>
								<b>0.32%</b>
<b>Textile composite</b>								
Gul Ahmed Textile Mills Limited	8,301,900	1,412,500	1,628,980	2,131,500	9,211,880	361,576	212,334	(149,242)
Interloop Limited	3,020,110	169,000	-	298,500	2,890,610	130,291	103,657	(26,634)
Kohinoor Textile Mills Limited	2,586,718	-	-	750,000	1,836,718	46,010	47,534	1,524
Nishat (Chunian) Limited	275,500	-	-	275,500	-	-	-	-
Nishat Mills Limited	1,221,600	-	-	1,221,600	-	-	-	-
						<b>537,877</b>	<b>363,525</b>	<b>(174,352)</b>
								<b>4.99%</b>
<b>Total as at March 31, 2020 (Un-audited)</b>						<b>8,936,657</b>	<b>6,821,510</b>	<b>(2,115,148)</b>
Total as at June 30, 2019 (Audited)						10,385,509	8,600,528	(1,784,981)

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

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

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) March 31, 2020	(Audited) June 30, 2019	(Un-audited) March 31, 2020	(Audited) June 30, 2019
	----- (Number of shares) -----	----- (Rupees in '000) -----		
Oil & Gas Development Company Limited	1,000,000	1,000,000	76,990	131,490
The Hub Power Company Limited	2,000,000	2,000,000	136,540	157,500
	<b>3,000,000</b>	<b>3,000,000</b>	<b>213,530</b>	<b>288,990</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

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

Name of security	Issue date	Face value			Balances as at March 31, 2020		
		As at July 01, 2019	Purchased during the period	Sold / matured during the period	As at March 31, 2020	Carrying Value	Market Value
Treasury Bills							
Market Treasury Bills - 3 months	24-Oct-2019	-	1,225,000,000	1,225,000,000	-	-	-
	18-Jul-2019	-	8,450,000,000	8,450,000,000	-	-	-
	19-Dec-2019		650,000,000	650,000,000	-	-	-
	10-Oct-2019	-	850,000,000	850,000,000	-	-	-
	27-Feb-2020		250,000,000	250,000,000	-	-	-
	2-Jan-2020	-	500,000,000	500,000,000	-	-	-
	1-Aug-2019	-	200,000,000	200,000,000	-	-	-
	30-Jan-2020	-	500,000,000	500,000,000	-	-	-
	7-Nov-2019	-	2,675,000,000	2,675,000,000	-	-	-
	16-Aug-2019	-	1,590,000,000	1,590,000,000	-	-	-
	16-Jan-2020	-	2,425,000,000	2,425,000,000	-	-	-
	12-Sep-2019	-	500,000,000	500,000,000	-	-	-
	12-Mar-2020	-	2,875,000,000	2,875,000,000	-	-	-
	26-Sep-2019	-	500,000,000	500,000,000	-	-	-
	23-May-2019	-	1,000,000,000	1,000,000,000	-	-	-
Total as at March 31, 2020 (Un-audited)							
						-	-
Total as at June 30, 2019 (Audited)							
						-	-

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2020

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

SECP, vide SRO no. 685(I)/2019 dated June 2019, revised the rate of annual fee at 0.02% (2018: 0.095%) of net assets on all categories of collective investment schemes which is effective from July 01, 2019.

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Sindh Workers' Welfare Fund	7.1	57,875	57,875
Federal Excise Duty payable on management remuneration	7.2	54,774	54,774
Federal Excise Duty payable on sales load		3,933	3,933
Unclaimed dividends		9,722	9,722
Brokerage payable		14,661	7,665
Auditors' remuneration		426	513
Withholding tax payable		276	96
Printing and related charges payable		55	40
Payable to legal advisor		118	175
Others		105	6
		<b>141,945</b>	<b>134,799</b>

**7.1** There is no change in the status of the SWWF as reported in note 12.1 to the annual financial statements of the Fund for the year ended June 30, 2019. Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at March 31, 2020 would have been higher by Re.0.51 (2019: Re.0.4536) per unit.

**7.2** There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in note 12.2 to the annual financial statements of the Fund for the year ended June 30, 2019. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at March 31, 2020 would have been higher by Re.0.48 (2019: Re.0.4293) per unit.

## 8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at the March 31, 2020 (June 30, 2019: Nil).

## 9. ALLOCATED EXPENSES

Uptil June 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operation and valuation services, related to a CIS at the rate 0.1% of the average annual net assets of the scheme or actual whichever is less. SECP vide SRO 639(I)/2019 dated June 20, 2019 has removed the maximum cap of 0.1%. Resultantly, during the current period, the Management Company has charged actual expenses to the extent as it has think expedient.

## 10. SELLING AND MARKETING EXPENSES

SECP vide SRO 639(I)/2019 dated June 20, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds "except fund of funds". Furthermore, maximum cap of selling and marketing expenses of 0.4% per annum has also been removed. Resultantly, during the current period, the Management Company has charged actual expenses to the extent as it has think expedient.



## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2020

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### 11. 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 available for distribution 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 Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than 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 30 June 2020 as reduced by capital gains (whether realised or unrealised) to its unitholders in the form of cash.

### 12. LOSSES PER UNIT

Earnings / (losses) 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.

### 13. 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.



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2020

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

For the nine months ended March 31, 2020 (Un-audited)						
As at July 01, 2019	Issued for cash / conversion in transferred in	Redeemed / conversion out /	As at March 31, 2020	As at July 01, 2019	Issued for cash / conversion in / transferred	Redeemed / conversion out / transfer out
	(Number of units)				(Rupees in '000)	at March 31, 2020
<b>13.1 Unit Holder's Fund</b>						
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>						
<b>Group / associated companies</b>						
Adamjee Insurance Company Limited Employees Gratuity Fund						
Adamjee Life Assurance Company Limited - IMF*	16,433	8,291	24,724	1,303	765	1,589
Adamjee Life Assurance Company Limited -NUIL	28,368,367	16,221,252	41,474,116	2,249,629	1,149,000	2,665,794
Adamjee Life Assurance Company Limited -NUIL	2,072,157	1,908,735	3,825,313	164,323	141,500	245,876
Adamjee Insurance Company Limited Employees Provident Fund Trust	32,837	16,142	48,979	2,604	1,489	3,148
D.G. Khan Cement Company Limited Employees Provident Fund Trust	199,265	-	199,265	15,802	-	12,808
Nishat Mills Employees Provident Fund Trust	6,836,556	-	6,836,556	542,143	-	-
Asghari Beg Memorial Trust	47,260	10	41,813	3,748	1	2,688
<b>Directors And Key Management Personnel</b>	95,205	582,915	87,825	7,550	50,666	5,645
<b>Mandate under discretionary portfolio services</b>	4,161,940	5,287,062	1,273,405	330,044	462,719	81,850
<b>Unitholders holding 10% or more</b>	11,794,969	-	11,794,969	935,348	-	758,135
<b>MCB-Arif Habib Savings and Investment Limited - Management Company</b>						
<b>Associated companies / undertakings</b>						
Nishat Power Limited Employees Provident Fund Trust - Retirement benefit scheme of group company	10,756	34,931	15,643	1,020	3,216	1,402
Adamjee Insurance Company Limited Employees Gratuity Fund	69,360	122,853	41,260	6,576	11,159	3,698
Adamjee Life Assurance Company Limited - IMF*	19,754,721	6,207,547	24,613,050	1,872,858	580,000	2,205,858
Adamjee Life Assurance Company Limited -NUIL	1,409,006	729,618	2,072,157	133,582	68,000	185,710
Adamjee Insurance Company Limited Employees Provident Fund Trust	136,117	243,973	82,472	12,905	22,158	7,391
Adamjee Life Assurance Company Limited - ISF	2,108,051	1,088,485	3,196,536	199,855	101,510	286,478
D.G. Khan Cement Company Limited Employees Provident Fund Trust	199,265	-	199,265	18,891	631,218	17,858
Nishat Mills Employees Provident Fund Trust	2,841,551	7,530,881	6,836,556	269,395	691,218	612,702
<b>Directors And Key Management Personnel</b>	60,419	165,176	119,352	5,728	15,171	10,697
<b>Mandate under discretionary portfolio services</b>	4,675,733	12,520,112	6,371,019	443,286	1,138,969	570,980

\* The unit holder also holds 10% or more of the units in the Funds.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

**13.2 Transactions during the period:**

	Nine Months ended March 31,	
	2020	2019
	----- (Rupees in '000) -----	
<b>MCB - Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration of the Management Company including indirect taxes	150,911	193,300
Marketing and Selling expense	71,659	34,210
Allocated Expenses	6,677	9,481
 <b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee (including indirect taxes)	8,394	10,514
Central Depository Service charges	577	607
 <b>Arif Habib Capital Limited - Brokerage House</b>		
Brokerage expense*	2,024	1,819
 <b>Next Capital Limited - Brokerage House</b>		
Brokerage expense*	421	670
 <b>MCB Bank Limited</b>		
Bank charges	78	79
Profit on balances with banks	13,095	9,230
Dividend income	8,422	29,084
Sale of securities having face value of Rs 850M (2019: 830 million)	845,432	821,851
Purchase of 1,862,403 (2019: 1,457,900) shares	273,300	288,498
Sale of 3,001,900 (2019: 1,337,400) shares	572,501	278,685
 <b>D.G. Khan Cement Company Limited</b>		
Purchase of 4,803,000 (2019: 1,600,000) shares	360,585	143,968
Sale of 2,805,000 (2019: 1,950,000) shares	194,554	210,769
 <b>Nishat Mills Limited</b>		
Dividend Income	-	7,329
Sale of 1,221,600 (2019: 968,500) shares	82,582	131,145
 <b>Fatima Fertilizer Company Limited</b>		
Purchase of Nil (2019: 4,548,500) shares	-	156,621
Sale of 407,000 (2019: Nil) shares	10,564	-
 <b>Nishat Chunian Limited</b>		
Purchase of Nil (2019: 673,500) shares	-	38,807
Sale of 275,500 (2019: Nil) shares	8,181	-
 <b>Adamjee Insurance Company Limited</b>		
Sale of Nil (2019: 809,500) shares	-	38,837
Purchase of 2,118,000 (2019: Nil) shares	92,656	-
 <b>Lalpir Power Limited</b>		
Purchase of 4,100,000 (2019: Nil) shares	55,616	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

**13.3 Balances outstanding at period end:**

	(Un-audited) March 31, 2020	(Audited) June 30, 2019
	----- (Rupees in '000) -----	
<b>MCB - Arif Habib Savings and Investment Limited - Management Company</b>		
Remuneration payable	13,810	16,417
Sindh sales tax payable on remuneration	1,796	2,134
Sales load payable including related taxes	655	36
Payable against allocated expense	690	821
Payable against marketing and selling expenses	30,829	10,331
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	775	903
Sindh sales tax payable on remuneration	100	117
Security deposit	500	500
<b>MCB Bank Limited</b>		
Balance with bank	517,636	20,569
Profit receivable on bank balances	2,582	365
Sales load payable	0	1
<b>D.G. Khan Cement Company Limited</b>		
1,998,000 shares (June 30, 2019: Nil shares)	118,382	-
<b>MCB Bank Limited</b>		
1,632,403 shares (June 30, 2019: 2,771,900 shares)	243,685	483,558
<b>Fatima Fertilizer Company Limited</b>		
4,141,500 shares (June 30, 2019: 4,548,500 shares)	88,711	135,773
<b>Adamjee Insurance Company Limited</b>		
2,118,000 shares (June 30, 2019: Nil shares)	56,402	-
<b>Nishat Chunian Limited</b>		
Nil shares (June 30, 2019: 275,500 shares)	-	9,648
<b>Nishat Mills Limited</b>		
Nil shares (June 30, 2019: 1,221,600 shares)	-	114,024
<b>Lalpir Power Limited</b>		
4,100,000 shares (June 30, 2019: Nil shares)	41,574	-
<b>Next Capital Limited - Brokerage House</b>		
Brokerage payable *	19	707
<b>Arif Habib Limited - Brokerage House</b>		
Brokerage payable *	930	87

\* The amount disclosed represents the amount of brokerage paid to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter parties are not connected persons.

\*\* These are not related parties/connected persons as at March 31, 2020 & are disclosed for comparative purpose

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

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**14. TOTAL EXPENSE RATIO**

The Annualized total expense ratio of the Fund is 4.06% as on March 31, 2020 (March 31, 2019: 3.22%) and this includes 0.29% (March 31, 2019: 0.33%) representing Government Levy, Sindh Workers' Welfare Fund (SWWF) and SECP fee. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations 60(5) for a collective investment scheme categorised as an equity scheme.

**15. GENERAL**

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

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

**16. DATE OF AUTHORISATION FOR ISSUE**

These interim financial statement were authorised for issue by the Board of Directors of the Management Company in the meeting held on April 20, 2020.

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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