



MCB-ARIF HABIB
Savings and Investments Limited

AM1
by PACRA

HALF YEARLY REPORT

DECEMBER
2020
(UNAUDITED)

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

JSAVE
Savings Asaan. Life Asaan.



PAKISTAN INCOME FUND

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FUND'S INFORMATION

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

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2020

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Pakistan Income Fund accounts** review for the half year ended December 31, 2020.

Economy and Money Market Review

The first half of fiscal year 2021 has been promising, as economic activities have swung up in full throttle though challenges from Covid may continue to remain in the near term. The economic recovery has been sharper than expectations as lagged impact of monetary easing, pent up demand and higher remittances have provided impetus to economic growth. Covid-19 has not been as detrimental as initially expected and perhaps local demographics and a successful strategy by the government has been able to wither the storm. We therefore expect economic growth to be better than general estimates. Government had initial expectations of lower industrial growth (targeting a growth of 0.1% over last year) due to Covid-19, which we now believe would be better than expectations as cyclical sectors have exhibited strong demand and volumetric growth.

Cement sector saw an impressive growth in local dispatches as they witnessed a growth of ~17% over last year in the first half of FY21. Sales of 2 and 3 wheeler units rose at a more impressive rate of ~19% over last year reflecting on the vibrancy of middle class economic dynamics. Similarly, the demand of white petroleum products increased by near 10% over last year during the half implying a broad based recovery in economy. Overall, Large Scale Manufacturing Index (LSM) has grown by ~7.4% in first five months of the current fiscal year led by the cyclical sectors.

Current account posted a surplus of USD 997 million in the first half of fiscal year compared to a deficit of USD 2,032 million in the corresponding period of the last year. The improvement came in primarily on the back of higher remittances, which grew at a stupendous rate of 25% during the period. Foreign exchange reserves of central bank saw an increase of ~USD 1.3 billion during the half due to improved balance of payment position.

Inflation remained an Achilles heel for the government as rising food prices continued to create challenges for policy makers. Headline inflation represented by CPI averaged ~8.6% over last year during the first six months, with food inflation averaging ~13% during the period. The prices of perishable food items along with the price of wheat continued to advance higher as supply side disruptions and mismanagement caused the prices to soar. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged ~5.9% for the period. Monetary Policy Committee maintained status quo after successive cuts in previous meetings. While real interest rates remained negative, the central bank was cautious with regards to demand side pressures owing to Covid-19.

As the economy started to open up, tax collection also improved and grew by 5% during the first half of the fiscal year and almost met the desired target for the period. Fiscal deficit for the first five months of the period clocked in at 1.8% of GDP, compared to 1.6% of GDP last year. Primary balance was even better at a surplus of 0.5% of GDP compared to last year surplus of 0.3% of GDP.

Yield curve started to slope upward after inflation continued to disappoint investors. The central bank also raised its expectation of inflation as discussed in the minutes of MPC. It now expects it to fall in the upward range of 7-9% compared to earlier expectations of inflation falling in the lower range. 3, 5 and 10 Year bonds saw a rise of 74 bps, 114 bps and 129 bps respectively during the period.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 7.19% as against its benchmark return of 7.35%.

At period end, the fund was 8.7% in TFCs, 33.7% in T-Bills and 35.3% in Cash. Weighted average maturity of the fund stood at 249 days.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2020

The Net Assets of the Fund as at December 31, 2020 stood at Rs. 2,914 million as compared to Rs. 2,076 million as at June 30, 2020 registering an increase of 40.37%.

The Net Asset Value (NAV) per unit as at December 31, 2020 was Rs. 56.1720 as compared to opening NAV of Rs. 54.2070 per unit as at June 30, 2020 registering an increase of Rs. 1.9650 per unit.

Economy & Market – Future Outlook

GDP growth for FY21 is projected at 2.1% by government and various institutions. Despite the reemergence of Covid cases in the winter season, Pakistan has resiliently kept the growth momentum going. Generally, economy appears to now operating close to pre-covid levels as cyclical sectors have geared up after record monetary easing. We expect growth to fare better than general expectations as industrial growth has revived much earlier than our anticipation. We expect economic growth to recover well above 2.1%.

Balance of Payment worries have subsided for the near term as current account deficit has adjusted to reasonable level since the policy actions taken by the central government. Global economy has started to recover and the reported data and news flow suggests that the exports are gaining momentum. Remittances have also been far above the general expectations and in fact near 25% growth over last year reported in the first half has surprised everyone. We expect Current Account Deficit to settle near 1% of GDP in the FY21, which can be easily financed via flows from foreign investments and debt flows. However, the recent spike in commodity prices from oil to iron ore, coal, etc. pose downside risks to our favorable stance. With Real Effective Rate for Nov-2020 at 99.4, any significant movement in commodities may cause relative inflation and balance of payment to weaken further and thus can cause currency to weaken swiftly. Continuation of IMF program will be a key prerequisite to keep the financial account in positive zone. With the current scenario, we expect foreign exchange reserves to further increase by about USD 550 million from current levels, which will help alleviate any pressure on currency.

Inflation has exceeded our earlier expectations as food prices have sky rocketed. We expect CPI to average near 9.1% for FY21, slightly higher than the expected range (7.0-9.0) of central bank. For the next fiscal year, we expect CPI to average close to 8.5%, slightly lesser than current run rate. Central bank for the first time has provided guidance on interest rates in the short term, which will perhaps bring more certainty in investor expectations. The central authority has vowed to keep interest rates stable in the short run and bring in mildly positive interest rates over the medium term. Given the guidance by central bank, we now expect interest rates to adjust by 100-150 bps over the next fiscal year.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds have priced in the anticipated yield curve. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

Mutual Fund Industry Review

The Net Assets of the open-end mutual fund industry increased by about 24.0% to PKR 920 billion at the end of the first half of the fiscal year. Money market funds and Fixed Income funds experienced an influx of investment as corporate liquidity swiftly moving towards mutual funds. Total money market funds grew by about 30% during the period to PKR 410 billion. Within the money market sphere, the conventional funds dominated as they grew by about 37% to PKR 281 billion. Equity and related funds surged rapidly by 24% from PKR 224 billion to PKR 278 billion over the quarter. Most of the rise in equity and equity linked fund assets can be attributed to a positive uptick in the market that was up 26% YoY owing to favorable investor sentiments.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2020

In terms of the segment share, Money Market funds were the leader with a share of around 44%, followed by Equity and Equity related funds with a share of 30% and Income funds having a share of 24% as at the end of the calendar year.

Mutual Fund Industry Outlook

Record decline in interest rates have reinstated the confidence in risk asset classes. We expect liquidity to gear up towards equity and related funds. The sustainability of liquidity will however depend on how the economy transitions through this phase of pandemic. Our operations remained seamless and given our competitive edge due to aggressive investment in digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

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,



Muhammad Saqib Saleem
Chief Executive Officer
February 08, 2021



Nasim Beg
Director / Vice Chairman

میوچل فنڈ صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2021ء کے نصف اوّل کے اختتام پر تقریباً 24.0 فیصد بڑھ کر 920 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز اور فکسڈ انکم فنڈز میں خطیر سرمایہ کاری ہوئی کیونکہ کارپوریٹ نقدیت تیزی سے میوچل فنڈز کی جانب بڑھ رہی ہے۔ منی مارکیٹ کے مجموعی فنڈز دوران مدت تقریباً 30 فیصد بڑھ کر 410 بلین روپے ہو گئے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور تقریباً 37 فیصد بڑھ کر 281 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں دوران سہ ماہی 24 فیصد کا بھرپور اضافہ ہوا اور وہ 224 بلین روپے سے 278 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز کے اثاثہ جات میں اضافے کا بڑا سبب سرمایہ کاروں کے مثبت جذبات کی بدولت مارکیٹ میں 26 فیصد سال در سال ترقی کو قرار دیا جاسکتا ہے۔

کیلنڈر سال کے اختتام پر شعبہ جاتی سرمایہ کاری کے اعتبار سے منی مارکیٹ فنڈز تقریباً 44 فیصد کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز تقریباً 30 فیصد، اور انکم فنڈز تقریباً 24 فیصد کے حامل تھے۔

میوچل فنڈ صنعت کے مستقبل کے امکانات

سود کی شرحوں میں اب تک کی سب سے زیادہ کمی کی بدولت خطرات کے حامل اثاثہ جات میں اعتماد بحال ہوا ہے۔ ہمیں اُمید ہے کہ ایکویٹی اور متعلقہ فنڈز کے شعبے میں نقدیت کی صورتحال بہتر ہوگی۔ تاہم نقدیت کی پائیداری کا انحصار اس بات پر ہوگا کہ معیشت اس وباء کے مرحلے سے کس طرح گزرتی ہے۔ 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 دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکیں گے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کی مسلسل معاونت اور حمایت کے لیے شکر گزار ہے۔ علاوہ ازیں، 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
08 فروری 2021ء

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 7.19 فیصد تھا جبکہ مقررہ معیار 7.35 فیصد تھا۔
اختتام مدت پر فنڈ کی سرمایہ کاری 8.7 فیصد ٹرم فنانس سرٹیفکیٹس (ٹی ایف سی) میں، 33.7 فیصد ٹریڈری بلز (ٹی بلز) میں، اور 35.3 فیصد نقد میں تھی۔ فنڈ کی بالوزن اوسط میچورٹی (WAM) 249 دن پر تھی۔
31 دسمبر 2020ء کو فنڈ کے net اثاثہ جات 2,914 ملین روپے تھے جو 30 جون 2020ء (2,076 ملین روپے) کے مقابلے میں 40.37 فیصد اضافہ ہے۔
31 دسمبر 2020ء کو فنڈ کی net اثاثہ جاتی قدر (این اے وی) فی یونٹ 56.1720 روپے تھی جو 30 جون 2020ء کو ابتدائی این اے وی 54.2070 روپے فی یونٹ روپے کے مقابلے میں 1.9650 روپے فی یونٹ اضافہ ہے۔

معیشت اور بازار - مستقبل کے امکانات

حکومت اور متعدد اداروں کے مطابق مالی سال 2021ء کے لیے مجموعی ملکی پیداوار (جی ڈی پی) میں 2.1 فیصد ترقی متوقع ہے۔ موسم سرما میں کووڈ کے دوبارہ ظہور پذیر ہونے کے باوجود پاکستان نے چک کا مظاہرہ کرتے ہوئے ترقی کی رفتار برقرار رکھی۔ معیشت اب عمومی طور پر قبل از کووڈ سطحوں پر سرگرم عمل ہے کیونکہ گردش شعبوں نے ریکارڈ مالیاتی تسہیل کے بعد رفتار پکڑ لی ہے۔ ہم سمجھتے ہیں کہ ترقی عمومی توقعات سے بہتر ہوگی کیونکہ صنعتی ترقی ہماری اُمید سے جلد بحال ہوگئی ہے۔ ہمیں اُمید ہے کہ معاشی ترقی 2.1 فیصد سے کافی بلند سطح پر بحال ہوگی۔
ادائیگیوں کے توازن کی پریشانیوں کی طرف توجہ دینا ضروری ہے کیونکہ مرکزی حکومت کی جانب سے پالیسی اقدامات کے بعد کرنٹ اکاؤنٹ خسارہ معقول سطح پر آگیا ہے۔ عالمی معیشت میں بحالی کے عمل کا آغاز ہو گیا ہے اور برآمدات میں بتدریج بہتری کی خبریں گردش میں ہیں۔ ترسیلات زر بھی توقعات سے بہت بلند ہوئی ہیں اور نصف اول میں سال گزشتہ کے مقابلے میں 25 فیصد ترقی نے سب کو حیران کر دیا ہے۔ ہم سمجھتے ہیں کہ مالی سال 2021ء میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 1 فیصد پر بڑھ کر آئے گا، اور اس کے لیے مالیات کی فراہمی آسانی غیر ملکی سرمایہ کاروں اور قرض کے ذریعے ہو سکتی ہے۔ تاہم تیل سے لے کر خام لوہے تک اشیاء کی قیمتوں میں حالیہ اضافہ ہماری خوش آئند صورتحال کے لیے خطرہ ثابت ہو سکتا ہے۔ نومبر 2020ء کا رینل افیکٹو ریٹ 99.4 فیصد تھا، اور اشیاء میں کسی بھی قابل ذکر حرکت کے باعث افراط زر اور ادائیگیوں کے توازن کی نسبتاً صورتحال مزید خراب ہو سکتی ہے اور اس کے نتیجے میں روپے کی قدر تیزی سے گر سکتی ہے۔ آئی ایم ایف پروگرام پر عمل درآمد کا سبب رفتار کے ساتھ جاری رہنا مالیاتی گوشوارے کو مثبت حد میں رکھنے کے لیے کلیدی عامل ثابت ہوگا۔ موجودہ صورتحال میں غیر ملکی زرمبادلہ کے ذخائر کی موجودہ سطحوں میں مزید 550 ملین ڈالر کا اضافہ متوقع ہے جس کی بدولت روپے پر کسی قسم کے دباؤ کو کم کرنے میں مدد ملے گی۔

افراط زر ہماری سابقہ توقعات سے آگے نکل گئی ہے کیونکہ اشیائے خورد و نوش کی قیمتیں آسمان سے باتیں کر رہی ہیں۔ ہمارے نزدیک مالی سال 2021ء کے لیے سی پی آئی کا اوسط 9.1 فیصد ہوگا جو مرکزی بینک کی متوقع حد (7.0 سے 9.0) سے تھوڑا زیادہ ہے۔ اگلے مالی سال کے لیے افراط زر کا اوسط تقریباً 8.5 فیصد رہے گا جو موجودہ سطح سے کچھ کم ہے۔ مرکزی بینک نے پہلی مرتبہ قریب المیاد میں سود کی شرحوں سے متعلق راہنمائی فراہم کی ہے جس کی بدولت سرمایہ کاروں کی توقعات میں مزید یقینی صورتحال پیدا ہوگی۔ مرکزی مختار ادارے نے سود کی شرحوں کو مختصر مدت میں مستحکم رکھنے اور درمیانی مدت میں کچھ مثبت کرنے کا عزم کیا ہے۔ اب مرکزی بینک کی راہنمائی کے پیش نظر ہمیں اُمید ہے کہ سود کی شرحوں میں اگلے مالی سال کے دوران 100 سے 150 بیسیس پوائنٹس تک ترمیم ہوگی۔

قرض حالیں کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز متوقع پیداواری خم میں شامل ہو چکے ہیں۔ ہم بانڈز کے منافعوں کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا کے نکات کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

پاکستان انکم فنڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2020ء کو اختتام پذیر ہونے والی ششماہی کے گوشواروں کا جائزہ پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

مالی سال 2021ء کا نصف اول اُمید افزا رہا کیونکہ معاشی سرگرمیوں نے پوری قوت کے ساتھ سر اُٹھایا ہے اگرچہ کووڈ کے باعث پیدا ہونے والی مشکلات قریب المیعا میں برقرار رہیں گی۔ معاشی بحالی توقعات سے تیز تر رہی ہے کیونکہ مالیاتی تسہیل، طلب کی محدودیت اور بہتر ترسیلات نے معاشی ترقی کو محسوس فرما دیا۔ کووڈ-19 اتنا نقصان دہ ثابت نہیں ہوا جتنا اس بارے میں ابتدائی امکانات تھے، اور شاید مقامی آبادی کے اعداد و شمار اور حکومت کے کامیاب لائحہ عمل کی بدولت یہ طوفان پسپا ہو گیا۔ چنانچہ ہم سمجھتے ہیں کہ معاشی ترقی عمومی تخمینوں کے مقابلے میں بہتر رہے گی۔ حکومت کی ابتدائی توقعات کے مطابق صنعتی ترقی (جس کا ہدف سال گزشتہ کے مقابلے میں 0.1 فیصد ترقی تھا) کووڈ-19 کے باعث پست تر ہوگی، لیکن اب ہم سمجھتے ہیں کہ یہ توقعات سے بہتر ہوگی کیونکہ گردش شعبوں میں بھرپور طلب اور حجم کے اعتبار سے ترقی کا مظاہرہ ہوا ہے۔

مالی سال 2021ء کی پہلی ششماہی میں سیمنٹ کے شعبے میں مقامی فروخت میں متاثر کن ترقی ہوئی جو سال گزشتہ سے 17 فیصد زیادہ تھی۔ 2 اور 3 پہیوں والے نیٹس کی فروخت میں مزید متاثر کن ترقی ہوئی جو سال گزشتہ سے 19 فیصد زیادہ تھی جس سے متوسط طبقے کی محرک مالی صورتحال کی عکاسی ہوتی ہے۔ اسی طرح سفید پٹرولیم مصنوعات کی طلب میں سال گزشتہ کے مقابلے میں تقریباً 10 فیصد اضافہ ہوا جس سے معیشت میں وسیع البہیاد بحالی کی ترجمانی ہوتی ہے۔ مجموعی طور پر بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) کے انڈیکس میں موجودہ مالی سال کے پہلے پانچ ماہ میں 7.4 فیصد ترقی ہوئی ہے۔

مالی سال کے نصف اول میں کرنٹ اکاؤنٹ میں 997 ملین ڈالر منافع ہوا جبکہ اس کے بالمقابل سال گزشتہ کی مماثل مدت میں 2,032 ملین ڈالر خسارہ ہوا تھا۔ اس بہتری کی بنیادی وجہ ترسیلات میں اضافہ تھا جن میں دوران مدت 25 فیصد ترقی ہوئی۔ سینٹرل بینک کے زرمبادلہ کے ذخائر میں 1.3 بلین ڈالر اضافہ ہوا جس کی وجہ ادائیگی کے توازن کی صورتحال میں بہتری ہے۔

افراط زر حکومت کی دھکتی رگ بنی رہی کیونکہ اشیائے خورد و نوش کی بڑھتی ہوئی قیمتوں کے باعث پالیسی ساز افراد مشکلات کا شکار رہے۔ مجموعی افراط زر، جس کی ترجمانی صارفی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط پہلے چھ ماہ کے دوران 8.6 فیصد تھا، جبکہ اشیائے خورد و نوش کے افراط زر کا اوسط دوران مدت 13 فیصد تھا۔ رسد کی جہت میں مسائل اور بدانتظامی کے باعث گندم اور جلد خراب ہو جانے والی اشیائے خورد و نوش کی قیمتوں میں اضافہ جاری رہا۔ بہر حال بنیادی افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، قابو میں تھی اور اس کا اوسط برائے مدت 5.9 فیصد تھا۔ مانیٹری پالیسی کمیٹی (ایم پی سی) نے گزشتہ اجلاسوں میں پے در پے کٹوتیوں کے بعد صورتحال کو برقرار رکھا۔ اگرچہ حقیقی سود کی شرح منفی رہی، مرکزی بینک کووڈ-19 کے باعث طلب کی جہت پر پڑنے والے دباؤ کے حوالے سے محتاط تھا۔

معیشت کے مستحکم ہونے کے آغاز کے ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں مالی سال کے نصف اول کے دوران 5 فیصد اضافہ ہوا جو ہدف برائے مدت کے تقریباً قریب تھا۔ پہلے پانچ ماہ کا مالیاتی خسارہ مجموعی ملکی پیداوار (جی ڈی پی) کا 1.8 فیصد تھا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 1.6 فیصد تھا۔ بنیادی توازن جی ڈی پی (GDP) کے 0.5 فیصد کے ساتھ مزید بہتر رہا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 0.3 فیصد تھا۔

افراط زر نے سرمایہ کاروں کو مایوس کرنے کا سلسلہ جاری رہا جس کے باعث پیداواری خم بلندی کی طرف جانا شروع ہو گیا۔ مرکزی بینک نے بھی افراط زر سے متعلق اپنی توقع کو بڑھایا جیسا کہ ایم پی سی کے منٹس میں مذکور ہے۔ اب مرکزی بینک کو توقع ہے کہ افراط زر 7 سے 9 فیصد کی اوپری سطح میں پہنچ جائے گا، جبکہ پہلے اس کا سطحی سطح میں آنا متوقع تھا۔ دوران مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 74، 114 اور 129 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahr-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

PAKISTAN INCOME FUND

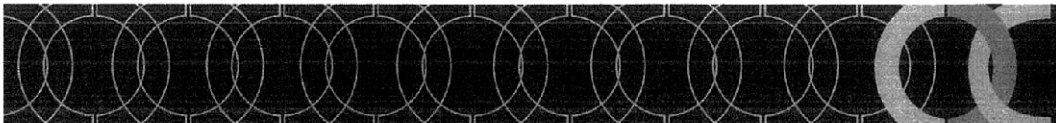
Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Pakistan Income Fund (the Fund) are of the opinion that MCB-Arif Habib Savings and Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 11, 2021



AUDITOR'S REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS



Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

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INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNIT HOLDERS OF PAKISTAN INCOME FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Pakistan Income Fund** (the Fund) as at December 31, 2020, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of movement in unit holders' fund together with the notes forming part thereof (here-in-after referred to as the 'interim financial information'), for the half year ended December 31, 2020. The Board of the Management Company (MCB Arif Habib Savings and Investments Limited) is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures of the condensed interim financial information for the quarters ended December 31, 2020 and 2019, have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

The engagement partner on the review resulting in this independent auditor's review report is Hena Sadiq.


Chartered Accountants

Dated: February 18, 2021
Place: Karachi

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

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

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	5	1,447,328	970,246
Investments	6	2,417,237	1,090,474
Profit receivable		13,971	26,113
Advances, deposits, prepayments and other receivables		164,805	16,515
Receivable from National Clearing Company of Pakistan Limited		54,704	-
Total assets		4,098,045	2,103,348
LIABILITIES			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	7	4,237	2,901
Payable to Central Depository Company of Pakistan Limited - Trustee		200	149
Payable to Securities and Exchange Commission of Pakistan		229	327
Payable against redemption of units		47	47
Payable against purchase of investment		1,152,525	-
Accrued expenses and other liabilities	8	26,555	23,729
Total liabilities		1,183,793	27,153
NET ASSETS		2,914,252	2,076,195
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,914,252	2,076,195
CONTINGENCIES AND COMMITMENTS			
	9		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		51,880,826	38,301,258
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		56.1720	54.2070

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020

		Half year ended December 31,		Quarter ended December 31,	
		2020	2019	2020	2019
Note		(Rupees in '000)			
INCOME					
Income from government securities		18,592	39,830	11,446	27,929
Capital gain / (loss) on sale of investments - net		2,190	17,998	(539)	5,221
Dividend income		8,494	-	7,099	-
Income from term finance certificates		30,663	32,093	8,974	18,281
Profit on bank deposit and term deposit receipts		27,024	33,033	17,115	9,625
Income from margin trading system		4,996	-	3,343	-
Loss on spread transactions		(16,344)	-	(23,673)	-
Income on commercial paper		1,862	-	-	-
Unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss' - net	6.1.10	28,862	(2,549)	31,001	(2,796)
Other income		520	360	466	304
Total income		106,859	120,765	55,232	58,564
EXPENSES					
Remuneration of the MCB-Arif Habib Savings and Investments Limited - Management Company	7.1	11,898	12,005	5,967	5,885
Sindh Sales Tax on remuneration of Management Company		1,546	1,560	775	765
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		861	580	496	301
Sindh Sales Tax on remuneration of Trustee		112	75	65	39
Annual fee to Securities and Exchange Commission of Pakistan		229	155	132	81
Allocated expense	7.3	1,148	777	656	404
Selling and marketing expenses	7.4	1,491	1,007	858	530
Settlement and bank charges		682	311	493	170
Brokerage expense		5,662	498	3,260	182
Legal and professional charges		68	91	34	45
Professional charges on marginal trading system		746	-	574	-
Auditors' remuneration		306	347	154	208
Other charges		247	347	216	160
Total expenses		24,996	17,753	13,680	8,770
Net income from operating activities		81,863	103,012	41,552	49,794
Provision for Sindh Workers' Welfare Fund	8.1	1,637	2,060	831	996
Net income for the period before taxation		80,226	100,952	40,721	48,798
Taxation	10	-	-	-	-
Net income for the period after taxation		80,226	100,952	40,721	48,798
Allocation of net income for the period:					
Net income for the period after taxation		80,226	100,952	40,721	48,798
Income already paid on units redeemed		(8,717)	(15,387)	(5,078)	(11,094)
		71,509	85,565	35,643	37,704
Accounting income available for distribution					
- Relating to capital gains		14,405	12,415	13,815	302
- Excluding capital gains		57,104	73,150	21,828	37,402
		71,509	85,565	35,643	37,704

Earnings per unit

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The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020**

	Half year ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	80,226	100,952	40,721	48,798
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	80,226	100,952	40,721	48,798

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	For half year ended December 31,					
	2020			2019		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	1,944,178	132,017	2,076,195	1,266,750	124,781	1,391,531
Issue of 37,360,304 units (2019: 13,661,237 units)						
- Capital value (at net asset value per unit at the beginning of the period)	2,025,190	-	2,025,190	735,294	-	735,294
- Element of income	41,000	-	41,000	20,800	-	20,800
	2,066,190	-	2,066,190	756,094	-	756,094
Redemption of 23,780,736 units (2019: 12,439,258 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,289,082)	-	(1,289,082)	(669,523)	-	(669,523)
- Element of income	(10,560)	(8,717)	(19,277)	(9,975)	(15,387)	(25,362)
	(1,299,642)	(8,717)	(1,308,359)	(679,498)	(15,387)	(694,885)
Total comprehensive income for the period	-	80,226	80,226	-	100,952	100,952
Net assets at end of the period	2,710,726	203,526	2,914,252	1,343,346	210,346	1,553,692
Undistributed income brought forward						
- Realised		138,584			133,163	
- Unrealised		(6,567)			(8,382)	
		132,017			124,781	
Accounting income available for distribution						
- Relating to capital gains		14,405			12,416	
- Excluding capital gains		57,104			73,150	
		71,509			85,566	
Undistributed income carried forward		203,526			210,347	
Undistributed income carried forward						
- Realised		174,664			212,895	
- Unrealised		28,862			(2,549)	
		203,526			210,346	
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the period		54.2070			53.8234	
Net assets value per unit at end of the period		56.1720			57.3834	

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended December 31,	
	2020	2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	80,226	100,952
Adjustments for non cash and other items:		
Unrealised (appreciation) / diminution in fair value of investments classified as 'at fair value through profit or loss' - net	(28,862)	2,549
Provision for Sindh Workers' Welfare Fund	1,637	2,060
	<u>53,001</u>	<u>105,561</u>
(Increase) / decrease in assets		
Investments	83,631	(278,932)
Profit receivable	12,142	(8,596)
Advances, deposit and prepayments	(148,290)	39
Receivable from National Clearing Company of Pakistan Limited	(54,704)	-
	<u>(107,221)</u>	<u>(287,489)</u>
Increase / (decrease) in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	1,336	1,130
Payable to the Central Depository Company of Pakistan Limited - Trustee	51	(78)
Payable to the Securities and Exchange Commission of Pakistan	(98)	(966)
Payable against purchase of investment	1,152,525	290,851
Dividend payable	-	(14,367)
Accrued expenses and other liabilities	1,189	(924)
	<u>1,155,003</u>	<u>275,646</u>
Net cash generated from operating activities	<u>1,100,783</u>	<u>93,718</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	2,066,190	756,094
Payments on redemption of units	(1,308,359)	(694,885)
Net cash generated from financing activities	<u>757,831</u>	<u>61,209</u>
Net increase in cash and cash equivalents during the period	<u>1,858,614</u>	<u>154,927</u>
Cash and cash equivalents at beginning of the period	<u>970,246</u>	<u>899,104</u>
Cash and cash equivalents at end of the period	<u>2,828,860</u>	<u>1,054,031</u>

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The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Income 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 the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

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

The Fund is an open-end collective investment scheme categorised as an "Income" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.

The Fund primarily invests in money market and other short-term placements/instruments which include short-term corporate debt, government securities, margin trading system transactions and spread transactions. The Fund may also invest a portion of its assets under management in medium term assets in order to provide higher return to the unit holders.

The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM1 dated October 06, 2020 to the Management Company and "A+(f)" as stability rating dated October 19, 2020 to the Fund.

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

During the current period, The Trust Act, 1882 has been repealed due to promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirement under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

2. BASIS OF PREPARATION

Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act 2017 along with part VIIIA of the repealed Companies Ordinance, 1984 ; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS 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 the requirements of the Trust Deed have been followed.

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 does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the yearended June 30, 2020.

In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2020.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency and rounded to the nearest thousand rupees, unless otherwise specified.

3. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are same as those applied in preparation of financial statements of the Fund as at and for the year ended June 30, 2020,

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited financial statements as at and for the year ended June 30, 2020.

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Fund's operations and did not have any impact on the accounting policies of the Fund and therefore not disclosed in this condensed interim financial information.

4. FINANCIAL RISK MANAGEMENT

The Fund's risk management objective and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2020.

		(Un-audited) December 31, 2020 ---- (Rupees in '000) ----	(Audited) June 30, 2020
5. BANK BALANCES	Note		
Savings accounts	5.1	1,437,074	946,313
Current accounts	5.2	10,254	23,933
		<u>1,447,328</u>	<u>970,246</u>

5.1 These carry profit at the rates ranging between 5.50% to 9% (June 30, 2020: 5.50% to 7.83%) per annum and include Rs 1.083 million (June 30, 2020: Rs 5.83 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 5.50% (June 20: 5.50%) per annum.

5.2 These include balance amounting to Rs. 10.244 million related to MCB Bank Limited, a related party / connected person.

		(Un-audited) December 31, 2020 ---- (Rupees in '000) ----	(Audited) June 30, 2020
6. INVESTMENTS	Note		
Financial assets 'at fair value through profit or loss' - net	6.1		
Listed equity securities	6.1.1	563,645	-
Government securities - Market treasury bills	6.1.2	1,381,532	294,370
Pakistan investment bonds - Floating Rate Bond	6.1.3	150,120	-
Term finance certificates - listed	6.1.4	49,910	48,862
Term finance certificates - unlisted	6.1.5	195,944	306,537
Sukuks certificates - listed	6.1.6	57,614	136,920
Sukuks certificates - unlisted	6.1.7	52,773	230,647
Future stock contracts		(34,301)	-
Commercial paper	6.1.8	-	73,138
Government of Pakistan (GoP) Ijara sukuks	6.1.9	-	-
		<u>2,417,237</u>	<u>1,090,474</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

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

6.1.1 Listed equity securities

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

Name of investee company	As at July 1, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at Dec 31, 2020	As at Dec 31, 2020			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
						(Rupees in '000)			(%)		
Automobile Assembler											
Ghandhara Industries Limited	-	75,500	-	75,500	-	-	-	-	0.00	-	0.00
Ghandhara Nissan Limited	-	9,000	-	9,000	-	-	-	-	0.00	-	0.00
Pak Suzuki Motors Company Limited	-	108,000	-	107,500	500	97	121	24	0.00	0.01	0.00
						97	121	24			
Automobile Parts & Accessories											
General Tyre & Rubber Company Limited	-	77,500	-	77,500	-	-	-	-	0.00	-	0.00
						-	-	-			
Cable & Electrical Goods											
Pak Elektron Limited	-	4,167,000	-	3,983,000	184,000	7,069	7,384	315	0.25	0.31	0.04
						7,069	7,384	315			
Cement											
Cherat Cement Company Limited	-	53,500	-	53,500	-	-	-	-	0.00	-	0.00
D.G. Khan Cement Company Limited	-	1,599,000	-	1,580,500	18,500	2,048	2,120	72	0.07	0.09	0.00
Fauji Cement Company Limited	-	1,872,500	-	1,847,000	25,500	553	553	-	0.02	0.02	0.00
Kohat Cement Limited	-	7,000	-	7,000	-	-	-	-	0.00	-	0.00
Lucky Cement Limited	-	199,500	-	199,500	-	-	-	-	0.00	-	0.00
Maple Leaf Cement Factory Limited	-	4,012,000	-	3,697,000	315,000	14,063	14,178	115	0.49	0.59	0.03
Pioneer Cement Limited	-	301,500	-	234,500	67,000	6,822	6,921	99	0.24	0.29	0.03
Power Cement Limited	-	1,555,000	-	1,467,500	87,500	867	865	(2)	0.03	0.04	0.01
						24,353	24,637	284			
Chemicals											
Descon Oxychem Limited	-	1,000	-	1,000	-	-	-	-	0.00	-	0.00
Engro Polymer and Chemicals Limited	-	650,500	-	646,500	4,000	188	190	2	0.01	0.01	0.00
Lotte Chemical Pakistan Limited	-	1,262,500	-	1,254,000	8,500	129	128	(1)	0.00	0.01	0.00
						317	318	1			
Engineering											
Amreli Steels Limited	-	1,141,500	-	1,112,500	29,000	1,383	1,400	17	0.05	0.06	0.01
International Industries Limited	-	254,500	-	213,500	41,000	6,905	7,241	336	0.25	0.30	0.03
International Steels Limited	-	651,000	-	590,000	61,000	5,681	5,687	6	0.20	0.24	0.01
Mughal Iron & Steel Industries Limited	-	249,500	-	248,000	1,500	114	114	-	0.00	0.00	0.00
						14,083	14,442	359			
Fertilizer											
Engro Fertilizer Limited	-	285,500	-	285,500	-	-	-	-	0.00	-	0.00
Engro Corporation Limited	-	151,000	-	151,000	-	-	-	-	0.00	-	0.00
Fauji Fertilizer Bin Qasim Limited	-	707,000	-	586,500	120,500	3,050	3,051	1	0.10	0.13	0.01
Fauji Fertilizer Company Limited	-	126,500	-	126,500	-	-	-	-	0.00	-	0.00
						3,050	3,051	1			
Glass & Ceramics											
Tariq Glass Industries	-	50,000	-	50,000	-	-	-	-	0.00	-	0.00
						-	-	-			
Insurance											
Adamjee Insurance Co. Limited	-	6,500	-	6,500	-	-	-	-	0.00	-	0.00
						-	-	-			
Oil & Gas Exploration Companies											
Oil & Gas Development Company Limited	-	503,000	-	498,500	4,500	460	467	7	0.02	0.02	0.00
Pakistan Oilfields Limited	-	72,000	-	72,000	-	-	-	-	0.00	-	0.00
Pakistan Petroleum Limited	-	1,498,000	-	1,481,500	16,500	1,494	1,490	(4)	0.05	0.06	0.00
						1,954	1,957	3			
Oil And Gas Marketing Companies											
Hascol Petroleum Limited	-	11,282,500	-	9,753,500	1,529,000	22,429	22,461	32	0.77	0.93	0.15
Pakistan State Oil Companylimited.	-	465,500	-	459,500	6,000	1,257	1,292	35	0.04	0.05	0.00
Sui Northern Gas Pipelines Limited	-	323,500	-	313,500	10,000	443	444	1	0.02	0.02	0.00
Sui Southern Gas Company Limited	-	624,500	-	624,500	-	-	-	-	0.00	-	0.00
						24,129	24,197	68			
Paper And Board											
Century Paper & Board Mills Limited	-	4,000	-	4,000	-	-	-	-	0.00	-	0.00
						-	-	-			
Pharmaceuticals											
Ferozsons Laboratories Limited	-	1,000	-	500	500	159	165	6	0.01	0.01	0.00
The Searle Company Limited	-	305,500	-	274,500	31,000	7,539	7,726	187	0.27	0.32	0.01
						7,698	7,891	193			
Power Generation & Distribution											
Hub Power Company Limited	-	1,346,000	-	1,190,500	155,500	12,385	12,336	(49)	0.42	0.51	0.01
Kot Addu Power Co. Limited	-	3,074,500	-	3,069,500	5,000	136	136	-	0.00	0.01	0.00
K-Electric Limited	-	8,475,500	-	3,437,500	5,038,000	19,064	19,699	635	0.68	0.81	0.02
						31,585	32,171	586			
Refinery											
Attock Refinery Limited	-	988,500	-	834,500	154,000	25,714	28,036	2,322	0.96	1.16	0.14
National Refinery Limited	-	340,000	-	301,500	38,500	11,917	13,469	1,552	0.46	0.56	0.05
Pakistan Refinery Limited	-	2,248,500	-	1,891,000	357,500	7,408	8,505	1,097	0.29	0.35	0.06
						45,039	50,010	4,971			
Technology & Communications											
Avanceon Limited	-	1,516,500	-	1,441,500	75,000	7,016	6,964	(52)	0.24	0.29	0.04
Netsol Technologies	-	800,000	-	485,500	314,500	52,921	62,372	9,451	2.14	2.58	0.35
TRG Pakistan	-	4,044,500	-	2,702,000	1,342,500	102,390	122,718	20,328	4.21	5.08	0.25
						162,327	192,054	29,727			
Textile Composite											
Gui Ahmed Textile Mills Limited	-	90,000	-	90,000	-	-	-	-	0.00	-	0.00
Nishat (Churian) Limited	-	8,000	-	8,000	-	-	-	-	0.00	-	0.00
Nishat Mills Limited	-	271,500	-	271,500	-	-	-	-	0.00	-	0.00
						-	-	-			
Transport											
Pakistan Interntional Bulk Terminal Limited	-	13,768,500	-	12,080,500	1,688,000	21,650	21,708	58	0.74	0.90	0.09
						21,650	21,708	58			
Vanaspati & Allied Industries											
Unity Foods Limited	-	24,502,000	-	18,772,000	5,730,000	155,298	183,704	28,406	6.30	7.60	0.58
						155,298	183,704	28,406			
Total as at December 31, 2020						498,649	563,645	64,996			
Total as at June 30, 2020						-	-	-			

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

6.1.2 Government securities - Market treasury bills

Tenor	Issue Date	Face value			As at December 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Carrying value	Market value		
----- (Rupees in '000) ----- (%) -----									
3 months									
- 3 months	July 2, 2020	-	75,000	75,000	-	-	-	-	
- 3 months	December 3, 2020	-	300,000	300,000	-	-	-	-	
- 3 months	November 5, 2020	-	250,000	250,000	-	-	-	-	
- 3 months	October 8, 2020	-	525,000	525,000	-	-	-	-	
- 3 months	July 16, 2020	-	75,000	75,000	-	-	-	-	
- 3 months	December 17, 2020	-	500,000	500,000	-	-	-	-	
- 3 months	November 19, 2020	-	650,000	250,000	400,000	396,847	396,855	13.62	
- 3 months	April 23, 2020	-	150,000	150,000	-	-	-	-	
- 3 months	December 31, 2020	-	1,000,000	-	1,000,000	984,709	984,677	33.79	
6 months									
- 6 months	July 2, 2020	-	75,000	75,000	-	-	-	-	
- 6 months	June 4, 2020	100,000	50,000	150,000	-	-	-	-	
- 6 months	April 9, 2020	-	1,000,000	1,000,000	-	-	-	-	
- 6 months	July 16, 2020	-	75,000	75,000	-	-	-	-	
12 months									
- 12 months	December 5, 2019	-	1,400,000	1,400,000	-	-	-	-	
- 12 months	September 12, 2019	200,000	250,000	450,000	-	-	-	-	
- 12 months	December 19, 2019	-	675,000	675,000	-	-	-	-	
- 12 months	August 29, 2019	-	475,000	475,000	-	-	-	-	
Total as at December 31, 2020					1,381,556	1,381,532	(24)		
Tdtal as at June 30, 2020					293,864	294,370	506		

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

6.1.3 Pakistan investment bonds - Floating Rate Bond

Particulars	Issue Date	Face value			As at December 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2020	Purchased during the period	Sold during the period	As at December 31, 2020	Carrying value	Unrealised appreciation / (diminution)		
----- (Rupees in '000) ----- (%) -----									
Pakistan Investment Bond - 3 years Floating Rate Bond (FRB)	June 18, 2020	-	550,000	400,000	150,000	150,473	150,120	5.15	6.21
Total as at December 31, 2020						150,473	150,120	(353)	
Total as at June 30, 2020						-	-	-	

6.1.4 Listed debt securities - term finance certificates

Market value as at June 30	6.1.4.1	Note		(Un-audited) (Audited)		December 31, June 30, 2020 2020		----- (Rupees in '000) -----	
				149,681	134,378				
Less: Provision as at July 1									
- Pace Pakistan Limited				(49,940)	(49,940)				
- Telecard Limited				(31,088)	(31,088)				
- Trust Investment Bank Limited				(18,743)	(18,743)				
				(99,771)	(99,771)				
				49,910	34,607				

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

6.1.4.1 Listed debt securities - Term finance certificates

Certificates have a face value of Rs 100,000 each unless stated otherwise

Name of investee company	Number of certificates			As at December 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Carrying value	Unrealised appreciation / (diminution)		
------(Rupees in '000)----- ------(%)-----								
Commercial Bank								
Habib Bank Limited (Note 6.1.4.2)	500	-	-	500	48,853	49,910	1,057	2.06
Investment Banks / Investment Companies / Securities Companies								
Trust Investment Bank Limited								
- Due but not received (Note 6.10)	10,000	-	-	10,000	18,743	18,743	-	-
Miscellaneous								
Pace Pakistan Limited								
- Due but not received (Note 6.10)	10,000	-	-	10,000	49,940	49,940	-	-
Technology & Communication								
Telecard Limited								
- Due but not received (Note 6.10)	19,975	-	-	19,975	31,088	31,088	-	-
Total as at December 31, 2020					148,624	149,681	1,057	
Total as at June 30, 2020					149,516	148,633	(883)	

6.1.4.2 Significant terms and conditions of term finance certificates outstanding as at December 31, 2020 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
Habib Bank Limited	6 months KIBOR + 0.50%	February 19, 2016	February 19, 2026	AAA

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

6.1.5 Unlisted debt securities - Term finance certificates

Certificates have a face value of Rs 5,000 each

Name of investee company	Number of certificates			As at December 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Carrying value	Unrealised appreciation / (diminution)		
Commercial Banks								
Askari Bank Limited - IV	19,000	-	19,000	-	-	-	-	-
Askari Bank Limited - VII	30	-	-	30	30,000	29,712	(288)	1.23
Bank AL Habib Limited	15,028	-	-	15,028	70,288	67,712	(2,576)	2.80
The Bank of Punjab	80	-	-	80	6,972	7,839	867	0.32
Investment Banks / Investment Companies / Securities Companies								
Jahangir Siddiqui & Company Limited	22,000	-	-	22,000	90,933	90,681	(252)	3.75
Total as at December 31, 2020					198,193	195,944	(2,249)	
Total as at June 30, 2020					312,888	306,537	(6,351)	

6.1.5.1 Significant terms and conditions of term finance certificates outstanding as at December 31, 2020 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
Commercial Banks				
Askari Bank Limited - VII	3 months KIBOR + 1.20%	March 17, 2020	March 17, 1930	AA+
Bank AL Habib Limited	6 months KIBOR + 0.75%	March 17, 2016	March 17, 2026	AA
The Bank of Punjab	6 months KIBOR + 1.25%	April 23, 2018	April 23, 2028	AA-
Investment Banks / Investment Companies / Securities Companies				
Jahangir Siddiqui & Company Limited	6 months KIBOR + 1.40%	March 6, 2018	March 6, 2023	AA+

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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6.1.6 Listed debt securities - Sukuk certificates

Certificates have a face value of Rs 100,000 each

Name of investee company	Number of certificates			As at December 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Carrying value	Unrealised appreciation / (diminution)		
Investment Banks / Investment Companies / Securities Companies								
Dawood Hercules Corporation Limited	1,000	-	1,000	-	-	-	-	-
Dawood Hercules Corporation Limited	813	-	-	813	57,947	57,614 (333)	1.98	2.38
Total as at December 31, 2020					57,947	57,614 (333)		
Total as at June 30, 2020					134,770	136,920		2,150

6.1.6.1 Significant terms and conditions of Sukuk certificates outstanding as at December 31, 2020 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
Dawood Hercules Corporation Limited	3 months KIBOR + 1.00%	March 1, 2018	March 1, 2023	AA

6.1.7 Unlisted debt securities - Sukuk certificates

Certificates have a face value of Rs 100,000 each

Name of investee company	Number of certificates			As at December 31, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Carrying value	Unrealised appreciation / (diminution)		
Chemical								
Ghani Gases Limited	480	-	-	480	20,264	20,098 (166)	0.69	0.83
Refinery								
Byco Petroleum Pakistan Limited	10	-	-	10	585	581 (4)	0.02	0.02
Miscellaneous								
International Brands Limited	500	-	-	500	31,855	32,094 239	1.10	1.33
Bank								
Meezan Bank Limited	100	-	100	-	-	-	-	-
Power								
The Hub Power Company Limited	750	-	750	-	-	-	-	-
Pak Energy Sukuk *	-	10,000	10,000	-	-	-	-	-
Total as at December 31, 2020					52,704	52,773 69		
Total as at June 30, 2020					232,636	230,647 (1,989)		

* Face value of the certificate is Rs. 5,000

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

6.1.7.1 Significant terms and conditions of Sukuk certificates outstanding as at December 31, 2020 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
Ghani Gases Limited	3 months KIBOR + 1.00%	February 2, 2017	February 2, 2023	A-
Byco Petroleum Pakistan Limited	3 months KIBOR + 1.05%	January 18, 2017	January 18, 2022	AAA
International Brands Limited	12 months KIBOR + 0.50%	November 15, 2017	November 15, 2021	AA
Meezan Bank Limited	6 months KIBOR + 0.90%	January 9, 2020	July 9, 2030	AA

6.1.8 Commercial paper

Particulars	Issue date	Maturity date	Profit rate	Face value	Carrying value	Carrying value as a percentage of net assets	Carrying value as a percentage of total
K - Electric - ICP 7	March 10, 2020	September 10, 2020	13.64%	-	-	-	-
Total as at December 31, 2020				-	-	-	-
Total as at June 30, 2020				75,000	73,138		

6.1.9 Government of Pakistan (GoP) Ijarah sukuk

Name of investee company	Face Value			As at December 31, 2020		Market value as a percentage of total net assets	Market value as a percentage of total investments
	As at July 1, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Unrealised appreciation / (diminution)		
GoP Ijarah Sukuks - 5 years							
GoP Ijarah Sukuks - July 29, 2002 issue	-	62,500	62,500	-	-	-	-
Total as at December 31, 2020							
Total as at June 30, 2020							

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Note	(Un-audited) December 31, 2020 (Rupees in '000)	(Un-audited) December 31, 2019
6.1.10 Unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss' - net			
Market value of investments	6.1.1, 6.1.2, 6.1.3, 6.1.4, 6.1.5, 6.1.6, 6.1.7 & 6.1.9	2,551,309	868,493
Carrying value of investments	6.1.1, 6.1.2, 6.1.3, 6.1.4, 6.1.5, 6.1.6, 6.1.7 & 6.1.9	(2,488,146)	(871,042)
		63,163	(2,549)
Unrealised diminution on future stock contracts		(34,301)	-
		28,862	2,549

6.10 Status of non compliance as per Circular 16 of 2010 issued by the Securities and Exchange Commission of Pakistan

The Securities and Exchange Commission of Pakistan (SECP), vide its Circular no. 16 dated July 7, 2010 has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the collective investment schemes or with the investment requirements of their constitutive documents.

Name of non-compliant investments	Note	Type of Instrument	Value of Investment before provision	Provision held if any	Value of Investment after provision	% of net assets	% of gross assets
Trust Investment Bank Limited	6.1.4.1	TFC	18,743	(18,743)	-	-	-
Telecard Limited	6.1.4.1	TFC	31,088	(31,088)	-	-	-
Pace Pakistan Limited	6.1.4.1	TFC	49,940	(49,940)	-	-	-

Owing to continuous default on repayment of coupon by the issuer, the Fund had classified the said investment as non-performing. The Fund has recognised full provision against outstanding principal in accordance with applicable provisioning circular issued by the Securities and Exchange Commission of Pakistan and provisioning policy of the Fund duly approved by the Board of Directors of the Management Company. The Fund has suspended further accrual of mark-up there against.

		(Un-audited) December 31, 2020 (Rupees in '000)	(Audited) 30 June 2020
7. PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	7.1	2,327	1,511
Sindh sales tax payable on management remuneration	7.2	302	196
Sales load payable		514	404
Payable against allocated expenses	7.3	236	176
Payable against marketing and selling expenses	7.4	858	614
		4,237	2,901

- 7.1** As per amendment in the offering document, the management company with effective from August 08, 2019 charged management fee at the rate of up to 10% of the gross earnings of the scheme, calculated on a daily basis. Provided that fund is subject to a minimum fee of 0.25% of the average daily net assets of the scheme.
- 7.2** Sindh Sales Tax on management fee has been charged at 13% (June 2020: 13%).
- 7.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Till June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

- 7.4** The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

In financial year 2019-20, the SECP through its Circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Asset management company (BOD) as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

The Management Company has charged selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expense, which has also been approved by the BOD of the Management Company.

		(Un-audited) December 31, 2020	(Audited) 30 June 2020
		(Rupees in '000)	
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	8.1	12,598	10,961
Provision for federal excise duty and related tax on	8.2		
- Management fee		9,210	9,210
- Sales load		239	239
Brokerage		3,303	75
Capital gain tax		234	1,391
Auditors' remuneration		278	410
Printing and related expenditure		31	40
Other		662	1,403
		26,555	23,729

8.1 Provision for Sindh Workers' Welfare Fund

There is no change in the status of the SWWF as reported in the audited financial statements of the Fund for the year ended June 30, 2020. Had the provision for SWWF not been recorded in this condensed half year financial information of the Fund, the net asset value of the Fund as at December 31, 2020 would have been higher by Rs. 0.2429 per unit (June 30, 2020: Re. 0.2861 per unit).

8.2 Federal Excise Duty (FED) and related tax payable

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the audited financial statements of the Fund for the year ended June 30, 2020. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at December 31, 2020 would have been higher by Re. 0.1776 per unit (June 30, 2020: Re. 0.2404 per unit).

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There were no contingencies as at December 31, 2020 (June 30, 2020: Nil).

9.2 Commitments

Future sale transaction of equity securities entered into by the Fund in respect of which the sale transactions have not been settled as at period end

	(Un-audited) December 31, 2020	(Audited) 30 June 2020
	---(Rupees in '000)---	
	535,151	-
Margin Trading Systems (MTS) transaction entered into by the Fund which have not been settled as at period end:		
- Sale transactions	33,859	-

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

10. 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 Regulation, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management intends to distribute the income earned by the Fund during the year to the unit holders in cash in the manner as explained above, accordingly, no provision for taxation has been made in this condensed interim financial information.

11. EARNINGS PER UNIT

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

12. TOTAL EXPENSE RATIO

The total annualised expense ratio of the Fund from July 1, 2020 to December 31, 2020 is 2.32% and this includes 0.16% representing government levy, Sindh Worker's Welfare Fund, SECP fee etc.

13. TRANSACTIONS WITH RELATED PARTY / CONNECTED PERSONS

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

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

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

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

	For the half year ended December 31, 2020					For the half year ended December 31, 2019				
	As at July 01, 2020	Issued for cash	Redeemed	As at December 31, 2020	Units	As at July 01, 2019	Issued for cash	Redeemed	As at December 31, 2019	Units
	(Rupees in '000)					(Rupees in '000)				
MCB Arif Habib Savings And Investments Limited	-	5,746	5,746	-	-	-	-	-	-	-
Adamjee Life Assurance Company Limited - Employees Gratuity Fund	97,032	-	-	97,032	5,075	5,075	-	-	-	5,450
Security General Insurance Company Limited	5,540,636	2,691,901	4,593,224	3,639,313	300,341	300,341	150,000	250,000	204,427	204,427
Directors and key management personnel of the Management Company	-	14	14	-	-	-	1	1	-	-
Mandate under discretionary portfolio services	27,245	-	-	27,245	1,424	1,424	-	-	-	1,530
	(Rupees in '000)					(Rupees in '000)				
Adamjee Life Assurance Company Limited - Employees Gratuity Fund	85,750	-	-	85,750	4,924	4,924	-	-	-	4,921
Directors and key management personnel of the Management Company	-	208,357	208,356	1	-	-	11,652	11,666	-	-
Mandate under discretionary portfolio services	258,403	59,216	66,192	251,427	14,798	14,798	3,351	3,749	14,428	14,428

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

13.2 Details of transactions with related parties / connected persons during the period

	(Un-audited) December 31, 2020 ----- (Rupees in '000) -----	(Un-Audited) December 31, 2019
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration of the Management Company (including indirect taxes)	13,444	13,565
Allocated expenses	1,148	777
Selling and marketing expense	1,491	1,007
MCB Bank Limited - Parent of the Management Company		
Profit on Bank deposits	224	251
Bank charges	22	14
Arif Habib Limited - Subsidiary of Associated Company		
Brokerage expense *	-	62
MCB Bank Limited		
Purchase of securities Rs. 1,000 million (2019: Nil)	983,038	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	973	655
CDS charges	188	9
Next Capital Limited - Joint Venture of MCB Bank Limited & Arif Habib Corporation Limited		
Brokerage expense *	-	83
Adamjee Insurance Company Limited		
Purchase of 6,500 shares (2019: Nil shares)	246	-
Sell of 6,500 shares (2019: Nil shares)	248	-
DG Khan Cement Company Limited		
Purchase of 1,599,000 shares (2019: Nil shares)	174,489	-
Sell of 1,580,500 shares (2019: Nil shares)	173,613	-
Nishat Chunian Limited		
Purchase of 8,000 shares (2019: Nil shares)	296	-
Sell of 8,000 shares (2019: Nil shares)	298	-
Nishat Mills Limited		
Purchase of 271,500 shares (2019: Nil shares)	27,100	-
Sell of 271,500 shares (2019: Nil shares)	26,681	-

13.3 Details of balances with related parties / connected persons as at period / year end

	(Un-audited) December 31, 2020 ----- (Rupees in '000) -----	(Audited) June 30, 2020
MCB-Arif Habib Savings and Investments Limited - Management Company		
Management remuneration payable	2,327	1,511
Sindh sales tax payable on management remuneration	302	196
Sales load payable	514	404
Selling and marketing payable	858	614
Payable against allocated expenses	236	176
MCB Bank Limited - Parent of the Management Company		
Bank balance	11,327	29,774
Profit receivable on bank deposits	33	11
Sales load payable	-	758
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	177	132
Sindh sales tax payable on Trustee remuneration	23	17
Security deposit	200	200
D.G. Khan Cement Company Limited		
Outstanding 241,572 units (2019: 258,403 units) 18,500 shares (2020: Nil shares)	2,144	-

* The amount disclosed represents the amount of brokerage expense or brokerage payable to related parties / connected persons and not the purchase or sale value of securities transacted through them as the ultimate counter parties are not related parties / connected persons.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

14. CASH AND CASH EQUIVALENTS

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
Note	(Rupees in '000)	(Rupees in '000)
Balance with banks	1,447,328	970,246
Treasury bills maturing within 3 months	1,381,532	-
	2,828,860	970,246

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts of fair values of financial assets and financial liabilities including the levels in the fair value hierarchy:

	December 31, 2020 (Un-audited)				
	Carrying amount		Fair Value		
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2
	(Rupees in '000)				
	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Listed equity securities	563,645	-	563,645	-	563,645
Government securities - Market treasury bills	1,381,532	-	1,381,532	-	1,381,532
Pakistan investment bonds - Floating Rate Bond	150,120	-	150,120	-	150,120
Term finance certificates - listed	49,910	-	49,910	-	49,910
Term finance certificates - unlisted	195,944	-	195,944	-	195,944
Sukuku certificates - listed	57,614	-	57,614	-	57,614
Sukuku certificates - unlisted	52,773	-	52,773	-	52,773
Future stock contracts	(34,301)	-	(34,301)	-	(34,301)
	2,417,237	-	2,417,237	1,887,893	2,417,237

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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		December 31, 2020 (Un-audited)			
		Carrying amount		Fair Value	
		Fair value through profit or loss	Amortized cost	Total	
					(Rupees in '000)
Financial assets not measured at fair value					
Bank balances	-	1,447,328		1,447,328	
Profit receivable	-	13,971		13,971	
Receivable from National Clearing Company of Pakistan Limited	-	54,704		54,704	
Deposits and other receivables	-	160,555		160,555	
	-	1,676,558		1,676,558	
Financial liabilities not measured at fair value					
Payable to the Management Company	-	4,237		4,237	
Payable to the Trustee	-	200		200	
Payable against redemption of units	-	47		47	
Payable against purchase of investment	-	1,152,525		1,152,525	
Accrued expenses and other liabilities	-	4,274		4,274	
	-	1,161,283		1,161,283	
June 30, 2020 (Audited)					
		Carrying amount		Fair Value	
		Fair value through profit or loss	Amortized cost	Total	
					(Rupees in '000)
Financial assets measured at fair value					
Government securities	294,370	-		294,370	
Term Finance Certificates - Listed	48,862	-		48,862	
Term Finance Certificates - Unlisted	306,537	-		306,537	
Sukuks Certificates - Listed	136,920	-		136,920	
Sukuks Certificates - Unlisted	230,647	-		230,647	
Commercial papers	73,138	-		73,138	
	1,090,474	-		1,090,474	
Financial assets not measured at fair value					
Bank balances	-	970,246		970,246	
Profit receivable	-	26,113		26,113	
Deposits and other receivables	-	11,927		11,927	
	-	1,008,286		1,008,286	
Financial liabilities not measured at fair value					
Payable to the Management Company	-	2,705		2,705	
Payable to the Trustee	-	132		132	
Payable against redemption of units	-	47		47	
Accrued expenses and other liabilities	-	1,928		1,928	
	-	4,812		4,812	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

16. CORRESPONDING FIGURES

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

17. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on February 08, 2021 by the Board of Directors of the Management Company.


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



Chief Executive Officer



Chief Financial Officer



Director

MCB Arif Habib Savings and Investments Limited

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