



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2021
(UNAUDITED)

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



MCB CASH MANAGEMENT OPTIMIZER

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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 United Bank Limited Allied Bank Limited Bank Al-Habib Limited Habib Bank Limited National Bank of Pakistan Zarai Taraqati Bank Limited Bank Al Falah Limited Meezan Bank Limited Dubai Islamic Bank Pakistan Limited Bank of Punjab Limited Faysal Bank Limited	
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) Sate Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
Rating	AM1 Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **MCB Cash Management Optimizer** accounts review for the nine months ended March 31, 2021.

ECONOMY AND MONEY MARKET OVERVIEW

The first nine months of fiscal year 2021 have been relatively stronger as economic activities resumed to a large extent though challenges from Covid continue to pose risks in the near term. The economic recovery has been better than expectations as stable interest rates and supportive financing schemes from SBP, amnesty to encourage construction sector, resumption in demand and continued strong inflow of remittances have supported economic growth. We therefore expect economic growth to be higher than estimates shared by multilateral agencies. 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 also 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 about 18% over last year in the first nine months of FY21. Sales of 2 and 3 wheeler units also rose at an impressive rate of near 17% over last year in the first eight months of FY21 reflecting on the resilience of economy. Similarly, the demand of petrol and diesel also increased by about 9.5% and 17% respectively over last year during the first nine months indicating a broader recovery in economy. Overall, Large Scale Manufacturing Index (LSM) has grown by about 7.9% in first seven months of the current fiscal year led by the cyclical sectors.

Current account posted a surplus of USD 881 million in the first eight months of fiscal year compared to a deficit of USD 2,741 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 about 24% during the first eight months of this fiscal year. Foreign exchange reserves of central bank saw an increase of about USD 2.2 billion during the first eight months due to improved balance of payment position. Subsequently, the PKR/USD appreciated by about 9% during the period.

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 8.4% over last year during the first nine months, with food inflation averaging about 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 6.1% for the period. Monetary Policy Committee maintained status quo throughout the year 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 well as comfort drawn from better external position.

As the economy started to open up, tax collection also improved and grew by about 10% during the first nine months of the fiscal year which exceeded the target by PKR 100 bn. Fiscal deficit for the first seven months of the period clocked in at 2.9% of GDP, compared to 3.2% of GDP last year. Primary balance was even better at a surplus of 0.9% 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 182 bps, 175 bps and 173 bps respectively during the period.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 6.81% as against its benchmark return of 6.69%, a difference of -0.01%. WAM of the fund was 1 day at period end.

The fund was 99.3% in cash as of March end. High cash exposure was due to the fact that banks were offering lucrative rates on bank deposits.

The Net Assets of the Fund as at March 31, 2021 increased by 21.48% to Rs. 34,142 million as compared to Rs. 28,106 million as at June 30, 2020.

The Net Asset Value (NAV) per unit as at March 31, 2021 was Rs. 101.0541 as compared to opening NAV of Rs. 100.8561 per unit as at June 30, 2020 registering an increase of Rs. 0.198 per unit.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

FUTURE OUTLOOK

GDP growth for FY21 is now projected at around 3% by central bank. We expect GDP growth to be better than general consensus of government and institutions as industrial growth has revived much earlier than our anticipation. Generally, economy appears to be operating close to pre-covid levels gauged by LSM growth, cement sales, auto sales, etc.

Balance of Payment worries are at bay for the near term with current account deficit expected to be about USD 1.1 bn for this fiscal year. We expect Current Account Deficit to settle near 0.4% of GDP in FY21 which could be easily financed from foreign investments and debt flows. However, the recent surge in commodity prices and growth momentum would require better financial management to fund the current account deficit over next year. Any reversal in trend of remittances would also be a concern for Balance of Payment management next year. With Real Effective Rate for Feb-2021 at 97.1 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 the IMF program is a good omen which would allow better financial flows from various institutions allowing better financial management. We expect foreign exchange reserves to further increase by about USD 2.7 bn from current levels by year end.

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 9.1%. 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 vowed to keep the existing accommodative monetary policy stance to support recovery while keeping inflation expectations well anchored. 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 28.6% to PKR 954 billion at the end of the first nine months 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 33% during the period to PKR 418 billion. Within the money market sphere, the conventional funds dominated as they grew by about 31% to PKR 271 billion. Equity and related funds surged rapidly by 27% from PKR 224 billion to PKR 284 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 ~29% YoY owing to favorable investor sentiments.

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 26% 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.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

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
April 16, 2021



Nasim Beg
Director/Vice Chairman

میوچل فنڈ صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2021ء کے ابتدائی نو ماہ کے اختتام پر تقریباً 28.6 فیصد بڑھ کر 954 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز اور فیکسڈ انکم فنڈز میں خطیر سرمایہ کاری ہوئی کیونکہ کارپوریٹ نقدیت تیزی سے میوچل فنڈز کی جانب بڑھ رہی ہے۔ منی مارکیٹ کے مجموعی فنڈز دورانِ مدت تقریباً 33 فیصد بڑھ کر 418 بلین روپے ہو گئے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور تقریباً 31 فیصد بڑھ کر 271 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں دورانِ سہ ماہی 27 فیصد کا بھرپور اضافہ ہوا اور وہ 224 بلین روپے سے 284 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 29 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 26 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 سکے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابلِ 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، ڈائریکٹر 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

16 اپریل 2021

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 6.81 فیصد تھا جبکہ اس کے بالمقابل مقررہ معیار 6.69 فیصد تھا، یعنی منافع میں 0.01- فیصد کمی ہوئی۔ فنڈ کی بالوزن اوسط میچورٹی اختتام مدت پر 1 دن تھی۔

اختتام مدت پر فنڈ کی سرمایہ کاری 99.3 فیصد نقد میں تھی۔ نقد میں زیادہ شمولیت کی بڑی وجہ بینک میں جمع رقم پر پرکشش شرحیں تھیں۔

31 مارچ 2021ء کو فنڈ کے net اثاثہ جات 21.48 فیصد سے بڑھ کر 34,142 روپے ہو گئے جبکہ 30 جون 2020ء کو 28,106 روپے تھے

31 مارچ 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 101.0541 روپے تھی جو 30 جون 2020ء کو ابتدائی این اے وی 100.8561 روپے فی یونٹ تھی، کے مقابلے میں 0.198 روپے فی یونٹ اضافہ ہے۔

مستقبل کے امکانات

مرکزی بینک کے مطابق مالی سال 2021ء کے لیے مجموعی ملکی پیداوار (جی ڈی پی) میں 3 فیصد ترقی متوقع ہے۔ ہمیں اُمید ہے کہ جی ڈی پی کی ترقی حکومت اور اداروں کے عمومی اتفاق رائے سے بہتر ہوگی کیونکہ صنعتی ترقی ہماری توقعات سے کافی قبل بحال ہو گئی ہے۔ معیشت اب عمومی طور پر قبل از کووڈ سطحوں کے قریب سرگرم عمل ہے جس کا اندازہ ایل ایس ایم کی ترقی اور سیمنٹ اور آٹو مو بائل کے شعبے کی فروخت کے ذریعے لگایا جاسکتا ہے۔

ادائیگیوں کے توازن کی پریشانیوں قریب المیاد میں ختم ہو گئی ہیں کیونکہ موجودہ مالی سال کے لیے کرنٹ اکاؤنٹ کا متوقع خسارہ تقریباً 1.1 بلین ڈالر ہے۔ ہم سمجھتے ہیں کہ مالی سال 2021ء میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 0.4 فیصد پر ٹھہرے گا، اور اس کے لیے مالیات کی فراہمی باسانی غیر ملکی سرمایہ کاریوں اور قرض کے ذریعے ہو سکتی ہے۔ تاہم اشیاء کی قیمتوں اور ترقی کی رفتار میں حالیہ اضافے کے باعث اگلے سال کے دوران کرنٹ اکاؤنٹ خسارے کے لیے مالیات کی فراہمی کے لیے بہتر مالیاتی انتظام درکار ہے۔ ترسیلات زر کے رجحان میں ذرا بھی واپسی کے باعث اگلے سال ادائیگی کے توازن کے انتظام میں رکاوٹ حائل ہو سکتی ہے۔

فروری 2021ء کارٹیل افسیکٹو ریٹ 97.1 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 کا جاری رہنا اچھا شگون ہے جس کی بدولت متعدد اداروں سے بہتر مالیاتی آمدات ممکن ہوگی اور اس کے نتیجے میں بہتر مالیاتی انتظام ممکن ہوگا۔ غیر ملکی زرمبادلہ کے ذخائر میں اختتام مدت تک موجودہ سطحوں کے مقابلے میں تقریباً 2.7 بلین ڈالر کا مزید اضافہ متوقع ہے۔

افراط زر ہماری سابقہ توقعات سے آگے نکل گئی ہے کیونکہ اشیاء 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 9.1 فیصد متوقع ہے۔ مرکزی بینک نے پہلی مرتبہ قریب المیاد میں سود کی شرحوں سے متعلق راہنمائی فراہم کی ہے جس کی بدولت سرمایہ کاری کی توقعات میں مزید یقینی صورتحال پیدا ہوگی۔ مرکزی مختار ادارے نے گنجائش پیدا کرنے والی موجودہ مالیاتی پالیسی کا موقف برقرار رکھنے کا عزم کیا تا کہ وصولی کے لیے معاونت فراہم ہو، جبکہ افراط زر کی توقعات کو قابو میں رکھا۔ مرکزی بینک کی راہنمائی کے پیش نظر اب ہمیں اُمید ہے کہ سود کی شرحوں میں اگلے مالی سال کے دوران 100 سے 150 بیسیس پوائنٹس تک ترمیم ہوگی۔

قرض حاملین 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 ختم 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 اُٹھایا جاسکے۔

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی کیش مینجمنٹ آپٹیمائزر کے اکاؤنٹس کا جائزہ برائے نومبر 2021ء پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

مالی سال 2021ء کے ابتدائی نو ماہ مستحکم رہے کیونکہ معاشی سرگرمیاں کافی حد تک بحال ہوئیں اگرچہ قریب المیہ میں کووڈ کے باعث پیدا ہونے والی مشکلات کے باعث خطرات ابھی بھی لاحق ہیں۔ معاشی بحالی توقعات سے بہتر رہی کیونکہ سود کی مستحکم شرحوں اور اسٹیٹ بینک آف پاکستان (ایس بی پی) کی معاونتی مالیاتی اسکیموں، تعمیرات کے شعبے کی حوصلہ افزائی کے لیے رعایات، مانگ میں بحالی، اور ترسیلات زر کی مسلسل آمد سے معاشی ترقی کو سہارا ملا ہے۔ چنانچہ ہمیں اُمید ہے کہ معاشی ترقی کثیر الجہتی ایجنسیوں کے پیش کردہ تخمینوں سے بلند تر ہوگی۔ 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 گردشِ شعبوں میں بھرپور طلب اور حجم کے اعتبار سے ترقی کا مظاہرہ ہوا ہے۔

سینٹ کے شعبے میں مقامی فروخت میں متاثر کن ترقی ہوئی جو مالی سال 2021ء کے ابتدائی نو ماہ میں سال گزشتہ سے 18 فیصد زیادہ تھی۔ 2 اور 3 پہیوں والے فوٹس کی فروخت میں بھی مزید متاثر کن ترقی ہوئی جو مالی سال 2021ء کے ابتدائی آٹھ ماہ میں سال گزشتہ سے تقریباً 17 فیصد زیادہ تھی جس سے معیشت کی چلک کی عکاسی ہوتی ہے۔ اسی طرح ابتدائی نو ماہ کے دوران پٹرول اور ڈیزل کی طلب میں بھی سال گزشتہ کے مقابلے میں بالترتیب تقریباً 9.5 فیصد اور 17 فیصد اضافہ ہوا جس سے معیشت میں وسیع تر بحالی کی ترجمانی ہوتی ہے۔ مجموعی طور پر بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) میں موجودہ مالی سال کے ابتدائی سات ماہ میں 7.9 فیصد ترقی ہوئی ہے جس میں گردشِ شعبے سب سے آگے رہے ہیں۔

مالی سال کے ابتدائی آٹھ ماہ میں کرنٹ اکاؤنٹ میں 881 ملین ڈالر منافع ہوا جبکہ اس کے بالمقابل سال گزشتہ کی مماثل مدت میں 2,741 ملین ڈالر خسارہ ہوا تھا۔ اس بہتری کی بنیادی وجہ ترسیلات زر میں اضافہ تھا جن میں مالی سال کے ابتدائی آٹھ ماہ کے دوران 24 فیصد کی زبردست شرح سے ترقی ہوئی۔ مرکزی بینک کے زرمبادلہ کے ذخائر میں ابتدائی آٹھ ماہ کے دوران تقریباً 2.2 بلین ڈالر اضافہ ہوا جس کی وجہ ادائیگی کے توازن کی صورتحال میں بہتری ہے۔ بعد ازاں، پاکستانی روپے / امریکی ڈالر میں دورانِ مدت تقریباً 9 فیصد ترقی ہوئی۔

افراط زر حکومت کی دکھتی 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 ابتدائی نو ماہ کے دوران 8.4 فیصد تھا، جبکہ اشیائے خورد و نوش کے افراط زر کا اوسط دورانِ مدت 13 فیصد تھا۔ رسد کی جہت میں مسائل اور بد انتظامی کے باعث جلد خراب ہو جانے والی اشیائے خورد و نوش اور گندم 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 6.1 فیصد تھا۔ مانیٹری پالیسی کمیٹی (ایم پی سی) نے گزشتہ اجلاسوں میں پے درپے کٹوتیوں کے بعد صورتحال کو برقرار رکھا۔ اگرچہ حقیقی سود کی شرح منفی رہی لیکن مرکزی بینک کووڈ کے باعث طلب کی جہت پر پڑنے والے دباؤ اور بہتر خارجی صورتحال کی بدولت پیدا ہونے والی سہولت کے حوالے سے محتاط تھا۔

معیشت کے مستحکم ہونے کے آغاز کے ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں مالی سال کے ابتدائی نو ماہ کے دوران 10 فیصد اضافہ ہوا جو ہدف سے 100 بلین روپے زیادہ تھا۔ ابتدائی سات ماہ کا مالیاتی خسارہ مجموعی ملکی پیداوار (جی ڈی پی) کا 2.9 فیصد تھا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 3.2 فیصد تھا۔ بنیادی توازن جی ڈی پی (GDP) کے 0.9 فیصد کے ساتھ مزید بہتر رہا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 0.3 فیصد تھا۔

مہنگائی کے بعد سرمایہ کاروں کو مایوس کرنے کے بعد پیداوار کی قیمت میں اضافی ہونا شروع ہوا۔ مرکزی بینک نے بھی افراط زر سے متعلق اپنی توقع کو بڑھایا جیسا کہ ایم پی سی کے مینٹس 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 چلی سطح میں آنا متوقع تھا۔ دورانِ مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 182، 175 اور 173 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2021

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	34,100,471	28,023,622
Investments	5	-	33,582
Advances, deposits, prepayments and other receivables		238,531	210,500
Receivable against sale of investments		-	3,360,717
Total assets		34,339,002	31,628,421
LIABILITIES			
Payable to the MCB-Arif Habib Savings and Investments Limited - Management Company	6	11,598	17,305
Payable to Central Depository Company of Pakistan Limited - Trustee		2,093	1,607
Payable to the Securities and Exchange Commission of Pakistan		4,804	3,874
Payable against purchase of investments		-	3,352,541
Accrued and other liabilities	7	178,237	147,308
Total liabilities		196,732	3,522,635
NET ASSETS		34,142,270	28,105,786
Unit holders' fund (as per statement attached)		34,142,270	28,105,786
Contingencies and commitments	8		
(Number of units)			
NUMBER OF UNITS IN ISSUE		337,861,384	278,672,060
(Rupees)			
NET ASSET VALUE PER UNIT		101.0541	100.8561

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

	Nine months period ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Note------(Rupees in '000)-----				
INCOME				
Capital gain / (loss) on sale of investments - net	4,529	78,580	12,354	36,956
Profit on term deposits	-	132,836	-	23,715
Profit on bank deposits	918,591	1,010,880	560,996	383,434
Income from government securities	838,191	612,379	585,806	322,157
Income from commercial papers	-	19,142	-	1
Income on letter of placement	1,985	-	-	-
	1,763,296	1,853,816	1,159,156	766,262
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'- net	(2)	-	-	-
Total income	1,763,294	1,853,816	1,159,156	766,262
EXPENSES				
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	75,546	68,967	52,432	29,396
Sindh Sales tax on remuneration of the Management Company	9,820	8,965	6,816	3,821
Allocated expenses	20,042	13,177	11,742	5,368
Remuneration of Central Depository Company of Pakistan Limited - Trustee	15,611	8,572	10,218	3,495
Sindh Sales tax on remuneration of Trustee	2,030	1,115	1,329	454
Selling and marketing expenses	-	30,334	-	6,173
Annual fee to the Securities and Exchange Commission of Pakistan	4,803	2,635	3,139	1,072
Legal and professional charges	102	34	67	(58)
Brokerage expenses	289	604	174	148
Auditor's remuneration	853	920	470	230
Other expenses	825	841	541	225
Total operating expenses	129,921	136,163	86,928	50,323
Net income from operating activities	1,633,373	1,717,653	1,072,228	715,939
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1 (32,667)	(34,353)	(21,171)	(14,319)
Net income for the period before taxation	1,600,704	1,683,300	1,051,057	701,620
Taxation	9 -	-	-	-
Net income for the period after taxation	1,600,704	1,683,300	1,051,057	701,620
Allocation of net income for the period:				
Net income for the period	1,600,704	1,683,300		
Income already paid on units redeemed	(101,013)	(93,722)		
	1,499,691	1,589,578		
Accounting income available for distribution				
- Relating to capital gains	4,529	73,024		
- Excluding capital gains	1,495,162	1,516,554		
	1,499,691	1,589,578		

Earnings per unit

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The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021**

	<u>Nine months period ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2020</u>
	----- (Rupees in '000) -----			
Net income for the period after taxation	1,600,704	1,683,300	1,051,057	701,620
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>1,600,704</u>	<u>1,683,300</u>	<u>1,051,057</u>	<u>701,620</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine months period ended March 31, 2021			Nine months period ended March 31, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Note	----- (Rupees in '000) -----					
Net assets at the beginning of the period	27,987,813	117,973	28,105,786	13,846,005	56,611	13,902,616
Issue of 793,316,340 units - including additional units (2020: 452,716,813 units)						
- Capital value (at net asset value per unit at the beginning of the period)	80,010,792	-	80,010,792	45,562,461	-	45,562,461
- Element of income	79,304	-	79,304	88,156	-	88,156
	80,090,096	-	80,090,096	45,650,617	-	45,650,617
Redemption of 734,127,016 units (2020: 323,212,515 units)						
- Capital value (at net asset value per unit at the beginning of the period)	74,041,188	-	74,041,188	(32,528,851)	-	(32,528,851)
- Element of income	1,762	101,013	102,775	(7,564)	(93,722)	(101,286)
	74,042,950	101,013	74,143,963	(32,536,415)	(93,722)	(32,630,137)
Total comprehensive income for the period	-	1,600,704	1,600,704	-	1,683,300	1,683,300
Interim distribution during the period (including additional units)	(77,028)	(1,433,325)	(1,510,353)	(76,102)	(1,518,023)	(1,594,126)
14	(77,028)	167,379	90,351	(76,102)	165,277	89,175
Net assets at the end of the period	<u>33,957,931</u>	<u>184,339</u>	<u>34,142,270</u>	<u>26,884,105</u>	<u>128,166</u>	<u>27,012,270</u>
Undistributed income brought forward comprising of:						
- Realised	117,891			56,611		
- Unrealised	82			-		
	<u>117,973</u>			<u>56,611</u>		
Accounting income available for distribution						
- Relating to capital gains	4,529			73,024		
- Excluding capital gains	1,495,162			1,516,554		
	<u>1,499,691</u>			<u>1,589,578</u>		
Cash distribution during the period	1,433,325			1,518,023		
Undistributed income carried forward	<u>184,339</u>			<u>128,166</u>		
Undistributed income carried forward comprising of:						
- Realised	184,339			128,166		
- Unrealised	-			-		
	<u>184,339</u>			<u>128,166</u>		
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the period	100.8561			100.6423		
Net asset value per unit at the end of the period	<u>101.0541</u>			<u>100.9264</u>		

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine months period ended	
	March 31, 2021	March 31, 2020
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,600,704	1,683,300
Adjustments for:		
Provision for Sindh Workers' Welfare Fund (SWWF)	32,667	(78,580)
	1,633,371	1,604,720
Decrease / (increase) in assets		
Investments - net	33,582	3,859,440
Advances, deposits, prepayments and other receivables	(28,031)	(41,347)
Receivable against sale of investments	3,360,717	-
	3,366,268	3,818,093
(Decrease) / increase in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(5,707)	9,447
Payable to Central Depository Company of Pakistan Limited - Trustee	486	434
Payable to the Securities and Exchange Commission of Pakistan (SECP)	930	(7,854)
Payable against purchase of investments	(3,352,541)	-
Accrued and other liabilities	(1,738)	34,925
	(3,358,570)	36,952
Net cash generated from operating activities	1,641,069	5,459,765
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units (excluding additional units)	80,013,068	45,574,515
Payments on redemption of units	(74,143,963)	(32,630,137)
Cash distributions made during the period	(1,433,325)	(1,518,023)
Net cash generated from financing activities	4,435,780	11,426,355
Net increase in cash and cash equivalents	6,076,849	16,886,119
Cash and cash equivalents at the beginning of the period	28,023,622	10,112,614
Cash and cash equivalents at the end of the period	34,100,471	26,998,733

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Cash Management Optimizer (the Fund) was established through a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited), as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated July 09, 2009 consequent to which the trust deed was executed on July 10, 2009, in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulations) 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 SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-end mutual fund and has been categorised as 'Money Market Scheme' by the Board of Directors of the Management Company in accordance with the requirements of Circular 7 of 2009 dated March 6, 2009 issued by SECP and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. Unit holders are divided into plan 'A' and plan 'B'. The unit holders under plan "A" are entitled for bonus units as well as cash dividend, whereas unit holders under plan "B" are entitled for cash dividend only. The units are listed on Pakistan Stock Exchange Limited (PSX).
- 1.4 The Fund primarily invests in a mix of short term corporate debt and government securities, repurchase agreements, term deposit and money market placements with scheduled banks.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2020 to the Management Company and a stability rating of 'AA+(f)' dated March 09, 2021 to the Fund.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.7 During the current period, the Trust Act, 1882 has been repealed and provincial trust acts have been issued in consequence to the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements 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

2.1 STATEMENT OF COMPLIANCE

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; and
- The NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements 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 2020. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2021 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2020, 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 2020.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

- 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

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. 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, 2020.

4	BALANCES WITH BANKS	Note	March 31, 2021 (Unaudited) ------(Rupees in '000)-----	June 30, 2020 (Audited)
	In current accounts		6,955	519,995
	In saving accounts	4.1	34,093,516	27,503,627
		4.2	<u>34,100,471</u>	<u>28,023,622</u>

- 4.1** These carry mark-up at rates ranging between 5.5% to 7.82% per annum (June 2020: 5.5% to 14.45% per annum).
- 4.2** These include balances of Rs. 49.5880 million (June 2020: Rs. 43.089 million) maintained with MCB Bank Limited (a related party).

5	INVESTMENTS	Note	March 31, 2021 (Un-audited) ------(Rupees in '000)-----	June 30, 2020 (Audited)
5.1	Investments at fair value through profit or loss			
	Market Treasury Bills	5.1.1	-	33,582
			<u>-</u>	<u>33,582</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

5.1.1 Market treasury bills - 'at fair value through profit or loss'

Name of Security	Issue Date	Face value			As at 31 March, 2021			Market value as a percentage of	
		As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at March 31, 2021	Carrying value	Market value	Unrealised gain / (loss)	net assets total investments

(Rupees in '000)

%

Market treasury

bills - 3 months

Market treasury bills	August 27, 2020	-	9,000,000	9,000,000	-	-	-	-	-
Market treasury bills	January 14, 2021	-	28,700,000	28,700,000	-	-	-	-	-
Market treasury bills	February 25, 2021	-	4,325,000	4,325,000	-	-	-	-	-
Market treasury bills	November 19, 2020	-	9,950,000	9,950,000	-	-	-	-	-
Market treasury bills	November 5, 2020	-	4,250,000	4,250,000	-	-	-	-	-
Market treasury bills	September 24, 2020	-	10,525,000	10,525,000	-	-	-	-	-
Market treasury bills	October 8, 2020	-	16,550,000	16,550,000	-	-	-	-	-
Market treasury bills	December 17, 2020	-	3,500,000	3,500,000	-	-	-	-	-
Market treasury bills	December 3, 2020	-	7,475,000	7,475,000	-	-	-	-	-
Market treasury bills	July 2, 2020	-	375,000	375,000	-	-	-	-	-
Market treasury bills	October 22, 2020	-	4,500,000	4,500,000	-	-	-	-	-
Market treasury bills	December 31, 2020	-	5,550,000	5,550,000	-	-	-	-	-
Market treasury bills	May 7, 2020	-	3,000,000	3,000,000	-	-	-	-	-
Market treasury bills	May 21, 2020	-	1,600,000	1,600,000	-	-	-	-	-
Market treasury bills	January 28, 2021	-	4,408,315	4,408,315	-	-	-	-	-
Market treasury bills	July 16, 2020	-	18,025,000	18,025,000	-	-	-	-	-

Market treasury

bills - 6 months

Market treasury bills	July 16, 2020	-	13,150,000	13,150,000	-	-	-	-	-
Market treasury bills	July 2, 2020	-	450,000	450,000	-	-	-	-	-
Market treasury bills	April 23, 2020	-	5,145,000	5,145,000	-	-	-	-	-
Market treasury bills	September 24, 2020	-	1,000,000	1,000,000	-	-	-	-	-
Market treasury bills	May 7, 2020	15,000	3,000,000	3,015,000	-	-	-	-	-
Market treasury bills	March 26, 2020	-	7,345,000	7,345,000	-	-	-	-	-
Market treasury bills	April 9, 2020	-	1,375,000	1,375,000	-	-	-	-	-
Market treasury bills	June 18, 2020	-	4,400,000	4,400,000	-	-	-	-	-

Market treasury

bills - 12 months

Market treasury bills	November 7, 2019	10,335	-	10,335	-	-	-	-	-
Market treasury bills	September 26, 2019	9,000	5,254,745	5,263,745	-	-	-	-	-
Market treasury bills	February 27, 2020	-	2,750,000	2,750,000	-	-	-	-	-
Market treasury bills	October 24, 2019	-	625,000	625,000	-	-	-	-	-
Market treasury bills	January 30, 2020	-	202,270	202,270	-	-	-	-	-
Market treasury bills	August 16, 2019	-	900,000	900,000	-	-	-	-	-
Market treasury bills	September 12, 2019	-	3,800,000	3,800,000	-	-	-	-	-
Market treasury bills	May 21, 2020	-	1,000,000	1,000,000	-	-	-	-	-
Market treasury bills	October 10, 2019	-	13,100,000	13,100,000	-	-	-	-	-
Market treasury bills	January 2, 2020	-	700,000	700,000	-	-	-	-	-
Market treasury bills	August 29, 2019	-	1,450,000	1,450,000	-	-	-	-	-
Market treasury bills	December 5, 2019	-	6,850,000	6,850,000	-	-	-	-	-
Market treasury bills	December 19, 2019	-	13,825,000	13,825,000	-	-	-	-	-

Total as at March 31, 2021

-

Total as at June 30, 2020

33,500 33,582 82

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	---(Rupees in '000)---	
6 PAYABLE TO MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY			
Management remuneration payable		9,005	9,263
Sindh sales tax payable on remuneration of the Management Company		1,169	1,203
Allocated expenses payable		1,424	2,185
Selling and marketing expenses payable		-	4,654
		<u>11,598</u>	<u>17,305</u>

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
7 ACCRUED AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	122,572	89,905
Provision for Federal Excise Duty payable on:			
-Remuneration of the management fee	7.2	54,267	54,267
-Sales load		19	19
Brokerage payable		2	101
Capital gain tax payable		423	1,807
Auditor's remuneration payable		406	653
Printing expense payable		35	40
Other payable		513	516
		<u>178,237</u>	<u>147,308</u>

7.1 Provision for Sindh Workers' Welfare Fund

'There is no change in the status of the SWWF as reported in the annual financial statements of the Fund for the period ended March 31, 2021. Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net assets value of the Fund as at March 31, 2021 would have been higher by Re.0.3628 (June 30, 2020: Re.0.3226) per unit.

7.2 Federal Excise Duty on remuneration of the Management Company

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the period ended March 31, 2021. Had the provision for FED not been made, the Net Asset Value of the Fund as at March 31, 2021 would have been higher by Re 0.1606 (June 30, 2020: Re 0.1947) per unit.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

9 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management intends to distribute atleast 90% of income earned by the Fund in cash during the year ending June 30, 2021 to the unit holders therefore, no provision for taxation has been made in these condensed interim financial statements.

	March 31, 2021	March 31, 2020
	----- (Unaudited) -----	
	----- (Rupees in '000) -----	
10 CASH AND CASH EQUIVALENTS		
Balances with banks	34,100,471	26,998,733
Term deposit receipts	-	
	<u>34,100,471</u>	<u>26,998,733</u>

11 EARNINGS PER UNIT

Earnings per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company, the determination of the same is not practicable.

12 EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 0.68% (March 31, 2020: 1.29%) which includes 0.21% (March 31, 2020: 0.36%) representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee.

13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

The details of transactions during the current period and balances at period end with related parties / connected persons are as follows:

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

13.1 Details of transactions with the connected persons / related parties during the period are as follow s:

	Nine months period ended March 31,	
	2021	2020
	----- (Unaudited) -----	
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited		
Remuneration of the Management Company and related taxes	85,366	77,932
Allocated expenses	20,042	13,177
Selling and marketing expenses	-	30,334
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee and related taxes	17,641	9,687
MCB Bank Limited		
Profit on bank deposits	1,014	4,055
Bank Charges	179	95
Purchase of securities - Face value of Rs Nil (2020: Rs. 1,000,000,000)	-	997,827
Arif Habib Limited - Brokerage House		
Brokerage expense*	14	7
	(Unaudited)	(Audited)
	March 31,	June 30,
	2021	2020
	----- (Rupees in '000) -----	

13.2 Balance outstanding as at the period / year end are as follows:

MCB-Arif Habib Savings and Investments Limited		
Remuneration payable	9,005	9,263
Sindh sales tax payable on remuneration of the Management Company	1,169	1,203
Allocated expenses payable	1,424	2,185
Selling and marketing expenses payable	-	4,654
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,852	1,422
Sindh sales tax payable on trustee fee	241	185
MCB Bank Limited		
Bank deposits	49,588	43,089
Profit receivable on bank deposits	409	4,641
Arif Habib Limited - Brokerage House		
Brokerage payable*		44

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

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

	For nine months ended March 31, 2021 (Unaudited)							
	As at July 01, 2020	Issued for cash	Redeemed	As at March 31, 2021	As at July 01, 2020	Issued for cash	Redeemed	As at March 31, 2021
	Units				(Rupees in '000)			
Associated Companies								
MCB - Arif Habib Savings and Investments Limited - Management Company	5,469,446	40,194,334	45,663,779	-	551,627	4,053,867	4,609,992	-
Sayyed Engineers Limited	5,654	235	-	5,889	570	24	-	595
Adamjee Life Assurance Company Limited	-	510,761	-	510,761	-	51,513	-	51,614
Adamjee Life Assurance IMF	-	1,241,626	1,241,626	-	-	125,226	125,447	-
Nishat Power Limited Employees Provident Fund Trust	103,985	4,957,851	4,952,751	109,086	10,488	514	-	11,024
Nishat Mills Limited Employees Provident Fund Trust	-	4,952,751	4,952,751	-	-	500,000	501,543	-
MCB Financial Services Limited	834,417	34,672	19,799	849,290	84,156	3,497	2,000	85,824
D.G. Khan Cement Company Limited	3	-	-	3	0	0	-	-
Security General Insurance Company Limited	4,517,331	60,175	4,567,388	10,118	455,600	6,069	461,000	1,022
Adamjee Insurance Company Limited. Employees Gratuity Fund	267,294	204,626	453,951	17,969	26,958	20,638	45,825	1,816
Adamjee Insurance Company Limited Employees Provident Fund	534,504	406,766	941,269	-	53,908	41,025	95,017	-
Hyundai Nishat Motor (Private) Limited Employees Provident Fund	22,188	1,088	-	23,276	2,238	2,237	110	2,352
ITminds Limited	-	129,114	129,114	-	-	13,022	13,041	-
Asghari Beg Memorial Trust	-	5,018	5,018	-	-	506	507	-
Directors and executives of the management company *	16,141,478	3,324,639	2,751,923	16,714,194	1,627,967	70,200	2,996	1,689,037
Mandate Under Discretionary Portfolio Services*	17,113,915	219,734,676	236,088,906	759,685	1,726,043	22,171,936	23,854,557	76,769
Unit holders holding 10% or more units	60,365,689	138,405,736	104,695,761	94,075,665	6,088,248	13,959,063	11,512,129	9,506,729

* This reflects the position of related party / connected person status as at March 31, 2021

For nine months ended March 31, 2020 (Unaudited)								
	As at July 01, 2019	Issued for cash	Redeemed	As at March 31, 2020	As at July 01, 2019	Issued for cash	Redeemed	As at March 31, 2020
	Units				(Rupees in '000)			
Associated Companies								
MCB - Arif Habib Savings and Investments Limited - Management Company	2,108,505	58,589,072	56,377,850	4,319,727	212,205	5,899,717	5,695,405	435,975
Sayyed Engineers Limited	5,116	420	-	5,536	515	43	-	559
Adamjee Insurance Company Limited	25,705	2,023,332	2,049,037	-	2,587	203,633	206,846	-
Nishat Mills Limited Employees Provident Fund Trust	141,826	3,201,150	3,072,069	270,907	14,274	297,098	310,000	27,342
Nishat Power Limited Employees Provident Fund Trust	110,634	10,628	19,823	101,439	11,134	1,069	2,000	10,238
MCB Financial Services Limited	730,103	111,529	-	841,632	73,479	11,225	-	84,943
Adamjee Life Assurance Co Ltd ISF II	-	1,784,686	495,577	1,289,108	-	180,000	50,000	130,105
D.G. Khan Cement Company Limited	2	-	-	2	0	-	-	0
Security General Insurance Company Limited	-	1,001,021	1,001,021	-	-	100,745	100,999	-
Adamjee Insurance Company Limited. Employees Gratuity Fund	244,831	23,487	7,572	260,746	24,640	2,363	765	26,316
Adamjee Insurance Company Limited Employees Provident Fund	489,204	46,947	14,740	521,411	49,235	4,724	1,489	52,624
Security General Insurance Company Limited Employees Provident Fund Trust	46,297	2,286	48,583	-	4,659	230	4,895	-
Hyundai Nishat Motor (Private) Limited Employees Provident Fund	-	21,644	-	21,644	-	2,178	-	2,184
Directors and executives of the management company *	124,067	16,858,221	1,106,631	15,875,657	12,486	1,696,744	111,688	1,602,274
Mandate Under Discretionary Portfolio Services*	11,860,008	100,600,520	90,259,127	22,201,401	1,193,619	10,126,282	9,118,827	2,240,708
Unit holders holding 10% or more units	28,579,957	28,420,234	4,893,563	52,106,629	3,083,230	2,860,277	492,846	5,258,937

* This reflects the position of related party / connected person status as at March 31, 2020

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

14 INTERIM DISTRIBUTION DURING THE PERIOD

(Unaudited)				
March 31, 2021				
Rate per unit	Declaration date	Refund of capital	Distribution from income	Total distribution
---- (Rupees in '000) ----				
For the period ended July 10, 2020	0.2642 July 13, 2020	3,167	65,679	68,846
For the period ended July 17, 2020	0.1400 July 20, 2020	844	37,644	38,488
For the period ended August 11, 2020	0.3082 August 12, 2020	9,581	83,076	92,657
For the period ended August 21, 2020	0.2357 August 24, 2020	3,716	65,176	68,892
For the period ended September 4, 2020	0.2290 September 7, 2020	11,703	55,995	67,698
For the period ended September 18, 2020	0.2539 September 21, 2020	1,801	72,854	74,655
For the period ended October 2, 2020	0.2621 October 5, 2020	3,115	74,342	77,457
For the period ended October 16, 2020	0.2752 October 19, 2020	3,901	79,409	83,310
For the period ended November 6, 2020	0.3941 November 9, 2020	9,612	115,281	124,893
For the period ended November 20, 2020	0.2524 November 23, 2020	3,411	77,838	81,249
For the period ended December 4, 2020	0.2542 December 7, 2020	4,689	78,986	83,675
For the period ended December 18, 2020	0.2582 December 21, 2020	2,611	81,246	83,857
For the period ended December 29, 2020	0.1747 December 30, 2020	2,419	56,759	59,178
For the period ended January 20, 2021	0.4282 January 22, 2021	5,522	138,461	143,983
For the period ended February 04, 2021	0.3254 February 8, 2021	1,939	100,414	102,353
For the period ended February 19, 2021	0.2532 February 22, 2021	4,821	78,140	82,961
For the period ended March 05, 2021	0.2568 March 8, 2021	784	83,582	84,366
For the period ended March 19, 2021	0.2710 March 22, 2021	3,394	88,443	91,836
		77,028	1,433,325	1,510,353

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

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. 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

16 GENERAL

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

16.2 Certain prior period'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.

17 COVID-19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company of the Fund expects that going forward these uncertainties would reduce as

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 16, 2021 by the Board of Directors of the Management Company.

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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