



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2021
(UNAUDITED)

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



MCB PAKISTAN STOCK MARKET 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 Faisal Ahmad	
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 Silk Bank Limited Bank Al Habib Limited Habib Bank Limited Allied Bank Limited Bank Alfalah Limited Habib Metropolitan Bank Limited Standard Chartered Bank Limited United Bank Limited JS Bank Limited National Bank Of Pakistan	
Auditors	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, Sindh-75530, Pakistan.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
Rating	AM1 Asset Manager Rating assigned by PACRA	

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

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **MCB Pakistan Stock Market Fund** accounts review for the nine months ended March 31, 2021.

Economy and Money Market Review

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

Equity Market Review

After showing strong positive momentum during the first half of this fiscal year, market performance could not display the same riveting momentum and remained dull during the third quarter of this fiscal year. The index posted a return of 1.9% during the third quarter of this fiscal year, taking the cumulative return of nine months to 29.5%. Local investors absorbed foreign investors selling of about USD 290mn. Trading activity at the bourse increased on a YoY basis as the average volumes and value traded amounted to near 483 Million shares (up 149%) and about PKR 19 Billion (up 165%) respectively.

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

Tech, Refineries and Steel were the major outperformers as they posted returns of 326%/145%/97% respectively during the nine months of the fiscal year. Tech companies saw a massive re-rating in their valuations as investor cherished the changing landscape of tech companies post Covid. Steel sector gained traction during period after a sharp increase in construction demand and prices sent their stocks soaring. Moreover, rumors of a guaranteed rate of return for refineries drove sector returns during the period. On the flip side, Fertilizer remained the major underperformer posting nominal returns of 8% only.

FUND PERFORMANCE

During the period, PSM generated a return of 28.36% as compared to a return of 29.53% witnessed by the KSE100 Index. Overall equity exposure stood at 97% on March 31, 2021. The fund remained vigilant of the external factors and the investment strategy was maneuvered considering the fundamental developments. The allocation was mainly held in Commercial Banks, Cement and Oil & Gas Exploration Companies.

The Net Assets of the fund as at March 31, 2021 stood at Rs.11,522 million as compared to Rs. 8,804 million as at June 30, 2020 registering an increase of 30.87%.

The Net Asset Value (NAV) per unit as at March 31, 2021 was Rs. 99.3803 as compared to opening NAV of Rs. 77.4230 per unit as at June 30, 2020 registering an increase of 21.9573 per unit.

Economy & Market – 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.

From capital market perspective, particularly equities, markets are watchful of the 3rd wave of Covid cases which do pose risks in the near term. As growth momentum continues, the valuations are catching up with historical norms. Barring any external shock, we think equities have potential to provide decent returns to investors. Given that low interest rate environment is likely to continue for the short to medium term, we believe equities will continue to attract flows. Risk premiums vis a vis 10-year bonds is right now at 3.3%, compared to historical average of 1.3% suggesting some upside due to re-rating would be possible. Alongside, earnings growth will be a key driver for the next few years as they have lagged behind nominal GDP growth during the last couple of years. We believe a micro view of sectors and stock will remain more important this year and investment selection should focus on companies which trade at a deep discount to their intrinsic value. Similarly, focus should also revert back to companies that are expected to exhibit stellar earnings growth over the medium term.

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

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.

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

ڈائریکٹر رپورٹ

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 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 9.1 فیصد متوقع ہے۔ مرکزی بینک نے پہلی مرتبہ قریب المیعاد 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 گنجائش پیدا کرنے والی موجودہ مالیاتی پالیسی کا موقف برقرار رکھنے کا عزم کیا تاکہ 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۔

کیپیٹل مارکیٹ کے نقطہ نظر سے، خصوصاً ایکویٹیز کے تناظر میں، مارکیٹس کو وڈ کی تیسری لہر کے حوالے سے گہری نظر رکھے ہوئے ہیں کیونکہ اس سے قریبی مدت میں خطرات لاحق ہیں۔ ترقی کی رفتار تیز تر ہونے کے ساتھ valuations بتدریج پرانے رجحانات کے ساتھ ہم آہنگ ہو رہی ہیں۔ ہمارے مطابق کوئی خارجی دھچکہ نہ لگے تو ایکویٹیز میں سرمایہ کاروں کو اچھا منافع دینے کی استعداد موجود ہے۔ اگر سود کی پست شرحوں کا ماحول مختصر اور درمیانی مدت کے دوران قائم رہے تو ہم سمجھتے ہیں کہ ایکویٹیز آمدات کو مائل کرنے کا سلسلہ جاری رکھیں گی۔ دس سالہ بانڈز سے متعلق خطرات کے پریئم فی الوقت 3.3 فیصد پر ہیں، اور قدیم اوسط 1.3 فیصد کے ساتھ تقابل سے پتہ چلتا ہے کہ ری ریٹنگ کی بدولت کچھ فائدہ متوقع ہے۔ ساتھ ساتھ آمدنیوں میں اضافہ اگلے کچھ برسوں کے لیے کلیدی محرک ہوگا کیونکہ گزشتہ کچھ برسوں کے دوران آمدنیاں جی ڈی پی کی معمولی ترقی سے بھی پیچھے رہی ہیں۔ ہم سمجھتے ہیں کہ شعبہ جات اور اسٹاک کی خورد و تصویر اس سال زیادہ اہم رہے گی اور سرمایہ کاری کے انتخاب کا انحصار ایسی کمپنیوں پر ہونا چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ اسی طرح ایسی کمپنیوں کی طرف بھی توجہ دوبارہ مرکوز ہونی چاہیے جن کی درمیانی مدت کی آمدنی میں زبردست ترقی متوقع ہے۔ 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 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۔

اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابل قدر سرمایہ کاروں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیوں 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



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر



نسیم بیگ
ڈائریکٹر / وائس چیئرمین

16 اپریل 2021

ڈائریکٹر رپورٹ

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۔

ایکویٹی مارکیٹ کا جائزہ

موجودہ مالی سال کی تیسری سہ ماہی کے دوران مارکیٹ کی کارکردگی وہ مستحکم اور مثبت رفتار جاری نہیں رکھ سکی جس کا مظاہرہ مالی سال کے نصف اوّل کے دوران ہوا تھا۔ انڈیکس نے تیسری سہ ماہی کے دوران 1.9 فیصد منافع پوسٹ کیا جس کے بعد نو ماہ کا مجموعی منافع 29.5 فیصد تک پہنچ گیا۔ مقامی سرمایہ کاروں نے غیر ملکی سرمایہ کاروں کی تقریباً 290 ملین ڈالر کی فروخت کو جذب کر لیا۔ اسٹاک مارکیٹ کی تجارتی سرگرمی میں سال در سال (YoY) بنیاد پر اضافہ ہوا کیونکہ تجارت کردہ اوسط حجم تقریباً 483 ملین حصص (149 فیصد زیادہ) اور تجارت کردہ اوسط قدر تقریباً 19 بلین روپے (165 فیصد زیادہ) تھی۔

ٹیکنالوجی، اسٹیل اور ریفرنسز ہدف سے بہتر کارکردگی کا مظاہرہ کرنے والے بڑے شعبے تھے جنہوں نے مالی سال کے نو ماہ کے دوران بالترتیب 326 فیصد، 145 فیصد اور 97 فیصد منافع پوسٹ کیا۔ ٹیکنالوجی کمپنیوں کی قدر کی بڑے پیمانے پر تشکیل نو ہوئی کیونکہ سرمایہ کاروں نے ٹیکنالوجی کمپنیوں کی بعد از کووڈ بدلتی ہوئی صورتحال کا خیر مقدم کیا۔ اسٹیل کے شعبے نے رفتار پکڑی کیونکہ تعمیراتی مانگ اور قیمتوں میں تیزی سے اضافے کے بعد ان کے اسٹاکس نے بھرپور ترقی کی۔ علاوہ ازیں، ریفرنسز کے لیے یقینی شرح منافع کی افواہوں نے دورانِ مدت اس شعبے کے منافع کو محرک فراہم کیا۔ دوسری جانب، کھاد کا شعبہ ہدف سے کم کارکردگی کا مظاہرہ کرنے والا بڑا شعبہ تھا جس نے صرف 8 فیصد منافع پوسٹ کیا۔

فنڈ کی کارکردگی

دورانِ مدت فنڈ نے 28.36 فیصد منافع حاصل کیا جبکہ اس کے بالمقابل کراچی اسٹاک ایکسچینج -100 انڈیکس کا منافع 29.35 فیصد تھا۔ 31 مارچ 2021ء کو ایکویٹی میں مجموعی شمولیت 97 فیصد تھی۔ فنڈ خارجی عوامل کے حوالے سے چونکا رہا اور بنیادی تبدیلیوں کے پیش نظر سرمایہ کاری کے لائحہ عمل میں ترمیم کی گئی۔ زیادہ تر اختصاص کمرشل بینکوں، سیمنٹ، اور تیل اور گیس کی دریافت کی کمپنیوں میں تھا۔ 31 مارچ 2021ء کو فنڈ کے net اثاثہ جات 11,522 ملین روپے تھے جو 30 جون 2020ء کو 8,804 ملین روپے کے مقابلے میں 30.87 فیصد اضافہ ہے۔

31 مارچ 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 99.3803 روپے تھی جو 30 جون 2020ء کو ابتدائی این اے وی 77.4203 روپے فی یونٹ کے مقابلے میں 21.9573 روپے فی یونٹ اضافہ ہے۔

معیشت اور بازار - 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 ہوگئی 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 موٹو بائل کے شعبے کی فروخت کے ذریعے لگایا جاسکتا ہے۔ ادائیگیوں کے توازن کی پریشانیوں قریب المیہ ختم ہوگئی 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 آسانی 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 کارنیل ایفیکٹو 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

ڈائریکٹر ز رپورٹ

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان اسٹاک مارکیٹ فنڈ کے اکاؤنٹس کا جائزہ برائے نو ماہ مختتمہ 31 مارچ 2021ء پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

مالی سال 2021ء کے ابتدائی نو ماہ مستحکم رہے کیونکہ معاشی سرگرمیاں کافی حد تک بحال ہوئیں اگرچہ قریب المیاد 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 تمہینوں 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) کو وڈ-19 کے باعث پست تر ہوگی، لیکن اب ہم سمجھتے ہیں کہ یہ توقعات سے بہتر ہوگی کیونکہ گزشتہ 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 یونٹس 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 لچک 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 گزشتہ 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 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 صارفین کی 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 بدانتظامی 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 در پے کٹوتیوں کے بعد صورتحال کو برقرار رکھا۔ اگرچہ حقیقی سود کی شرح منفی رہی لیکن مرکزی بینک کو وڈ 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 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 چلنی سطح

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

	(Un-audited) March 31, 2021	(Audited) June 30, 2020
Note	----- (Rupees in '000) -----	
ASSETS		
Balances with banks	5. 96,996	351,866
Investments	6. 11,444,774	8,666,891
Receivable against sale of investments	95,547	27,085
Dividend and profit receivables	98,287	18,647
Advances, deposits and other receivables	40,132	14,272
Total assets	11,775,736	9,078,761
LIABILITIES		
Payable to Management Company	61,475	45,048
Payable to Trustee	1,212	888
Payable to the Securities and Exchange Commission of Pakistan	1,695	1,770
Payable against purchase of investments	-	91,477
Accrued expenses and other liabilities	7. 188,563	135,295
Payable against redemption of units	386	386
Total liabilities	253,331	274,864
NET ASSETS	11,522,405	8,803,897
Unit holders' fund (as per statement attached)	11,522,405	8,803,897
Contingencies and Commitments	8.	
	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	115,942,557	113,711,578
	----- (Rupees) -----	
NET ASSET VALUE PER UNIT	99.3803	77.4230

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

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



Chief Executive Officer



Chief Financial Officer



Director

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

	Note	Nine months ended		Quarter ended	
		March 31,		March 31,	
		2021	2020	2021	2020
----- (Rupees in '000) -----					
INCOME					
Gain on sale of investments - net		2,080,432	249,662	979,074	2,764
Dividend income		332,507	372,875	195,537	99,644
Income from Government securities		1,380	31,757	-	4,306
Profit on balances with banks		10,847	33,901	2,044	7,841
Unrealised gain / (loss) on revaluation of investments classified as 'at fair value through profit or loss' - net	6.1	619,535	(2,115,148)	(848,665)	(2,957,809)
Other income		101	12	44	5
Total income		3,044,802	(1,426,941)	328,034	(2,843,249)
EXPENSES					
Remuneration of the Management Company		169,465	133,549	58,150	47,428
Sindh Sales Tax on remuneration of the Management Company		22,030	17,362	7,559	6,166
Remuneration of the Trustee		9,225	7,429	3,155	2,620
Sindh Sales Tax on remuneration of the Trustee		1,199	965	410	340
Annual fee of the Securities and Exchange Commission of Pakistan		1,695	1,336	582	475
Allocated expenses		8,473	6,677	2,907	2,371
Selling and marketing expenses		110,151	71,659	37,797	30,829
Auditors' remuneration		716	829	272	350
Securities transaction cost		70,016	30,110	28,491	14,183
Settlement and bank charges		4,212	2,126	2,232	960
Legal and professional charges		101	43	33	(49)
Fees and subscriptions		33	33	7	7
Provision for Sindh Workers' Welfare Fund		52,950	-	3,729	(24,997)
Total expenses		450,266	272,117	145,324	80,682
Net income / (loss) for the period before taxation		2,594,535	(1,699,058)	182,710	(2,923,931)
Taxation	9.	-	-	-	-
Net income / (loss) for the period		2,594,535	(1,699,058)	182,710	(2,923,931)
Earnings per unit	10.				
Allocation of net income for the period after taxation					
Net income for the period		2,594,535	-		
Income already paid on units redeemed		(575,174)	-		
		2,019,361	-		
Accounting income available for distribution:					
- Relating to capital gains		2,019,361	-		
- Excluding capital gains		-	-		
		2,019,361	-		

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

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



Chief Executive Officer



Chief Financial Officer



Director

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

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31,</u>		<u>March 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>----- (Rupees in '000) -----</u>			
Net income / (loss) for the period	2,594,535	(1,699,058)	182,710	(2,923,931)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>2,594,535</u>	<u>(1,699,058)</u>	<u>182,710</u>	<u>(2,923,931)</u>

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

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



Chief Executive Officer



Chief Financial Officer



Director

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

	Nine Months Ended March 31, 2021			Nine Months Ended March 31, 2020		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at the beginning of the period	5,894,800	2,909,097	8,803,897	6,482,505	3,073,329	9,555,834
Issuance of 87,744,064 (2020: 66,172,107) units:						
- Capital value (at net asset value per unit at the beginning of the period) at Rs.77.4230	6,793,413	-	6,793,413	5,247,490	-	5,247,490
- Element of income	1,456,894	-	1,456,894	169,815	-	169,815
	8,250,307	-	8,250,307	5,417,305	-	5,417,305
Redemption of 85,513,085 (2020: 73,395,044) units:						
- Capital value (at net asset value per unit at the beginning of the period) at Rs.77.4230	(6,620,684)	-	(6,620,684)	(5,820,273)	-	(5,820,273)
- Element of (loss) / income	(930,475)	(575,174)	(1,505,649)	(172,708)	-	(172,708)
	(7,551,159)	(575,174)	(8,126,333)	(5,992,981)	-	(5,992,981)
Total comprehensive income for the period	-	2,594,535	2,594,535	-	(1,699,058)	(1,699,058)
Distributions during the period	-	-	-	-	-	-
Net income for the period less distribution	-	2,594,535	2,594,535	-	(1,699,058)	(1,699,058)
Net assets as at the end of the period	6,593,948	4,928,458	11,522,405	5,906,829	1,374,271	7,281,100
Undistributed income brought forward comprising of:						
- Realised	3,417,678			4,858,310		
- Unrealised	(508,581)			(1,784,981)		
	2,909,097			3,073,329		
Accounting income available for distribution:						
- Relating to capital gains	2,019,361			-		
- Excluding capital gains	-			-		
	2,019,361			-		
Net income for the period	-			(1,699,058)		
Undistributed income carried forward	4,928,458			1,374,271		
Undistributed income carried forward comprising of:						
- Realised	4,308,923			3,489,419		
- Unrealised	619,535			(2,115,148)		
	4,928,458			1,374,271		
	(Rupees)			(Rupees)		
Net assets value per unit as at beginning of the period	77.4230			79.3006		
Net assets value per unit as at end of the period	99.3803			64.2761		
The annexed notes 1 to 16 form an integral part of these interim financial statements.						

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine Months ended March 31,	
	2021	2020
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	2,594,535	(1,699,058)
Adjustments for non cash and other items:		
Unrealised (gain) / loss on revaluation of investments classified as 'at fair value through profit or loss' - net	(619,535)	2,115,148
	<u>1,975,000</u>	<u>416,090</u>
(Increase) / decrease in assets		
Investments - net	(2,158,349)	(336,129)
Receivable against sale of investments	(68,462)	160,661
Dividend and profit receivable	(79,640)	(52,078)
Advances, deposits and receivables	(25,860)	(2,783)
	<u>(2,332,311)</u>	<u>(230,329)</u>
(Decrease) / Increase in liabilities		
Payable to Management Company	16,427	18,041
Payable to Trustee	324	(145)
Payable to the Securities and Exchange Commission of Pakistan	(75)	(9,243)
Payable against purchase of investments	(91,477)	27,447
Accrued expenses and other liabilities	53,268	7,146
	<u>(21,533)</u>	<u>43,246</u>
Net cash (used) in / generated from operating activities	<u>(378,844)</u>	<u>229,007</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	8,250,306	5,417,305
Amount paid on redemption of units	(8,126,333)	(5,992,981)
Net cash generated from / (used) in financing activities	<u>123,974</u>	<u>(575,676)</u>
Net (Decrease) in cash and cash equivalents during the period	<u>(254,870)</u>	<u>(346,669)</u>
Cash and cash equivalents at the beginning of the period	351,866	929,080
Cash and cash equivalents at the end of the period	<u><u>96,996</u></u>	<u><u>582,411</u></u>

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

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



Chief Executive Officer



Chief Financial Officer



Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Pakistan Stock Market Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as "Management Company" and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October 23, 2001 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund has been categorised as equity scheme and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The units are listed on the Pakistan Stock Exchange. The Fund primarily invests in listed equity securities. However, it also invests in cash instruments and treasury bills not exceeding 90 days in maturities.
- 1.4 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 06, 2020 to the Management Company.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.6 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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from IAS 34 Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

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

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.

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. ACCOUNTING POLICIES AND ESTIMATES

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.

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.

4. FINANCIAL RISK MANAGEMENT

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.

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
5. BALANCES WITH BANKS			
In current accounts	5.1	12,247	22,057
In savings accounts	5.2	84,749	329,809
		<u>96,996</u>	<u>351,866</u>

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

5.1 These include a balance of Rs.2,798 (June 30, 2020: Rs.12.609) million maintained with MCB Bank Limited, a related party.

5.2 These carry profits at the rates ranging from 5.50% to 7.6% (June 30, 2020: 5.50% to 8.83%) per annum and include Rs.25,265 (June 30, 2020: Rs.63.120) million maintained with MCB Bank Limited, a related party which carries profit at the rate of 5.50% to 7.65% (June 30, 2020: 5.50% to 8.83%) per annum.

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
6. INVESTMENTS	Note	----- (Rupees in '000) -----	
At fair value through profit or loss			
Listed equity securities	6.1	11,444,774	8,666,891
Government securities	6.2	-	-
		<u>11,444,774</u>	<u>8,666,891</u>

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

6.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	No. of shares				Balance as at March 31, 2021			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2021	Carrying Value	Market value as at March 31, 2021		
							Unrealised gain / (loss)		(%)
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise									
Automobile Assembler									
Indus Motors Company Limited	-	262,320	-	129,410	132,910	161,992	153,651	(8,342)	1.33%
Millat Tractors Limited	136,750	10,850	3,961	115,910	35,651	22,819	39,207	16,388	0.34%
Pak Suzuki Motors Company Limited	-	480,000	-	375,100	104,900	29,997	33,031	3,034	0.29%
Sazgar Engineering Works	-	515,400	-	515,400	-	-	-	-	0.00%
						214,809	225,889	11,080	1.96%
Automobile Parts & Accessories									
Agriauto Industries Limited	-	60,000	-	-	60,000	15,002	12,860	(2,142)	0.21%
Panther Tyres Limited	-	1,458,504	-	-	1,458,504	98,079	94,001	(4,079)	0.82%
Thal Limited *	714,800	51,800	-	116,000	650,600	213,640	239,473	25,833	2.08%
						326,721	346,333	19,613	3.01%
Cable & Electrical Goods									
Pak Elektron Limited	900,000	10,153,000	-	11,053,000	-	-	-	-	0.00%
						-	-	-	0.00%
Cement									
Attock Cement Pakistan Limited	-	800	-	-	800	132	136	3	0.00%
Cherat Cement Company Limited	-	1,705,000	-	1,086,100	618,900	84,759	99,395	14,637	0.86%
D.G. Khan Cement Company Limited	-	6,356,080	-	4,038,600	2,317,480	293,398	279,280	(14,118)	2.42%
Fauji Cement Company Limited	13,638,500	12,423,000	-	22,161,500	3,900,000	93,973	88,998	(4,975)	0.77%
Kohat Cement Limited	434,670	744,000	-	82,700	1,095,970	192,818	227,107	34,289	1.97%
Lucky Cement Limited	1,531,600	808,074	-	1,248,010	1,091,664	661,999	892,534	230,534	7.75%
Maple Leaf Cement Factory Limited	2,500,000	21,390,000	-	13,396,848	10,493,152	452,143	470,093	17,951	4.08%
Pioneer Cement Limited	-	5,720,500	-	3,885,500	1,835,000	242,798	223,503	(19,295)	1.94%
Power Cement Limited	-	18,966,500	-	4,549,000	14,417,500	154,496	132,785	(21,711)	1.15%
						2,176,516	2,413,830	237,315	20.95%
						384,136	443,607	59,470	3.85%
Chemicals									
Archroma Pakistan Limited	30,850	74,000	-	-	104,850	59,583	59,974	391	0.52%
Engro Polymer and Chemicals Limited	11,356,655	8,962,500	-	15,341,500	4,977,655	220,170	273,721	53,551	2.38%
Ghani Global Holdings Limited	-	875,000	-	875,000	-	-	-	-	0.00%
ICI Pakistan Limited	-	213,200	-	213,200	-	-	-	-	0.00%
Lotte Chemical Pakistan Limited	-	12,303,500	-	5,412,500	6,891,000	104,383	109,911	5,529	0.95%
						384,136	443,607	59,470	3.85%
						384,136	443,607	59,470	3.85%
Commercial Banks									
Allied Bank Limited	1,869,100	-	-	1,801,500	67,600	5,177	4,788	(389)	0.04%
Bank Al Falah Limited	408,981	21,192,310	-	9,780,978	11,820,313	433,613	360,283	(73,330)	3.13%
Bank Al Habib Limited	7,055,277	3,722,397	-	4,680,636	6,097,038	374,961	396,551	21,591	3.44%
									0.01%
									0.67%
									0.55%

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

Name of the investee company	No. of shares				Balance as at March 31, 2021			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2021	Carrying Value	Market value as at March 31, 2021 (Rupees in '000)	Unrealised gain / (loss)	
Bank Of Punjab	11,629,500	17,629,000	-	29,258,500	-	-	-	-	0.00%
Faysal Bank Limited	103,225	7,300,000	-	7,403,225	-	-	-	-	0.00%
Habib Bank Limited	4,798,309	5,836,897	-	5,147,515	5,487,691	652,615	637,560	(15,055)	5.53%
Habib Metropolitan Bank Limited	2,699,500	-	-	639,500	2,060,000	57,289	74,098	16,810	0.20%
MCB Bank Limited	2,831,142	2,269,357	-	4,681,812	418,687	74,008	72,077	(1,931)	0.04%
Meezan Bank Limited	-	2,826,501	-	857,499	1,969,002	217,158	222,852	5,694	1.93%
Samba Bank Limited	-	5,300,000	-	53,500	5,246,500	40,136	35,256	(4,879)	0.31%
United Bank Limited	4,885,508	8,517,233	-	7,002,141	6,400,600	791,328	761,287	(30,041)	6.61%
						2,646,284	2,564,753	(81,531)	22.26%
									3.02%
Engineering									
Agha Steel Industries Limited	-	7,386,500	-	7,386,500	-	-	-	-	0.00%
Aisha Steel Limited	-	21,123,500	-	12,795,000	8,328,500	154,674	197,802	43,128	1.72%
Amreli Steels Limited	-	184,500	-	184,500	-	-	-	-	0.00%
International Industries Limited	63,880	-	-	63,880	-	-	-	-	0.00%
Mughal Iron & Steel Industries Limited	11,760	3,449,000	-	3,460,760	-	-	-	-	0.00%
Mughal Iron & Steel (R)	-	-	71,120	-	71,120	-	1,609	1,609	0.01%
						154,674	199,411	44,737	1.73%
									1.00%
Fertilizer									
Engro Corporation Limited	1,383,947	1,231,748	-	2,247,695	368,000	112,078	102,054	(10,024)	0.89%
Engro Fertilizer Limited	2,393	-	-	2,393	-	-	-	-	0.00%
Fatima Fertilizer Company Limited	4,141,500	-	-	4,141,500	-	-	-	-	0.00%
Fauji Fertilizer Bin Qasim Limited	-	14,092,000	-	1,110,000	12,982,000	344,945	355,707	10,762	3.09%
Fauji Fertilizer Company Limited	3,473,180	3,474,840	-	6,945,787	2,233	238	233	(4)	0.00%
						457,260	457,994	734	3.97%
									1.07%
Food & Personal Care Products									
Al-Shaheer Corporation	10,455	-	-	10,455	-	-	-	-	0.00%
A.T-Tahir Limited	1,712,000	-	162,300	1,874,300	-	-	-	-	0.00%
Murree Brewery Company	-	202,000	-	-	202,000	118,170	118,742	572	1.03%
National Foods Limited	495,500	-	62,625	558,125	-	-	-	-	0.00%
Nestle Pakistan Limited	3,033	-	-	-	3,033	20,427	17,743	(2,685)	0.15%
Unity Foods Limited	-	15,214,000	-	15,214,000	-	-	-	-	0.00%
Unity Foods Limited(R)	-	4,000,000	-	4,000,000	-	-	-	-	0.00%
						138,597	136,484	(2,113)	1.18%
									0.74%
Glass & Ceramics									
Ghani Global Glass Limited	-	1,529,000	-	1,529,000	-	-	-	-	0.00%
Shabbir Tiles & Ceramics Limited *	-	4,983,000	-	4,983,000	-	-	-	-	0.00%
Tariq Glass Industries	1,740,300	-	-	1,740,300	-	-	-	-	0.00%
						-	-	-	0.00%

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

Name of the investee company	No. of shares					Balance as at March 31, 2021			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2021	Carrying Value	Market value as at March 31, 2021	Unrealised gain / (loss)		
(Rupees in '000)										
(%)										
Insurance										
Adamjee Insurance Co. Limited	3,755,000	2,434,500	-	5,055,000	1,134,500	47,219	44,506	(2,712)	0.39%	0.32%
Pakistan Reinsurance Co. Limited	2,146,000	-	-	2,146,000	-	-	-	-	0.00%	0.00%
						47,219	44,506	(2,712)	0.39%	0.32%
Inv.Banks/Inv.Com./Securities Cos.										
Jahangir Siddiqui & Company Limited	-	2,000,000	-	2,000,000	-	-	-	-	0.00%	0.00%
						-	-	-	0.00%	0.00%
Leather & Tanneries										
Bata Pakistan Limited	-	4,120	-	-	4,120	6,744	8,174	1,431	0.07%	0.05%
Service Industries	86,443	111,700	21,610	123,050	96,703	75,167	108,373	33,206	0.94%	0.41%
						81,910	116,547	34,637	1.01%	0.46%
Miscellaneous										
Shifa International Hospitals	133,000	-	-	133,000	-	-	-	-	0.00%	0.00%
Siddiqsons Tin Plate Limited	-	5,002,500	-	5,002,500	-	-	-	-	0.00%	0.00%
Synthetic Products Limited	510,140	-	13,911	524,051	-	-	-	-	0.00%	0.00%
Synthetic Products Limited(R)	-	-	13,911	13,911	-	-	-	-	0.00%	0.00%
Tn-Pak Films	-	862,500	-	1,000	861,500	142,441	144,370	1,929	1.25%	2.22%
						142,441	144,370	1,929	1.25%	2.22%
Oil & Gas Exploration Companies										
Mart Petroleum Company Limited	253,020	175,240	-	7,100	421,160	550,305	644,922	94,617	5.60%	0.32%
Oil & Gas Development Company Limited	5,898,610	4,025,145	-	7,566,308	2,357,447	248,878	239,540	(9,338)	2.08%	0.05%
Pakistan Oilfields Limited	687,093	1,141,508	-	1,006,040	822,561	319,737	312,483	(7,254)	2.71%	0.29%
Pakistan Petroleum Limited	4,475,434	4,958,357	-	7,285,504	2,148,287	195,412	187,610	(7,802)	1.63%	0.08%
						1,314,333	1,384,555	70,222	12.02%	0.74%
Oil And Gas Marketing Companies										
Attock Petroleum Limited	207,000	389,300	-	5,100	591,200	194,801	193,334	(1,467)	1.68%	0.59%
Hi-Tech Lubricants Limited	100	-	-	100	-	-	-	-	0.00%	0.00%
Pakistan State Oil Companylimited.	-	3,391,503	-	1,701,198	1,690,305	374,743	389,835	15,092	3.38%	0.36%
Shell (Pakistan) Limited	327,600	-	-	327,600	-	-	-	-	0.00%	0.00%
Sui Northern Gas Pipelines Limited	4,184,300	-	-	4,184,300	-	-	-	-	0.00%	0.00%
						569,545	583,169	13,625	5.06%	0.95%
Paper And Board										
Century Paper & Board Mills Limited	-	1,128,500	-	1,128,500	-	-	-	-	0.00%	0.00%
Packages Limited	-	579,500	-	52,700	526,800	241,671	266,440	24,768	2.31%	0.59%
						241,671	266,440	24,768	2.31%	0.59%

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

Name of the investee company	No. of shares				Balance as at March 31, 2021		Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2021	Carrying Value	Market value as at March 31, 2021 (Rupees in '000)	Unrealised gain / (loss)
Pharmaceuticals								
Abbott Laboratories (Pakistan) Limited	676,700	10,000	-	289,100	397,600	264,487	288,216	23,729
Agp Limited	940,000	1,701,500	-	1,311,000	1,330,500	163,931	151,850	(12,081)
Glaxosmithkline Pakistan	-	395,200	-	395,200	-	-	-	-
Searle Company Limited (R)	-	-	68,900	68,900	-	-	-	-
The Searle Company Limited	5,849	1,868,700	68,900	1,323,649	619,800	162,827	153,109	(9,717)
						591,245	593,175	1,930
								5.15%
Power Generation & Distribution								
Altern Energy Limited	327,000	-	-	-	327,000	7,930	7,881	(49)
Hub Power Company Limited	5,867,729	4,340,000	-	5,239,189	4,968,540	380,008	403,147	23,139
K-Electric Limited ***	10,142,000	31,500,000	-	14,754,000	26,888,000	105,108	107,014	1,906
Kot Addu Power Co. Limited	187,500	5,650,000	-	5,800,000	37,500	1,117	1,490	373
Lalpir Power Limited	4,100,000	8,668,000	-	5,365,500	7,402,500	98,518	126,879	28,360
Nishat Chunian Power Limited	-	500,000	-	476,000	24,000	450	350	(100)
Nishat Power Limited	-	1,016,500	-	13,000	1,003,500	29,122	22,288	(6,834)
Pakgen Power Limited	-	602,000	-	602,000	-	-	-	-
						622,253	669,049	46,796
								5.81%
Refinery								
Attock Refinery Limited	-	618,400	-	100,000	518,400	120,804	132,389	11,585
Byco Petroleum Pakistan Limited	-	14,675,000	-	14,675,000	-	-	-	-
National Refinery Limited	-	326,000	-	326,000	-	-	-	-
Pakistan Refinery Limited	-	11,347,000	-	8,047,000	3,300,000	90,772	86,097	(4,675)
						211,576	218,486	6,910
								1.90%
Technology & Communications								
Avanceon Limited	20,000	5,325,000	-	5,345,000	-	-	-	-
Hum Network Limited **	-	5,000,000	-	5,000,000	-	-	-	-
Pakistan Telecommunication Company Limited	-	8,855,000	-	8,855,000	-	-	-	-
Ttg Pakistan	-	8,175,000	-	6,427,000	1,748,000	199,074	262,567	63,493
						199,074	262,567	63,493
								2.28%
								0.32%
Textile Composite								
Gul Ahmed Textile Mills Limited	4,894,880	3,194,000	-	6,490,000	1,598,880	78,872	75,627	(3,245)
Interloop Limited	2,890,610	3,041,500	-	2,807,000	3,125,110	173,222	206,632	33,411
Kohinoor Textile Mills Limited	1,836,718	-	-	347,500	1,489,218	52,882	91,349	38,467
Nishat (Chunian) Limited	-	1,300,000	-	1,300,000	-	-	-	-
Nishat Mills Limited	-	4,636,500	-	4,636,500	-	-	-	-
						304,976	373,608	68,632
								3.24%
								1.23%
Transport								
Pakistan International Bulk Terminal Limited	-	11,926,500	-	11,926,500	-	-	-	-
								0.00%
								0.00%
Total as at March 31, 2021 (Un-audited)						10,825,240	11,444,774	619,535
Total as at June 30, 2020 (Audited)						9,175,473	8,666,891	(508,581)

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

** These have a face value of Rs.1 per share.

*** These have a face value of Rs.3.5 per share.

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

Name of the investee company	No. of shares				Balance as at March 31, 2021		Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2021	Carrying Value		

6.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) security against settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP:

	(Un-audited) March 31, 2021	(Audited) June 30, 2020	(Un-audited) March 31, 2021	(Audited) June 30, 2020
Oil & Gas Development Company Limited	1,000,000	1,000,000	101,610	109,000
Sui Northern Gas Pipelines Limited	-	200,000	-	10,920
The Hub Power Company Limited	2,000,000	2,000,000	162,280	145,000
	3,000,000	3,200,000	263,890	264,920

6.1.2 There is no change in the status of matter related to bonus shares as reported in the annual financial statements of the Fund for the year ended June 30, 2020. As at March 31, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.4,035 million (June 30, 2020: Rs.3.18 million).

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

6.2 Government securities - at fair value through profit or loss

Name of security	Issue date	Face value			Balances as at March 31, 2021		
		As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at March 31, 2021	Carrying Value	Unrealised (loss) / gain
(Rupees in '000)							
Treasury Bills							
Market Treasury Bills - 3 months	2-Jul-2020	-	375,000	375,000	-	-	
	16-Jul-2020	-	7,600,000	7,600,000	-	-	
	27-Aug-2020	-	1,200,000	1,200,000	-	-	
	10-Sep-2020	-	2,000,000	2,000,000	-	-	
	8-Oct-2020	-	2,500,000	2,500,000	-	-	
	5-Nov-2020	-	250,000	250,000	-	-	
	19-Nov-2020	-	1,700,000	1,700,000	-	-	
	14-Jan-2021	-	3,000,000	3,000,000	-	-	
	28-Jan-2021	-	2,500,000	2,500,000	-	-	
	25-Feb-2021	-	2,700,000	2,700,000	-	-	
Market Treasury Bills - 6 months	9-Apr-2020	-	1,525,000	1,525,000	-	-	
	23-Apr-2020	-	3,250,000	3,250,000	-	-	
Market Treasury Bills - 12 months	12-Sep-2019	-	1,000,000	1,000,000	-	-	
	26-Sep-2019	-	5,039,235	5,039,235	-	-	
	10-Oct-2019	-	2,000,000	2,000,000	-	-	
	16-Aug-2019	-	1,625,000	1,625,000	-	-	
	29-Aug-2019	-	500,000	500,000	-	-	
	19-Dec-2019	-	1,000,000	1,000,000	-	-	
	5-Dec-2019	-	1,000,000	1,000,000	-	-	
Total as at March 31, 2021 (Un-audited)					-	-	

Note	(Rupees in '000)	
	(Un-audited) March 31, 2021	(Audited) June 30, 2020
7.1	110,825	57,875
7.2	54,774	54,774
	3,933	3,933
	9,722	9,722
	6,345	5,783
	419	681
	1,567	2,177
	35	39
	116	119
	827	192
	188,563	135,295

7. ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for Sindh Workers' Welfare Fund	
Federal Excise Duty payable on management remuneration	
Federal Excise Duty payable on sales load	
Unclaimed dividends	
Brokerage payable	
Auditors' remuneration	
Withholding tax payable	
Printing and related charges payable	
Payable to legal advisor	
Others	

7.1 There is no change in the status of the SWWF as reported in the annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at March 31, 2021 would have been higher by Re.0.9558 (2020: Re.0.5089) per unit.

7.2 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in the annual financial statements of the Fund for the year ended June 30, 2020. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at March 31, 2021 would have been higher by Re.0.4724 (2020: Re.0.4817) per unit.

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

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at the March 31, 2021 (June 30, 2020: Nil).

9. TAXATION

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

10. EARNINGS PER UNIT

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

11. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 5.32% as on March 31, 2021 (March 31, 2020: 4.06%) and this includes 0.92% (March 31, 2020: 0.29%) representing Government Levy, Sindh Workers' Welfare Fund (SWWF) and SECP fee.

12. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations and constitutive documents of the Fund respectively.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

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

For the nine months ended March 31, 2021 (Un-audited)

	As at July 01, 2020	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at March 31, 2021	As at July 01, 2020	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at March 31, 2021
	(Number of units)				(Rupees in '000)			
MCB-Arif Habib Savings and Investments Limited - Management Company	1,422,539	4,202,831	2,452,131	3,173,239	110,137	397,421	235,000	315,357
Group / associated companies / undertakings								
Adamjee Insurance Company Limited - Employees Gratuity Fund	24,724	128,677	923	152,479	1,914	12,154	95	15,153
Adamjee Life Assurance Company Limited - IMF	34,698,988	1,623,338	-	36,322,326	2,686,501	157,500	-	3,609,724
Adamjee Life Assurance Company Limited -NUIL	3,502,317	54,041	1,802,154	1,754,204	271,160	5,000	172,300	174,333
Adamjee Insurance Company Limited - Employees Provident Fund Trust	48,978	561,315	-	610,293	3,792	55,688	-	60,651
D.G. Khan Cement Company Limited - Employees Provident Fund Trust	199,265	-	-	199,265	15,428	-	-	19,803
Asghari Beg Memorial Trust	41,814	-	1,087	40,727	3,237	-	100	4,047
Directors And Key Management Personnel	169,140	2,551,030	2,456,777	263,393	13,095	241,684	234,131	26,176
Mandate under discretionary portfolio services*	3,144,737	2,056,864	2,511,275	2,690,326	243,475	195,769	242,285	267,365
Unit holders holding 10% or more*	-	-	-	-	-	-	-	-

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

For the nine months ended March 31, 2020 (Un-audited)

	As at July 01, 2019	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at March 31, 2020	As at July 01, 2019	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at March 31, 2020
	(Number of units)				(Rupees in '000)			
MCB-Arif Habib Savings and Investments Limited - Management Company	3,227,917	1,392,279	4,200,487	419,709	255,976	114,996	355,369	26,977
Group / associated companies								
Adamjee Insurance Company Limited Employees Gratuity Fund	16,433	8,291	-	24,724	1,303	765	-	1,589
Adamjee Life Assurance Company Limited - IMF *	28,368,367	16,221,252	3,115,503	41,474,116	2,249,629	1,149,000	280,000	2,665,794
Adamjee Life Assurance Company Limited -NUIL	2,072,157	1,908,735	155,579	3,825,313	164,323	141,500	10,000	245,876
Adamjee Insurance Company Limited Employees Provident Fund Trust	32,837	16,142	-	48,979	2,604	1,489	-	3,148
D.G. Khan Cement Company Limited Employees Provident Fund Trust	199,265	-	-	199,265	15,802	-	-	12,808
Nishat Mills Employees Provident Fund Trust	6,836,556	-	6,836,556	-	542,143	-	502,923	-
Asghari Beg Memorial Trust	47,260	10	5,456	41,813	3,748	1	447	2,688
Directors And Key Management Personnel	95,205	582,915	590,294	87,825	7,550	50,666	48,158	5,645
Mandate under discretionary portfolio services*	4,161,940	5,287,062	8,175,597	1,273,405	330,044	462,719	624,714	81,850
Unit holders holding 10% or more*	11,794,969	-	-	11,794,969	935,348	-	-	758,135

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

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

12.2 Transactions during the period:

	(Un-audited) Nine Months ended March 31,	
	2021	2020
	----- (Rupees in '000) -----	
MCB - Arif Habib Savings and Investments Limited - Management Company		
Remuneration of the Management Company including indirect taxes	191,495	150,911
Marketing and Selling expense	110,151	71,659
Allocated Expenses	8,473	6,677
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	10,424	8,394
Central Depository Service charges	1,808	577
Arif Habib Capital Limited - Brokerage House		
Brokerage expense*	3,651	2,024
Next Capital Limited - Brokerage House		
Brokerage expense*	1,417	421
MCB Bank Limited		
Bank charges	168	78
Profit on balances with banks	5,821	13,095
Dividend income	7,893	8,422
Sale of securities having face value of Rs 2,500 Million (2020: 850 million)	2,463,278	845,432
Purchase of 2,269,357 (2020: 1,862,403) shares	398,702	273,300
Sale of 4,681,812 (2020: 3,001,900) shares	841,552	572,501
D.G. Khan Cement Company Limited		
Purchase of 6,356,080 (2020: 4,803,000) shares	720,019	360,585
Sale of 4,038,600 (2020: 2,805,000) shares	442,583	194,554
Nishat Mills Limited		
Dividend Income	5,844	-
Purchase of 4,636,500 (2020: Nil) shares	482,362	-
Sale of 4,636,500 (2020: 1,221,600) shares	506,036	82,582
Fatima Fertilizer Company Limited		
Purchase of Nil (2020: Nil) shares	-	-
Sale of 4,141,500 (2020: 407,000) shares	117,015	10,564
Adamjee Insurance Company Limited		
Dividend Income	4,694	-
Purchase of 2,434,500 (2020: 2,118,000) shares	105,102	92,656
Sale of 5,055,000 (2020: Nil) shares	218,019	-
Aisha Steel Mills Limited		
Purchase of 21,123,500 (2020: Nil) shares	349,621	-
Sale of 12,795,000 (2020: Nil) shares	257,184	-
Power Cement Limited		
Purchase of 18,966,500 (2020: Nil) shares	202,327	-
Sale of 4,549,000 (2020: Nil) shares	43,655	-
Nishat Power Limited		
Purchase of 1,016,500 (2020: Nil) shares	29,499	-

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

	(Un-audited) Nine Months ended March 31,	
	2021	2020
	----- (Rupees in '000) -----	
Sale of 13,000 (2020: Nil) shares	313	-
Nishat Chunian Limited		
Purchase of 1,300,000 (2020: Nil) shares	60,765	-
Sale of 1,300,000 (2020: 275,500) shares	64,527	8,181
Nishat Chunian Power Limited		
Purchase of 500,000 (2020: Nil) shares	9,368	-
Sale of 476,000 (2020: Nil) shares	9,522	-
Lalpir Power Limited		
Purchase of 8,668,000 (2019: 4,100,000) shares	118,011	55,616
Sale of 5,365,500 (2020: Nil) shares	76,452	-
Pakgen Power Limited		
Purchase of 602,000 (2020: Nil) shares	14,483	-
Sale of 602,000 (2020: Nil) shares	16,576	-

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

12.3 Balances outstanding at period end:

	(Un-audited) March 31, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2020
Management Company		
MCB - Arif Habib Savings and Investment Limited - Management Company		
Remuneration payable	19,745	14,075
Sindh sales tax payable on remuneration	2,567	1,830
Sales load payable including related taxes	379	169
Payable against allocated expense	987	704
Payable against marketing and selling expenses	37,797	28,270
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,073	786
Sindh sales tax payable on remuneration	139	102
Security deposit	500	500
Group / associated companies		
MCB Bank Limited		
Bank balance	28,063	75,729
Profit receivable on bank balances	443	921
Sales load payable	-	13
D.G. Khan Cement Company Limited		
2,317,480 shares (2020: Nil shares)	279,280	-
MCB Bank Limited		
418,687 shares (2020: 2,831,142 shares)	72,077	458,843
Aisha Steel Limited		
8,328,500 shares (2020: Nil shares)	197,802	-
Fatima Fertilizer Company Limited		
Nil shares (2020: 4,141,500 shares)	-	110,702
Power Cement Limited		
14,417,500 shares (2020: Nil shares)	132,785	-
Nishat Chunian Power Limited		
24,000 shares (2020: Nil shares)	350	-
Nishat Power Limited		
1,003,500 shares (2020: Nil shares)	22,288	-
Adamjee Insurance Co. Limited		
1,134,500 shares (2020: 3,755,000 shares)	44,506	124,328
Lalpir Power Limited		
7,402,500 shares (June 30, 2020: 4,100,000 shares)	126,879	41,574
Next Capital Limited - Brokerage House		
Brokerage payable *	45	12
Arif Habib Limited - Brokerage House		
Brokerage payable *	230	538

* 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 (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

13. GENERAL

- 13.1 Figures have been rounded off to the nearest thousand rupee unless otherwise stated.
- 13.2 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.

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

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 data (unobservable inputs).

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

16 DATE OF AUTHORISATION FOR ISSUE

These interim financial statement were authorised for issue by the Board of Directors of the Management Company in the meeting held on April 16, 2021.

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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