

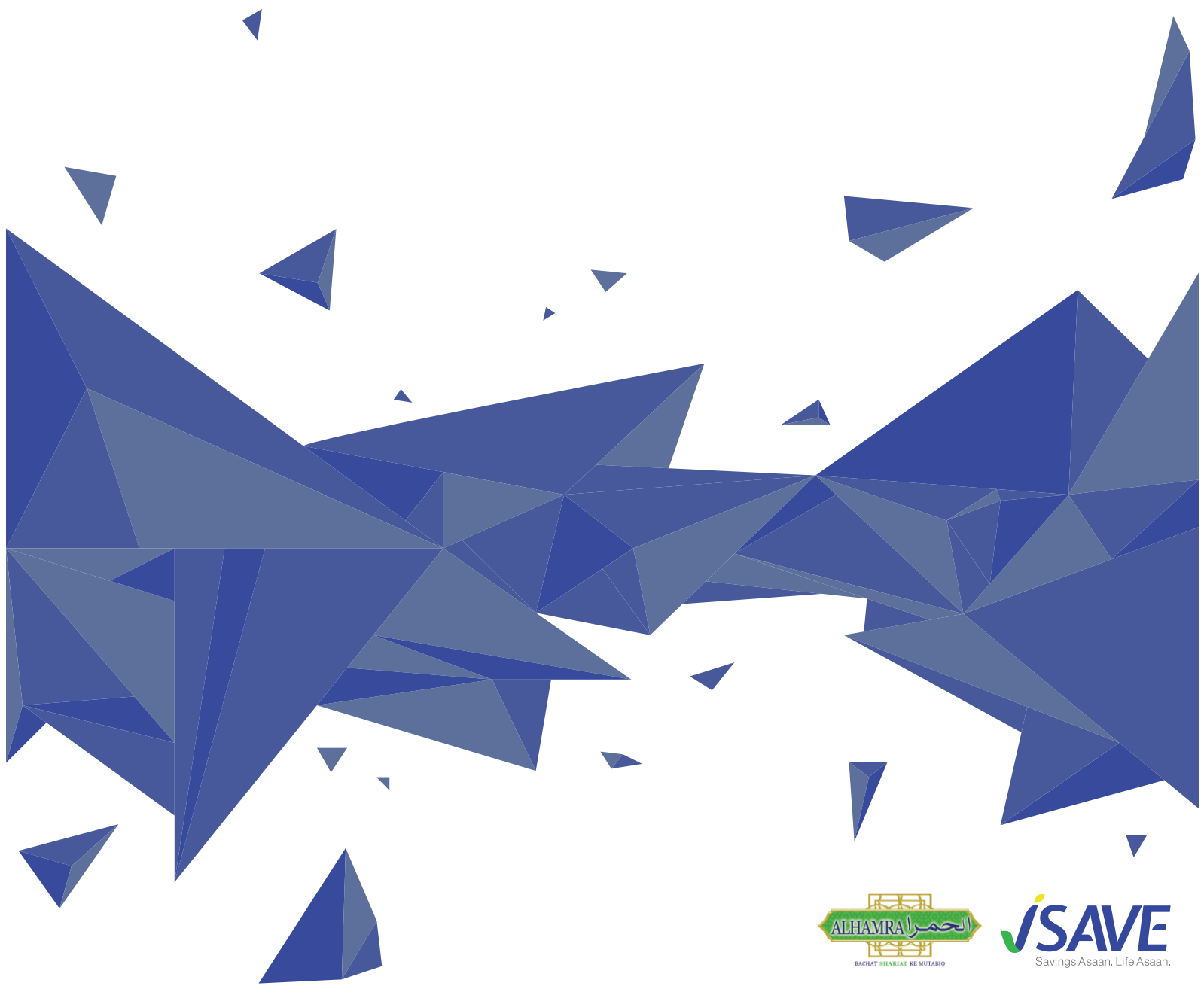


MCB-ARIF HABIB
Savings and Investments Limited

HALF YEARLY REPORT

DECEMBER
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 HALF YEAR ENDED DECEMBER 31, 2021

Dear Investor,

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

Economy and Money Market Review

The fiscal year started on strong note with government's renewed focus on reviving growth, as new finance minister announced several incentives in fiscal year 2022 (FY22) budget to spur growth. This was in addition to lagged impact of monetary easing (6.25% drop since start of covid lockdowns), low inflation and incentives on capital investment at lower rates (TERF), which further supported to growth premise. However, the sharp recovery in domestic demand, coupled with rising international commodity prices, led to a strong pick-up in imports and a commensurate increase in the current account deficit. Widening deficit also reflected on the exchange rate as the rupee depreciated by 10.4% against USD during first half of fiscal year ending June 2022 (1HFY22).

The country posted a current account deficit of USD 9.1bn in 1HFY22 compared to a surplus of USD 1.3bn in the corresponding period last year. This was the largest CAD since FY18, when country witnessed a deficit of USD 8.7bn in first half of the fiscal year. The deterioration came in primarily on the back of higher imports which grew by 56.9% in 1HFY22 compared to export growth of 29.0%. Trade Deficit increased by 86.0% to USD 21.2bn compared to USD 11.4bn in same period last year. The unprecedented increase in imports mainly came from historic high prices of our commodity basket including crude oil, palm oil, coal coupled with one time vaccines imports. As per our estimates, prices contributed more than two-third of the increase in import bill.

Foreign exchange reserves of central bank saw an increase of USD 0.4bn as Pakistan received USD 2.75 billion from the IMF under its new SDR allocation and USD 3bn from Saudi Arabia for reserve support. The inflows helped in stabilizing forex reserves despite the huge current account deficit and due repayments.

Inflation remained a concern as rising commodities continued to create challenges for policy makers. Headline inflation represented by CPI averaged 9.8% in 1HFY22 compared to 8.6% in 1HFY21. The rise mainly came from higher food prices, elevated energy costs (both electricity and fuel) and second round impact of PKR depreciation, which keeps the prices of imported commodities high. Core inflation as measured by Non Food Non Energy also depicted an upward trend as it increased to 8.5% in December 2021 compared to 6.9% in June 2021. The SBP increased policy rate by a cumulative 275bps to 9.75% in this half to counter inflationary pressures and slow aggregate demand.

On the fiscal side FBR tax collection increased by 32.5% in 1HFY22 to PKR 2,920bn compared to PKR 2,204bn during same period last year. This exceeded the target of 2,633bn by 287bn. The improved tax collection was primarily on the back of higher custom duty and sales tax collected due to higher imports. Secondary markets yields have increased significantly in the half as SBP started the monetary tightening cycle. The recent depreciation in rupee along with persistently high commodity prices will add pressure to inflation and we expect average FY22 inflation to clock at 11.7% above the range of 9-11% forecasted by SBP. Bond yields for tenors of 3 years, 5 years and 10 years witnessed a rise of 1.7%, 1.5% and 1.2%, respectively during the period.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 8.85% as against its benchmark return of 7.42%, a difference of 1.43%. WAM of the fund was 44 day at December end. The fund was 58.7% in cash as of December 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 December 31, 2021 increased by 12.4% to Rs. 38,261 million as compared to Rs. 34,030 million as at June 30, 2021.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2021

The Net Asset Value (NAV) per unit as at December 31, 2021 was Rs. 101.0828 as compared to opening NAV of Rs. 100.9800 per unit as at June 30, 2021 registering an increase of Rs. 0.1028 per unit.

Economy & Market – Future Outlook

The policy makers have moved their focus from growth to macroeconomic consolidation in view of elevated current account deficit and higher inflation trajectory. The SBP took a number of measures to curtail aggregate demand and imports including monetary tightening, raising cash reserve requirement and discouraging auto financing by banning financing of imported vehicle while capping financing requirement to PKR 3mn for locally assembled cars. These steps have started yielding results with imports receding from their historic high and currency depicting relative stability.

We expect GDP to grow by 4.6% this year slightly lower than the government target of 4.8%. We expect Agriculture, Industrial and Services Sector to grow by 5.0%, 4.1% and 4.6% respectively. Industrial Sector growth is likely to remain robust but below government target due to some demand compression as a result of monetary tightening. Agriculture sector growth on the other hand is likely to exceed government estimates due to expected bumper wheat and cotton crop. The Covid Vaccination roll out has been quite successful which is anticipated to unleash Services growth as this segment was the most affected by the pandemic.

The persistently elevated international commodities prices especially petroleum, palm oil, coal, fertilizers and steel, has led to a strong pick-up in imports and a rise in the current account deficit, which we expect to close the year around USD 16 billion (4.3% of GDP). This would be the largest current account deficit since fiscal year 2018, when the country posted CAD of USD 19.2 billion (6.1% of GDP). Responding to a high CAD, we expect PKR to depreciate further to end the fiscal year near PKR 183 against a dollar.

Successful continuation of the IMF program will be a key prerequisite to keep the financial account in positive zone. The SBP is expected to continue to discourage unnecessary imports and use flexible market determined exchange rate and appropriate monetary policy setting to ensure sustainable external account position. The remittances along with bilateral and multilateral flows would also be crucial in managing our external position.

The expected rise in energy tariffs, currency depreciation and higher international commodities prices will lead to increase in inflation in this year. We expect inflation to remain in double digits for rest of the fiscal year to average around 11.7% for year. SBP has increased policy rate by a cumulative 275bps to 9.75% to counter inflationary pressures and ensure that growth remains sustainable. It has indicated that its goal to achieve mildly positive interest rate on a forward-looking basis was now close to being achieved. However, the recent surge in international oil prices poses upside risk to the equation. We expect interest rates to rise around 10%-10.5% by the end of fiscal year.

From capital market perspective, particularly equities, the recent correction in stock prices have opened up valuation. The market has priced in expected interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 14.4%, a discount of 57% from its historical average. Similarly, risk premiums are close to 5.9%, compared to historical average of 1.9% signifying abnormal returns for long term investors. We believe a micro view of sectors and stock will remain important and investment selection should focus on companies which trade at a deep discount to their intrinsic value. The market is currently trading at PER of 5.5x, while offering a dividend yield of 8.2%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds yields may continue to remain at elevated levels given expected increase in interest rates. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Mutual Fund Industry Review

The Net Assets of the open end mutual fund industry increased by about 7.0% during the half to PKR 1,090bn at the end of 1HFY22. Total money market funds grew by about 19.9% since June 2021. Within the money market sphere, the conventional funds dominated as they grew by about 33.9% to PKR 382bn while Islamic funds declined by 2.3% to PKR 178bn. In addition, the total fixed Income funds increased by about 0.9% since June 2021, as the conventional income funds declined by 3.7% to PKR 121bn. Equity and related funds declined by 8.1% as market witnessed a decline in the half eroding AUMS as concern over macroeconomic and geopolitical factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 51.4%, followed by Equity and Equity related funds with a share of 25.2% and Income funds having a share of 22.7% as at the end of 1HFY22.

Mutual Fund Industry Outlook

The recent increase in interest rates along with prospect of further monetary tightening would increase flows in the money market funds. The money markets funds by virtue of its short duration would be the ideal for investors with a short term horizon and low risk profile. However recent correction in stock prices have opened up valuations and long term investors would look to add equity exposure at these attractive levels. Our operations remained seamless and given our competitive edge due to aggressive investment in digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

ACKNOWLEDGMENT

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

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
February 08, 2022



Nasim Beg
Director / Vice Chairman
February 08, 2022

ڈائریکٹرز رپورٹ

مختصر مدت کے سبب ایسے سرمایہ کاروں کے لیے موزوں ترین ہوں گے جو مختصر میعاد میں کام کرنا چاہتے ہیں اور زیادہ خطرہ مول لینا نہیں چاہتے۔ تاہم اسٹاک کی قیمتوں میں حالیہ تصحیح نے تعینات قدر کھول دی ہیں اور طویل المیعاد سرمایہ کاران پر کشش سطحوں پر ایکوٹی میں مزید پیسہ لگانا چاہیں گے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

اظہارِ تشکر

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

من جانب ڈائریکٹرز



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

08 فروری 2022ء



نسیم بیگ

ڈائریکٹر/وائس چیئرمین

08 فروری 2022ء

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے تناظر میں اسٹاک کی قیمتوں میں حالیہ تصحیح سے تعین قدر کھل گئی ہے۔ مارکیٹ نے شرح سود میں متوقع اضافے اور روپے کی قدر میں کمی کو مد نظر رکھا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 14.4 فیصد رہ گیا جو اس کے historical اوسط سے 57 فیصد کم ہے۔ اسی طرح، ریسک پر پیئمنٹ 5.9 فیصد کے قریب ہیں جبکہ اس کے بالمقابل اس کا تاریخی اوسط 9.1 فیصد تھا، جس کا مطلب ہے طویل المیعاد سرمایہ کاروں کے لیے غیر معمولی منافع جات ہوں گے۔ ہم سمجھتے ہیں کہ سیکٹرز اور اسٹاک کا خورد منظر زیادہ اہم رہے گا اور سرمایہ کاری کے انتخاب کا انحصار ایسی کمپنیوں پر ہونا چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ مارکیٹ میں فی الوقت 5.5x قیمت کے آمدنی کے ساتھ تناسب (PER) پر تجارت ہو رہی ہے جبکہ 8.2 فیصد ڈیویڈنڈ دستیاب 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 منافع جات کی موجودہ سطحوں پر محتاط ہیں اور ڈیٹا پوائنٹس کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے Inet اثاثہ جات مالی سال 2022ء کے نصف اوّل کے دوران تقریباً 7.0 فیصد بڑھ کر اختتام مدت پر 1,090 بلین روپے ہو گئے۔ منی مارکیٹ کی مجموعی فنڈز میں جون 2021ء سے اب تک تقریباً 19.9 فیصد کا اضافہ ہوا ہے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈ حاوی رہے کیونکہ تقریباً 33.9 فیصد بڑھ کر 382 بلین روپے ہو گئے، جبکہ اسلامک فنڈ 2.3 فیصد کم ہو کر 178 بلین روپے ہو گئے۔ مزید برآں، مجموعی فیکسڈ انکم فنڈز میں جون 2021ء سے اب تک تقریباً 0.9 فیصد اضافہ ہوا کیونکہ روایتی انکم فنڈ 3.7 فیصد کم ہو کر 121 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈ 8.1 فیصد کم ہو گئے کیونکہ زیر جائزہ ششماہی کے دوران مارکیٹ میں اغخط آیا اور اثاثہ جات تحت الانتظامیہ کم ہو گئے کیونکہ وسیع معاشی اور جغرافیائی سیاسی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔

شعبہ جاتی اعتبار سے مالی سال 2022ء کے نصف اوّل کے اختتام پر منی مارکیٹ فنڈز تقریباً 51.4 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر ایکویٹی اور متعلقہ فنڈز تھے جن کا 25.2 فیصد حصہ تھا، اور تیسرے نمبر پر انکم فنڈز تھے جن کا 22.7 فیصد حصہ تھا۔

میوچل فنڈ کی صنعت کے مستقبل کا منظر

سود کی شرحوں میں حالیہ اضافے اور مزید مالیاتی سختی کے امکان سے منی مارکیٹ فنڈز میں آمدورفت میں اضافہ ہوگا۔ منی مارکیٹ فنڈز اپنی

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

کرنٹ اکاؤنٹ خسارے اور افراط زر میں اضافے کے پیش نظر پالیسی سازوں نے اپنی توجہ کا مرکز ترقی سے ہٹا کر وسیع معاشی ہم آہنگی کو بنالیا ہے۔ ایس بی پی نے مجموعی طلب اور درآمدات کو کم کرنے کے لیے متعدد اقدامات کیے مثلاً مالیاتی سختی، نقد ذخائر کی مطلوبہ سطح میں اضافہ، اور آٹو فنانسنگ یعنی بینک وغیرہ سے قرض لے کر گاڑی کے حصول کی حوصلہ شکنی بذریعہ درآمد شدہ گاڑیوں کی فنانسنگ پر پابندی اور مقامی تیار کردہ گاڑیوں کی فنانسنگ کے لیے 3 ملین روپے کی مطلوبہ سطح کا تعین۔ ان اقدامات کے ثمرات ظاہر ہونا شروع ہو گئے ہیں کیونکہ درآمدات اپنی تاریخی بلند ترین سطح سے نیچے آرہی ہیں اور روپیہ نسبتاً مستحکم ہو رہا ہے۔

ہمیں مجموعی ملکی پیداوار (جی ڈی پی) میں اس سال 4.6 فیصد کی ترقی کی اُمید ہے جو حکومتی ہدف 4.8 فیصد سے کچھ کم ہے۔ ہماری توقع کے مطابق زرعی، صنعتی اور خدمات کے شعبوں میں بالترتیب 5.0 فیصد، 4.1 فیصد اور 4.6 فیصد ترقی ہوگی۔ صنعتی شعبے کی ترقی ممکنہ طور پر بھرپور لیکن حکومتی ہدف سے کم ہوگی کیونکہ مالیاتی سختی کے باعث طلب کچھ حد تک سکڑ جائے گی۔ دوسری جانب زرعی شعبے کی ترقی متوقع طور پر حکومتی تخمینوں سے سبقت لے جائے گی کیونکہ گندم اور کپاس کی فصل کا بڑا حجم متوقع ہے۔ کووڈ ویکسینیشن کی مہم کافی حد تک کامیاب رہی جس کی بدولت خدمات کے شعبے میں ترقی متوقع ہے کیونکہ وبا سے سب سے زیادہ متاثر یہی شعبہ تھا۔ اشیاء، خصوصاً پٹرولیم، پام تیل، کوئلہ، کھاد اور اسٹیل، کی مسلسل بڑھی ہوئی بین الاقوامی قیمتوں کے نتیجے میں درآمدات تیزی سے اوپر گئیں اور کرنٹ اکاؤنٹ خسارے (سی اے ڈی) میں اضافہ ہوا جو ہماری توقع کے مطابق اختتام سال پر تقریباً 16 بلین (جی ڈی پی کا 4.3 فیصد) ہوگا۔ یہ مالی سال 2018ء میں 19.2 بلین ڈالر (جی ڈی پی کے 6.1 فیصد) کے بعد سے اب تک کا سب سے زیادہ سی اے ڈی ہوگا۔ ہم سمجھتے ہیں کہ بلند سی اے ڈی کے رد عمل کے طور پر روپے کی قدر میں مزید کمی ہوگی اور اختتام مالی سال پر یہ 183 روپے فی ڈالر ہو جائے گا۔

’آئی ایم ایف‘ پروگرام کا کامیاب تسلسل مالی گوشوارے کو مثبت حد میں رکھنے کی اہم ترین شرط ثابت ہوگا۔ اُمید ہے کہ ایس بی پی غیر ضروری درآمدات کی حوصلہ شکنی جاری رکھے گا اور مارکیٹ کا تعین کردہ لچکدار زرمبادلہ کی شرح اور مالیاتی پالیسی کی موزوں ترتیب استعمال کر کے خارجی گوشوارے کی قابل بقاء صورتحال کو یقینی بنائے گا۔ ترسیلات زر کے ساتھ ساتھ دوطرفہ اور کثیرالجہتی آمد و رفت بھی ہماری خارجی صورتحال کو سنبھالنے میں اہم ثابت ہوں گی۔

بجلی کی قیمتوں میں متوقع اضافے، روپے کی قدر میں کمی اور اشیاء کی بڑھی ہوئی بین الاقوامی قیمتوں کے نتیجے میں اس سال افراط زر میں اضافہ ہوگا۔ ہماری توقع کے مطابق افراط زر بقیہ مالی سال میں دو ہندسوں پر مشتمل رہے گی اور یوں اس کا اوسط برائے سال تقریباً 11.7 فیصد بنے گا۔ ایس بی پی نے پالیسی شرح میں مجموعی طور پر 275bps کا اضافہ کر کے اسے 9.75 فیصد کر دیا ہے تاکہ افراط زر کے دباؤ سے نمٹا جاسکے اور یہ یقینی بنایا جاسکے کہ ترقی قابل بقاء رہے۔ ایس بی پی نے اس طرف اشارہ کیا ہے کہ اس کا فارورڈ لکنگ بنیاد پر ہلکا پھلکا مثبت شرح سود حاصل کرنے کا مقصد پورا ہونے کے قریب تھا، تاہم تیل کی بین الاقوامی قیمتوں میں اضافہ رکاوٹ بن رہا ہے۔ ہم سمجھتے ہیں کہ مالی سال کے اختتام تک سود کی شرحوں میں تقریباً 10 سے 10.5 فیصد تک کا اضافہ ہوگا۔

ڈائریکٹر زر پورٹ

اسباب اشیائے خوردونوش کی بلندتر قیمتیں، توانائی (بجلی اور ایندھن) کی بڑھی ہوئی لاگتیں، اور پاکستانی روپے کی قدر میں کمی کا دوسرا دور ہیں، جس سے درآمد شدہ اشیاء کی قیمتیں بلند رہتی ہیں۔

بنیادی افراط زر، جس کی پیمائش اشیائے خوردونوش اور توانائی کے علاوہ کے ذریعے کی جاتی ہے، میں بھی اضافے کا رجحان پایا گیا۔ دسمبر 2021ء میں 8.5 فیصد جبکہ اس کے بالمقابل جون 2021ء میں 6.9 فیصد۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) نے پالیسی شرح میں مجموعی طور پر 275bps اضافہ کر کے اسے اس ششماہی میں 9.75 فیصد کر دیا تاکہ افراط زر کے دباؤ اور سست رفتار مجموعی طلب کا مقابلہ کیا جاسکے۔

مالیاتی جہت میں فیڈرل بورڈ آف ریونیو (ایف بی آر) کی ٹیکس وصولی مالی سال 2022ء کے نصف اول میں 32.5 فیصد بڑھ کر 2,920 بلین روپے ہو گئی جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت کے دوران 2,204 بلین روپے تھی۔ یہ 2,633 بلین کے ہدف سے 287 بلین روپے زیادہ ہے۔ ٹیکس وصولی میں اضافے کا بنیادی سبب درآمدات میں اضافے کی بدولت زیادہ کسٹم ڈیوٹی اور سیلز ٹیکس کی وصولی ہے۔

ثانوی مارکیٹس کے منافع جات میں اس ششماہی میں قابل ذکر اضافہ ہوا ہے کیونکہ 'ایس بی پی' نے مالیاتی سختی کا دورہ شروع کر دیا ہے۔ روپے کی قدر میں حالیہ کمی بمع اشیاء کی بلند قیمتوں سے افراط زر پر دباؤ میں اضافہ ہوگا اور ہمیں توقع ہے کہ مالی سال 2022ء کی اوسط افراط زر 'ایس بی پی' کی پیش گوئی کردہ 9 سے 11 فیصد کی حد سے زیادہ یعنی 11.7 فیصد ہوگی۔ تین سالہ، پانچ سالہ اور دس سالہ بانڈز کے منافع جات میں دوران مدت بالترتیب 1.7 فیصد، 1.5 فیصد اور 1.2 فیصد اضافہ ہوا۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 7.42 فیصد کے مقررہ منافع کے مقابلے میں 1.43 فیصد اضافے کے ساتھ 8.85 فیصد منافع حاصل کیا۔ دسمبر کے آخر میں فنڈ کا ڈبلیو اے ایم 44 دن تھا۔

دسمبر کے آخر میں اس فنڈ کی 58.7 فیصد سرمایہ کاری نقد میں تھی۔ نقد میں زیادہ سرمایہ کاری کی وجہ بینک ڈپازٹس پر منافع بخش شہینہ تھی۔ 31 دسمبر 2021ء کو فنڈ کے خالص اثاثے 12.4 فیصد اضافے کے ساتھ 38,261 ملین روپے ہو گئے جبکہ 30 جون 2021ء کو فنڈ کے اثاثے 34,030 ملین روپے تھے۔

31 دسمبر 2021ء کو خالص اثاثہ قدر (این اے وی) فی یونٹ 101.0828 روپے رہی جبکہ 30 جون 2021ء کو این اے وی 100.9800 روپے فی یونٹ تھی، یعنی 0.1028 روپے فی یونٹ کا اضافہ درج کیا گیا۔

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی کیش مینجمنٹ آپٹیمائزر کے اکاؤنٹس برائے نصف اول مختتمہ 31 دسمبر 2021ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

ترقی کی بحالی پر حکومت کی تجدید شدہ توجہ کے باعث مالی سال کا خوش آئند آغاز جسکی وجہ نئے وزیر خزانہ کا مالی سال 2022ء کے بجٹ میں متعدد ترقیاتی ترغیبات کا اعلان کرنا ہے۔ یہ پیش رفت مالیاتی تسہیل (کووڈ لاک ڈاؤن کے آغاز سے اب تک 6.25 فیصد کمی) کی سست اثر پذیری، پست افراط زر، اور کم شرحوں پر کیپیٹل کی سرمایہ کاری (TERF) پر مستزاد تھی جس کی بدولت ترقی کو مزید تحریک حاصل ہوئی۔ تاہم مقامی طلب میں ٹینڈ بحالی بمع اشیاء کی بڑھتی ہوئی بین الاقوامی قیمتوں کے نتیجے میں درآمدات میں بھرپور اضافہ اور کرنٹ اکاؤنٹ خسارے میں متناسب اضافہ ہوا۔ خسارے میں اضافے کا اثر شرح زرمبادلہ پر بھی ظاہر ہوا اور مالی سال مختتمہ جون 2022ء کے نصف اول کے دوران روپیہ ڈالر کے مقابلے میں 10.4 فیصد گر گیا۔

مالی سال 2022ء کے نصف اول میں ملک کا کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) 9.1 بلین ڈالر تھا جبکہ اس کے بالمقابل گزشتہ سال کی مماثل مدت میں 1.3 بلین ڈالر سرپلس تھا۔ یہ مالی سال 2018ء سے لے کر اب تک کا سب سے زیادہ سی اے ڈی تھا، یعنی مالی سال کے نصف اول میں 8.7 بلین ڈالر کا خسارہ۔ اس کا بنیادی سبب درآمدات میں اضافہ تھا جو مالی سال 2022ء کے نصف اول میں 56.9 فیصد تھا جبکہ اس کے بالمقابل برآمدات میں اضافہ 29.0 فیصد تھا۔ تجارتی خسارہ 86.0 فیصد بڑھ کر 21.2 بلین ڈالر ہو گیا جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت میں 11.4 بلین ڈالر تھا۔ درآمدات میں بے نظیر اضافے کا سبب ہماری اشیاء کی basket کی historic بلند قیمتیں ہے جس میں خام تیل، palm تیل، کوئلہ اور اس کے ساتھ ویکسین کی یکبار درآمدات شامل ہیں۔ ہمارے تخمینوں کے مطابق درآمداتی بل میں اضافے کا دو تہائی سے زیادہ حصہ قیمتوں پر مشتمل ہے۔

مرکزی بینک کے زرمبادلہ کے ذخائر میں 0.4 بلین ڈالر اضافہ ہوا کیونکہ پاکستان کو انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف) کے نئے 'ایس ڈی آر' اختصاص کے تحت 2.75 بلین ڈالر اور سعودی عرب کے طرف سے 3 بلین ڈالر برائے reserve معاونت موصول ہوئے۔ یہ وصولیاں کرنٹ اکاؤنٹ کے خطیر خسارے اور واجبات الاداء کے باوجود زرمبادلہ کے ذخائر میں استحکام لانے میں معاون ثابت ہوئیں۔

افراط زر کا مسئلہ برقرار رہا کیونکہ بڑھتی ہوئی اشیاء نے پالیسی سازوں کے لیے مشکلات پیدا کرنے کا سلسلہ جاری رکھا۔ ہیڈ لائن افراط زر، جس کی ترجمانی کنزیومر پرائس انڈیکس (سی پی آئی) یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط مالی سال 2022ء کے نصف اول میں 9.8 فیصد تھا جبکہ اس کے بالمقابل مالی سال 2021ء کے نصف اول میں 8.6 فیصد تھا۔ اس اضافے کے بنیادی

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

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



TRUSTEE REPORT TO THE UNIT HOLDERS

MCB CASH MANAGEMENT OPTIMIZER

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

We Central Depository Company of Pakistan Limited, being the Trustee of MCB Cash Management Optimizer (the Fund) are of the opinion that MCB-Arif Habib Savings and Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

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


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 23, 2022



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



A.F. FERGUSON & CO.

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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **MCB Cash Management Optimizer** (the Fund) as at December 31, 2021 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2021. The Management Company (MCB-Arif Habib Savings and Investments Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2021.

Scope of Review

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

Conclusion

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

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 23, 2022

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD

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

		December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	32,546,459	34,046,358
Investments	5	22,563,588	-
Advances, deposits, prepayments and other receivables		303,683	193,427
Total assets		55,413,730	34,239,785
LIABILITIES			
Payable to the MCB-Arif Habib Savings and Investments Limited - Management Company	6	10,071	10,199
Payable to Central Depository Company of Pakistan Limited - Trustee	7	1,885	2,015
Payable to the Securities and Exchange Commission of Pakistan	8	3,332	6,427
Payable against purchase of investments		17,060,629	-
Accrued and other liabilities	9	76,914	191,481
Total liabilities		17,152,831	210,122
NET ASSETS		<u>38,260,899</u>	<u>34,029,663</u>
Unit holders' fund (as per statement attached)		<u>38,260,899</u>	<u>34,029,663</u>
Contingencies and commitments	10		
		(Number of units)	
NUMBER OF UNITS IN ISSUE		<u>378,510,633</u>	<u>336,994,243</u>
		(Rupees)	
NET ASSET VALUE PER UNIT		<u>101.0828</u>	<u>100.9800</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

		Six months period ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Note-----		----- (Rupees in '000) -----			
INCOME					
Capital gain / (loss) on sale of investments - net		66,520	(2,437)	40,892	7,825
Profit on term deposits		11,015	-	11,015	-
Profit on bank deposits		926,554	571,385	574,584	357,595
Income from government securities		414,657	570,452	162,875	252,385
Income from commercial papers		-	-	-	-
Income on letter of placement		-	1,985	-	-
		1,418,746	1,141,385	789,366	617,805
Unrealised gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'- net	5.1.3	2,960	-	2,960	-
Total income		1,421,706	1,141,385	792,326	617,805
EXPENSES					
Remuneration of MCB-Arif Habib Savings and Investments Limited - Management Company	6.1	45,554	49,071	21,123	23,114
Sindh Sales tax on remuneration of the Management Company	6.2	5,922	6,378	2,746	3,004
Allocated expenses	6.3	10,142	15,681	8,163	8,300
Remuneration of Central Depository Company of Pakistan Limited - Trustee		9,964	10,191	4,761	5,393
Sindh Sales tax on remuneration of Trustee		1,295	1,325	619	701
Selling and marketing expenses	6.4	26,838	-	-	-
Annual fee to the Securities and Exchange Commission of Pakistan	8	3,332	3,136	1,732	1,664
Legal and professional charges		469	69	35	35
Brokerage expenses		1,018	179	419	115
Auditor's remuneration		542	631	294	383
Other expenses		685	561	353	284
Total operating expenses		105,761	87,222	40,245	42,993
Net income from operating activities		1,315,945	1,054,163	752,081	574,812
Reversal of Provision / (Provision) for Sindh Workers' Welfare Fund (SWWF)	9.1	134,276	(21,083)	-	(11,496)
Net income for the period before taxation		1,450,221	1,033,080	752,081	563,316
Taxation	11	-	-	-	-
Net income for the period after taxation		1,450,221	1,033,080	752,081	563,316
Allocation of net income for the period:					
Net income for the period		1,450,221	1,033,080		
Income already paid on units redeemed		(141,967)	(75,394)		
		1,308,254	957,686		
Accounting income available for distribution					
- Relating to capital gains		56,973	-		
- Excluding capital gains		1,251,281	957,686		
		1,308,254	957,686		

Earnings per unit

13

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021**

	<u>Six months period ended</u>		<u>Quarter ended</u>	
	<u>December</u>	<u>December</u>	<u>December</u>	<u>December</u>
	<u>31, 2021</u>	<u>31, 2020</u>	<u>31, 2021</u>	<u>31, 2020</u>
	<u>------(Rupees in '000)-----</u>			
Net income for the period after taxation	1,450,221	1,033,080	752,081	563,316
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>1,450,221</u>	<u>981,680</u>	<u>752,081</u>	<u>555,085</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

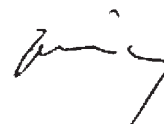
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Six months period ended December 31, 2021			Six months period ended December 31, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Note	(Rupees in '000)					
Net assets at the beginning of the period	33,870,518	159,145	34,029,663	27,987,813	117,973	28,105,786
Issue of 474,663,831 units - including additional units (2020: 653,484,478 units)						
- Capital value (at net asset value per unit at the beginning of the period)	47,931,532	-	47,931,532	65,907,896	-	65,907,896
- Element of income	165,146	-	165,146	72,128	-	72,128
	48,096,678	-	48,096,678	65,980,024	-	65,980,024
Redemption of 433,147,441 units (2020: 583,795,932 units)						
- Capital value (at net asset value per unit at the beginning of the period)	43,739,216	-	43,739,216	58,879,381	-	58,879,381
- Element of loss - net	20,445	141,967	162,412	11,326	75,394	86,720
	43,759,661	141,967	43,901,628	58,890,707	75,394	58,966,101
Total comprehensive income for the period	-	1,450,221	1,450,221	-	1,033,080	1,033,080
Interim distribution during the period (including additional units)	17 (141,926)	(1,272,109)	(1,414,035)	(60,570)	(944,285)	(1,004,855)
	(141,926)	178,112	36,186	(60,570)	88,795	28,225
Net assets at the end of the period	38,065,609	195,290	38,260,899	35,016,560	131,374	35,147,934
Undistributed income brought forward comprising of:						
- Realised		159,145			117,891	
- Unrealised		-			82	
		159,145			117,973	
Accounting income available for distribution						
- Relating to capital gains		56,973			-	
- Excluding capital gains		1,251,281			957,686	
		1,308,254			957,686	
Cash distribution during the period		1,272,109			944,285	
Undistributed income carried forward		195,290			131,374	
Undistributed income carried forward comprising of:						
- Realised		192,330			131,374	
- Unrealised		2,960			-	
		195,290			131,374	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the period		100.9800			100.8561	
Net asset value per unit at the end of the period		101.0828			100.8953	

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		Six months period ended	
		December 31, 2021	December 31, 2020
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		1,450,221	1,033,080
Adjustments for:			
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.1.3	2,960	-
(Reversal of provision) / provision for Sindh Workers' Welfare Fund (SWWF)	9.1	(134,276)	21,083
		1,318,905	1,001,714
(Increase) / decrease in assets			
Investments - net		(2,856,146)	33,582
Advances, deposits, prepayments and other receivables		(110,256)	26,474
Receivable against sale of investments		-	3,360,717
		(2,966,402)	3,420,773
Increase / (decrease) in liabilities			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company		(128)	(4,456)
Payable to Central Depository Company of Pakistan Limited - Trustee		(130)	547
Payable to the Securities and Exchange Commission of Pakistan (SECP)		(3,095)	(738)
Payable against purchase of investments		17,060,629	(3,352,541)
Accrued and other liabilities		19,709	796
		17,076,985	(3,356,392)
Net cash generated from operating activities		15,429,488	1,118,544
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issuance of units (excluding additional units)		47,954,752	65,919,454
Payments on redemption of units		(43,901,628)	(58,966,101)
Cash distributions made during the period		(1,272,109)	(944,285)
Net cash generated from financing activities		2,781,015	6,009,068
Net increase in cash and cash equivalents		18,210,503	7,127,612
Cash and cash equivalents at the beginning of the period		34,046,358	28,023,622
Cash and cash equivalents at the end of the period	12	52,256,861	35,151,234

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 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** The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM1 dated October 06, 2021 (2020: 'AM1' dated October 6, 2020) to the Management Company and "AA+(f)" as stability rating dated September 9, 2021 (2020: 'AA+(f)' dated October 19, 2020) 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 year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting 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; and
- the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2021.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2021.

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, 2021.

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, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2021.

3.3 Amendments to accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these are considered either not to be relevant or do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Amendments to accounting and reporting standards that are not yet effective

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2022. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

4	BALANCES WITH BANKS	Note	December 31, 2021 (Unaudited)	June 30, 2021 (Audited)
			------(Rupees in '000)-----	
	In current accounts		14,333	4,223,994
	In saving accounts	4.1	32,532,126	29,822,364
		4.2	<u>32,546,459</u>	<u>34,046,358</u>

4.1 These carry mark-up at rates ranging between 7.25% to 12.55% per annum (June 2021: 5.5% to 7.85% per annum).

4.2 These include balances of Rs. 65.148 million (June 2021: Rs 30.109 million) maintained with MCB Bank Limited (a related party).

5	INVESTMENTS	Note	December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
			------(Rupees in '000)-----	
5.1	Investments at fair value through profit or loss			
	Term Deposit Receipts	5.1.1	5,500,000	-
	Market Treasury Bills	5.1.2	17,063,588	-
			<u>22,563,588</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

5.1.1 Term Deposit Receipts

Name of Investee Company	Issue Date	Face value				At December 31, 2021		Market value as a percentage of	
		At July 01, 2021	Purchased during the year	Matured during the year	At December 31, 2021	Carrying value	Market value	net	total
								assets	investments
----- (Rupees in '000) ----- % -----									
Faysal Bank Limited	October 6, 2021	-	550,000	550,000	-	-	-	-	-
Habib Bank Limited	December 28, 2021	-	3,500,000		3,500,000	3,500,000	3,500,000	9.15%	15.51%
Faysal Bank Limited	December 31, 2021	-	2,000,000		2,000,000	2,000,000	2,000,000	5.23%	8.86%
As at December 31, 2021						5,500,000	5,500,000		
As at June 30, 2021						-	-		

5.1.1.1 These carry profit at rates ranging from 12.60% to 12.65% per annum and are due to mature latest by January 31, 2022.

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

		Face value				As at 31 December, 2021			Market value as a percentage of	
Name of Security	Issue Date	As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value	Market value	Unrealised gain / (loss)	net assets	total investments
----- (Rupees in '000) ----- % -----										

Market treasury

bills - 3 months

Market treasury bills	May 6, 2021	-	4,000,000	4,000,000	-	-	-	-	-	-
Market treasury bills	May 20, 2021	-	6,000,000	6,000,000	-	-	-	-	-	-
Market treasury bills	June 3, 2021	-	2,000,000	2,000,000	-	-	-	-	-	-
Market treasury bills	June 17, 2021	-	4,000,000	4,000,000	-	-	-	-	-	-
Market treasury bills	July 2, 2021	-	4,500,000	4,500,000	-	-	-	-	-	-
Market treasury bills	July 15, 2021	-	7,700,000	7,700,000	-	-	-	-	-	-
Market treasury bills	July 29, 2021	-	6,500,000	6,500,000	-	-	-	-	-	-
Market treasury bills	August 12, 2021	-	12,000,000	12,000,000	-	-	-	-	-	-
Market treasury bills	August 26, 2021	-	4,000,000	4,000,000	-	-	-	-	-	-
Market treasury bills	September 9, 2021	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	September 23, 2021	-	3,500,000	3,500,000	-	-	-	-	-	-
Market treasury bills	October 7, 2021	-	5,825,000	5,825,000	-	-	-	-	-	-
Market treasury bills	October 21, 2021	-	5,000,000	5,000,000	-	-	-	-	-	-
Market treasury bills	December 2, 2021	-	41,500,000	41,500,000	-	-	-	-	-	-
Market treasury bills	December 16, 2021	-	13,000,000	6,000,000	7,000,000	6,874,208	6,874,217	9	0.00%	0.00%
Market treasury bills	December 30, 2021	-	9,500,000	2,000,000	7,500,000	7,334,486	7,336,185	1,699	0.00%	0.01%

Market treasury

bills - 6 months

Market treasury bills	February 25, 2021	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	March 11, 2021	-	950,000	950,000	-	-	-	-	-	-
Market treasury bills	March 25, 2021	-	2,000,000	2,000,000	-	-	-	-	-	-
Market treasury bills	April 22, 2021	-	13,100,000	13,100,000	-	-	-	-	-	-
Market treasury bills	May 6, 2021	-	2,424,390	2,424,390	-	-	-	-	-	-
Market treasury bills	May 20, 2021	-	7,000,000	7,000,000	-	-	-	-	-	-
Market treasury bills	June 3, 2021	-	24,285,000	24,285,000	-	-	-	-	-	-
Market treasury bills	June 17, 2021	-	26,000,000	26,000,000	-	-	-	-	-	-
Market treasury bills	July 2, 2021	-	4,500,000	4,500,000	-	-	-	-	-	-
Market treasury bills	July 15, 2021	-	20,273,000	20,273,000	-	-	-	-	-	-
Market treasury bills	July 29, 2021	-	13,966,500	13,966,500	-	-	-	-	-	-
Market treasury bills	August 12, 2021	-	5,500,000	5,500,000	-	-	-	-	-	-
Market treasury bills	August 26, 2021	-	8,500,000	8,500,000	-	-	-	-	-	-
Market treasury bills	September 9, 2021	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	December 2, 2021	-	2,000,000	1,000,000	1,000,000	956,652	956,870	218	0.00%	0.00%
Market treasury bills	December 16, 2021	-	1,000,000	1,000,000	-	-	-	-	-	-
Market treasury bills	December 30, 2021	-	2,000,000	-	2,000,000	1,895,282	1,896,316	1,034	0.00%	0.00%

Total as at December 31, 2021

17,060,628 17,063,588 2,960

Total as at June 30, 2021

- - -

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		December 31, 2021 (Un-audited) ----- (Rupees in '000) -----	June 30, 2021 (Audited)
5.1.3 Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	Note		
Market value of investments		22,563,588	-
Less: carrying value of investments		22,560,628	-
		<u>2,960</u>	<u>-</u>
6 PAYABLE TO MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY	Note	December 31, 2021 (Unaudited) --- (Rupees in '000) ---	June 30, 2021 (Audited)
Management remuneration payable	6.1	6,674	8,147
Sindh sales tax payable on remuneration of the Management Company	6.2	866	1,057
Allocated expenses payable	6.3	2,531	995
		<u>10,071</u>	<u>10,199</u>
6.1	As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 7.5% (June 30, 2021: 7.5%) per annum of the average daily net assets of the Fund during the period ended December 31, 2021. The remuneration is payable to the Management Company monthly in arrears.		
6.2	Sindh sales tax on remuneration of the management company has been charged at the rate of 13% (June 30, 2021: 13%).		
6.3	In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). The Management Company has allocated expenses to the Fund based on its discretion subject to not being higher than actual expense which have also been approved by the Board of Directors of the Management Company.		
6.4	The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower. During the year ended June 30, 2020, SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions. During the current period, Management Company has not charged selling and marketing expenses to the Fund based on its discretion.		
7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
	The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The Fund has charged Trustee Fee at the rate of 0.065% (December 31, 2020: 0.065%) of average daily net assets of the Fund during the period.		
8 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)			
	In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP). In accordance with SRO No. 685(I)/2019 dated June 28, 2019 issued by SECP, the Fund has charged SECP fee at the rate of 0.02% (December 31, 2020: 0.02%) of average daily net assets of the Fund during the period.		
9 ACCRUED AND OTHER LIABILITIES	Note	December 31, 2021 (Unaudited) ----- (Rupees in '000) -----	June 30, 2021 (Audited)
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	-	134,276
Provision for Federal Excise Duty payable on:			
-Remuneration of the management fee	9.2	54,267	54,267
-Sales load	9.2	19	19
Brokerage payable		152	13
Capital gain tax payable		21,016	1,689
Auditor's remuneration payable		496	651
Printing expense payable		30	40
Other payable		934	526
		<u>76,914</u>	<u>191,481</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

9.1 Provision for Sindh Workers' Welfare Fund

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the Mutual Funds Association of Pakistan (MUFAP) with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of SWWF Act as these were not industrial establishments but were pass-through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP had recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from May 21, 2015). The Funds had accordingly made provision in respect of SWWF as recommended by MUFAP.

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision of SWWF. The Fund has also reversed provision for SWWF amounting to Rs. 134.276 million in these condensed interim financial statements of the Fund, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in these condensed interim financial statements of the Fund.

9.2 Federal Excise Duty on remuneration of the Management Company

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 54.286 million (June 30, 2021: Rs 54.286 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the SCP. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2021 would have been higher by Re 0.143 per unit (June 30, 2021: Re 0.1611 per unit).

10 CONTINGENCIES AND COMMITMENTS

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

11 TAXATION

The income of the Fund is exempt from income tax under 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 as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute at least 90% of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore no provision for taxation has been made in these condensed interim financial statements.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	December 31, 2021	December 31, 2020
	----- (Unaudited) -----	
	----- (Rupees in '000) -----	
12 CASH AND CASH EQUIVALENTS		
Balances with banks	32,546,459	35,151,234
Treasury bills maturing within 3 months	14,210,402	-
Term deposit receipts	5,500,000	-
	<u>52,256,861</u>	<u>35,151,234</u>

13 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.

14 EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 0.63% (December 31, 2020: 0.69%) which includes 0.05% (December 31, 2020: 0.20%) representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee. The prescribed limit for the ratio is 2% (December 31, 2020: 2%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "Money Market" scheme.

15 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:

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

	Six months period ended December 31,	
	2021	2020
	----- (Unaudited) -----	
	----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investments Limited		
Remuneration of the Management Company and related taxes	51,476	55,449
Allocated expenses	10,142	15,681
Selling and marketing expenses	26,838	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee and related taxes	11,259	11,516
MCB Bank Limited		
Profit on bank deposits	738	760
Bank Charges	93	122
Arif Habib Limited - Brokerage House		
Brokerage expense*	142	14

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees in '000) -----	
15.2 Balance outstanding as at the period / year end are as follows:		
MCB-Arif Habib Savings and Investments Limited		
Remuneration payable	6,674	8,147
Sindh sales tax payable on remuneration of the Management Company	866	1,057
Allocated expenses payable	2,531	995
Selling and marketing expenses payable	2	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,668	1,783
Sindh sales tax payable on trustee fee	217	232
MCB Bank Limited		
Bank deposits	65,148	30,109
Profit receivable on bank deposits	450	419
Arif Habib Limited - Brokerage House		
Brokerage payable*	84	-

* 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.

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

	For half year ended December 31, 2021 (Unaudited)							
	As at July 01, 2021	Issued for cash	Redeemed	As at December 31, 2021	As at July 01, 2021	Issued for cash	Redeemed	As at December 31, 2021
	----- Units -----				----- (Rupees in '000) -----			
Associated Companies								
MCB - Arif Habib Savings and Investments Limited - Management Company	99,564	22,319,275	21,164,042	1,254,797	10,054	2,255,136	2,143,637	126,838
Sayed Engineers Limited	5,813	221	-	6,034	587	22	-	610
Adamjee Insurance Company Limited	504,207	19,140	-	523,347	50,915	1,933	-	52,901
Nishat Power Limited Employees Provident Fund Trust	107,441	4,836	-	112,277	10,849	488	-	11,349
MCB Financial Services Limited	857,936	29,614	83,907	803,643	86,634	2,990	8,500	81,235
D.G. Khan Cement Company Limited	2	-	-	2	-	-	-	-
Security General Insurance Company Limited	610,874	122	10,399	600,597	61,686	12	1,051	60,710
Adamjee Insurance Company Limited. Employees Gratuity Fund	196,786	318,078	386,210	128,654	19,871	32,119	39,057	13,005
Adamjee Insurance Company Limited Employees Provident Fund	393,245	634,587	830,600	197,232	39,710	64,081	83,987	19,937
Asghari Beg Memorial Trust	562	2	-	564	57	-	-	57
Adamjee Life Assurance Co Ltd Isf II	-	23,238,571	20,269,620	2,968,951	-	2,346,826	2,052,739	300,110
Adamjee Life Assurance Co.Ltd.(ISF)		4,948,251	-	4,948,251	-	500,000	-	500,183
Directors and executives of the management company *	23,011,248	7,415,932	453,716	29,973,464	2,326,041	748,988	46,012	3,029,802
Mandate Under Discretionary Portfolio Services*	1,963,418	27,859,070	15,434,924	14,387,564	198,468	2,815,484	1,567,100	1,454,335
Unit holders holding 10% or more units	82,168,723	201,933,828	204,559,189	79,543,362	8,305,845	20,397,613	10,294,297	8,040,466

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	For half year ended December 31, 2020 (Unaudited)							
	As at July 01, 2020	Issued for cash	Redeemed	As at December 31, 2020	As at July 01, 2020	Issued for cash	Redeemed	As at December 31, 2020
	----- Units -----				----- (Rupees in '000) -----			
Associated Companies								
MCB - Arif Habib Savings and Investments Limited - Management Company	5,469,446	32,014,238	37,384,120	99,564	551,627	3,228,831	3,774,339	10,064
Sayed Engineers Limited	5,654	159	-	5,813	570	16	-	587
Adamjee Insurance Company Limited	-	504,207	-	504,207	-	50,852	-	50,872
Nishat Power Limited Employees Provident Fund Trust	103,985	3,456	-	107,441	10,488	10,485	349	10,840
MCB Financial Services Limited	834,417	23,519	-	857,936	84,156	2,372	-	86,562
D.G. Khan Cement Company Limited	2	-	-	2	-	-	-	-
Security General Insurance Company Limited	4,517,331	56,222	3,962,679	610,874	455,601	5,670	400,000	61,634
Adamjee Insurance Company Limited. Employees Gratuity Fund	267,294	202,516	273,024	196,786	26,958	20,425	27,565	19,855
Adamjee Insurance Company Limited Employees Provident Fund	534,504	404,695	545,954	393,245	53,908	40,816	55,121	39,677
Hyundai Nishat Motor (Private) Limited Employees Provident Fund	22,187	737	-	22,924	2,238	74	-	2,313
ITminds Limited	-	129,113	129,113	-	-	13,021	13,040	-
Asghari Beg Memorial Trust	-	5,015	4,453	562	-	505	450	57
Directors and executives of the management company *	16,141,421	1,145,146	1,592,767	15,693,800	1,629,960	115,551	160,762	1,583,431
Mandate Under Discretionary Portfolio Services*	20,805,826	204,622,139	220,448,986	4,978,979	2,100,971	20,649,054	22,272,097	502,356
Unit holders holding 10% or more units	60,365,689	117,969,092	81,598,252	96,736,529	6,095,724	11,897,902	8,229,588	9,760,261

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

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is 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.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

16.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs).

The Fund holds the following financial instruments measured at fair values:

-----Unaudited-----				
-----December 31, 2021-----				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000') -----				
Financial assets at fair value through profit or loss				
Market Treasury Bills	-	17,063,588	-	17,063,588
Term deposit receipts *		5,500,000		5,500,000
	-	22,563,588	-	22,563,588

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

-----Audited-----			
-----June 30, 2021-----			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000') -----			

Financial assets at fair value through profit or loss

Market Treasury Bills	-	-	-	-
Term deposit receipts *	-	-	-	-
	-	-	-	-

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counterparties which have high credit rating.

17 INTERIM DISTRIBUTION DURING THE PERIOD

----- (Unaudited) -----				
-----December 31, 2021-----				
Rate per unit	Declaration date	Refund of capital	Distribution from income	Total distribution
----- (Rupees in '000') -----				

For the period ended July 27, 2021	0.5378	July 28, 2021	3,437	173,670	177,107
For the period ended August 6, 2021	0.2347	August 9, 2021	603	75,805	76,408
For the period ended August 20, 2021	0.6364	August 23, 2021	833	203,422	204,255
For the period ended September 3, 2021	0.2684	September 6, 2021	4,660	70,661	75,321
For the period ended September 17, 2021	0.2955	September 20, 2021	4,695	85,301	89,996
For the period ended October 4, 2021	0.3346	October 5, 2021	8,952	104,972	113,924
For the period ended October 21, 2021	0.3685	October 22, 2021	8,270	128,937	137,207
For the period ended November 5, 2021	0.3449	November 8, 2021	2,714	103,630	106,344
For the period ended November 19, 2021	0.2783	November 22, 2021	1,946	79,036	80,982
For the period ended December 28, 2021	1.0150	December 29, 2021	105,816	246,675	352,491
			141,926	1,272,109	1,414,035

----- (Audited) -----				
-----December 31, 2020-----				
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	0.14	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	0.229	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
			60,570	944,285	1,004,855

18 GENERAL

18.1 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 08, 2022 by the Board of Directors of the Management Company.

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



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

Head Office: 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi

UAN: (+92-21) 11-11-622-24 (11-11-MCB-AH)

URL: www.mcbah.com, **Email:** info@mcbah.com