



MCB-ARIF HABIB
Savings and Investments Limited

HALF YEARLY REPORT

DECEMBER
2021
(UNAUDITED)

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

3



PAKISTAN INCOME FUND

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FUND'S INFORMATION

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

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

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Pakistan Income Fund accounts** review for the half year ended December 31, 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 8.10% as against its benchmark return of 8.88%.

At period end, the fund was 10.1% in TFCs and 46.3% in Cash. Weighted average maturity of the fund stood at 2.2 years.

The Net Assets of the Fund as at December 31, 2021 stood at Rs. 4,725 million as compared to Rs. 9,595 million as at June 30, 2021 registering a decrease of 50.75%.

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. 56.4980 as compared to opening NAV of Rs. 54.2828 per unit as at June 30, 2021 registering an increase of Rs. 2.2152 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

چاہتے۔ تاہم اسٹاک کی قیمتوں میں حالیہ تصحیح نے تعینات قدر کھول دی ہیں اور طویل المیعاد سرمایہ کاران پُرکشش 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

اس کے historical اوسط سے 57 فیصد کم ہے۔ اسی طرح، ریسک پریمیم 5.9 فیصد کے قریب ہیں جبکہ اس کے بالمقابل اس کا تاریخی اوسط 1.9 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 خوردمنظر 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 شروحوں 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 اول 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 براں، مجموعی فکسڈ 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 انحطاط آیا اور اثاثہ جات تحت الانظامیہ 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 اول کے اختتام پر منی مارکیٹ فنڈ تقریباً 51.4 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر ایکویٹی اور متعلقہ فنڈ تھے جن کا 25.2 فیصد حصہ تھا، اور تیسرے نمبر پر انکم فنڈ 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 فنڈ اپنی 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

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 آ رہی 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 چکدار زر مبادلہ 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۔

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

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 8.88 فیصد کے مقررہ منافع کے مقابلے میں 8.10 فیصد سالانہ منافع حاصل کیا۔ مدت کے اختتام پر فنڈ ٹی ایف سی میں 10.1 فیصد اور نقد میں 46.3 فیصد رہا۔ فنڈ کی وزنی اوسط پختگی 2.2 سال رہی۔ 31 دسمبر 2021ء کو فنڈ کے خالص اثاثے 4,725 ملین روپے رہے جبکہ 30 جون 2021ء کو 595,9 ملین روپے تھے، یعنی 50.75 فیصد کی کمی درج کی گئی۔

31 دسمبر 2021ء کو خالص اثاثہ قدر (این اے وی) فی یونٹ 56.4980 روپے رہی جبکہ 30 جون 2021ء کو (این اے وی) 54.2828 روپے فی یونٹ تھی، یعنی 2.2152 روپے فی یونٹ کا اضافہ درج کیا گیا۔

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

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان انکم فنڈ 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 Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

PAKISTAN INCOME FUND

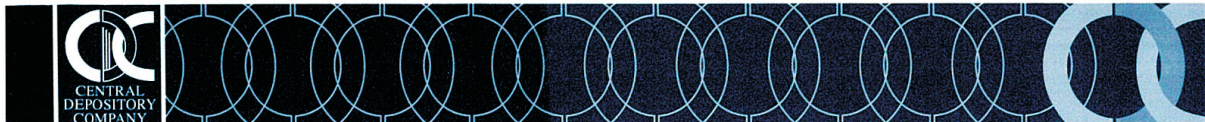
Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of Pakistan Income Fund (the Fund) are of the opinion that MCB-Arif Habib Savings and Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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 22, 2022



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



Yousuf Adil
Chartered Accountants

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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Pakistan Income Fund** ("the Fund") as at December 31, 2021, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim statement of cash flow and notes to the condensed interim financial information (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2021. The Board of the Management Company (MCB Arif Habib Savings and Investments Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

Other Matters

The figures of the condensed interim financial information for the quarters ended December 31, 2021 and 2020, have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

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


Chartered Accountants

Place: Karachi

Dated: February 21, 2022

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

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

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	5	3,699,984	4,557,894
Investments	6	3,544,928	5,983,085
Profit receivable		52,247	68,418
Advances, deposits, prepayments and other receivables		657,804	155,173
Receivable from National Clearing Company of Pakistan Limited		37,190	42,127
Total assets		7,992,153	10,806,697
LIABILITIES			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	7	5,763	8,847
Payable to Central Depository Company of Pakistan Limited - Trustee		405	723
Payable to Securities and Exchange Commission of Pakistan		913	1,062
Payable against redemption of units		47	47
Payable against purchase of investment		3,209,590	1,155,947
Accrued expenses and other liabilities	8	50,118	44,716
Total liabilities		3,266,836	1,211,342
NET ASSETS		4,725,317	9,595,355
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		4,725,317	9,595,355
CONTINGENCIES AND COMMITMENTS			
	9	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		83,636,837	176,766,181
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		56.4980	54.2828

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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 HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

		Half year ended		Quarter ended	
		December 31,		December 31,	
		2021	2020	2021	2020
Note		(Rupees in '000) -----			
INCOME					
		141,864	18,592	73,921	11,446
		(49,319)	2,190	(39,362)	(539)
		55,699	8,494	28,340	7,099
		26,507	30,663	18,864	8,974
		111,187	27,024	50,998	17,115
		5,711	4,996	2,291	3,343
		121,435	(16,344)	(69,035)	(23,673)
		-	1,862	-	-
		7,965	28,862	107,248	31,001
		3,507	520	2,367	466
		424,556	106,859	175,632	55,232
EXPENSES					
		40,657	11,898	16,453	5,967
		5,285	1,546	2,138	775
		3,432	861	1,479	496
		446	112	192	65
		913	229	393	132
		4,576	1,148	1,972	656
		2,329	1,491	-	858
		4,006	682	1,834	493
		21,500	5,662	4,463	3,260
		471	68	298	34
		587	746	373	574
		336	306	183	154
		(18,571)	1,637	-	831
		690	247	665	216
		66,657	26,633	30,443	14,511
		357,899	80,226	145,189	40,721
		357,899	80,226	145,189	40,721
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		357,899	80,226	145,189	40,721
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		357,899	80,226	145,189	40,721
		357,899	80,226	145,189	40,721
		357,899	80,226	145,189	40,721
		357,899	80,226	145,189	40,721

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.


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



Chief Executive Officer



Chief Financial Officer



Director

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

	Half year ended December 31,		Quarter ended December 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net income for the period after taxation	357,899	80,226	145,189	40,721
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	357,899	80,226	145,189	40,721

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.


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 HALF YEAR ENDED DECEMBER 31, 2021

	For half year ended December 31,					
	2021			2020		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	9,456,517	138,838	9,595,355	1,944,178	132,017	2,076,195
Issue of 160,784,653 units (2020: 37,360,304 units)						
- Capital value (at net asset value per unit at the beginning of the period)	8,727,841	-	8,727,841	2,025,190	-	2,025,190
- Element of income	161,132	-	161,132	41,000	-	41,000
	8,888,973		8,888,973	2,066,190	-	2,066,190
Redemption of 253,913,997 units (2020: 23,780,736units)						
- Capital value (at net asset value per unit at the beginning of the period)	(13,783,163)	-	(13,783,163)	(1,289,082)	-	(1,289,082)
- Element of income	(129,321)	(204,425)	(333,746)	(10,560)	(8,717)	(19,277)
	(13,912,484)	(204,425)	(14,116,910)	(1,299,642)	(8,717)	(1,308,359)
Total comprehensive income for the period	-	357,899	357,899	-	80,226	80,226
Net assets at end of the period	4,433,006	292,312	4,725,317	2,710,726	203,526	2,914,252
Undistributed income brought forward						
- Realised		61,621			138,584	
- Unrealised		77,217			(6,567)	
		138,838			132,017	
Accounting income available for distribution						
- Relating to capital gains		-			14,405	
- Excluding capital gains		153,474			57,104	
		153,474			71,509	
Undistributed income carried forward		292,312			203,526	
Undistributed income carried forward						
- Realised		284,347			174,664	
- Unrealised		7,965			28,862	
		292,312			203,526	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		54.2828			54.2070	
Net assets value per unit at end of the period		56.4980			56.1720	

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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 HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31,	
	2021	2020
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	357,899	80,226
Adjustments for non cash and other items:		
Unrealised (appreciation) / diminution in fair value of investments classified as 'at fair value through profit or loss' - net	(7,965)	(28,862)
(Reversal)/ provision for Sindh Workers' Welfare Fund	(18,571)	1,637
	331,363	53,001
(Increase) / decrease in assets		
Investments	2,446,123	83,631
Profit receivable	16,171	12,142
Advances, deposits, prepayments and other receivables	(502,631)	(148,290)
Receivable from National Clearing Company of Pakistan Limited	4,937	(54,704)
	1,964,599	(107,221)
Increase / (decrease) in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(3,084)	1,336
Payable to the Central Depository Company of Pakistan Limited - Trustee	(318)	51
Payable to the Securities and Exchange Commission of Pakistan	(149)	(98)
Payable against purchase of investment	2,053,643	1,152,525
Dividend payable	-	-
Accrued expenses and other liabilities	23,973	1,189
	2,074,065	1,155,003
Net cash generated from operating activities	4,370,027	1,100,783
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	8,888,973	2,066,190
Payments on redemption of units	(14,116,910)	(1,308,359)
Net cash (used in)/ generated financing activities	(5,227,937)	757,831
Net increase in cash and cash equivalents during the period	(857,910)	1,858,614
Cash and cash equivalents at beginning of the period	4,557,894	970,246
Cash and cash equivalents at end of the period	3,699,984	2,828,860

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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 HALF YEAR ENDED DECEMBER 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

Pakistan Income Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October 23, 2001 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Trust Act, 1882 has been 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 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

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

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

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

The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of AM1 dated October 06, 2021 to the Management Company and "A+(f)" as stability rating dated September 9, 2021 to the Fund.

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

2. BASIS OF PREPARATION

Statement of compliance

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

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

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

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

In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2021.

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

3. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The accounting policies and methods of computation adopted in preparation of this condensed interim financial information are same as those applied in preparation of financial statements of the Fund as at and for the year ended June 30, 2021.

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited financial statements as at and for the year ended June 30, 2021.

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

4. FINANCIAL RISK MANAGEMENT

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

		(Un-audited) December 31, 2021 ---- (Rupees in '000) ----	(Audited) June 30, 2021
5. BANK BALANCES	Note		
Savings accounts	5.1	3,683,314	4,545,560
Current accounts	5.2	16,670	12,334
		<u>3,699,984</u>	<u>4,557,894</u>

5.1 These carry profit at the rates ranging between 5.50% to 12.30% (June 30, 2021: 5.50% to 9.75%) per annum and include Rs 0.468 million (June 30, 2021: Rs 2.83 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 7.25% (June 30, 2021: 5.50%) per annum.

5.2 These include balance amounting to Rs. 16.660 million related to MCB Bank Limited, a related party / connected person, remaining Rs. 0.0105 Million is placed with Allied Bank Limited.

		(Un-audited) December 31, 2021 ---- (Rupees in '000) ----	(Audited) June 30, 2021
6. INVESTMENTS	Note		
Financial assets 'at fair value through profit or loss' - net	6.1		
Listed equity securities	6.1.1	-	3,377,757
Government securities - Market treasury bills	6.1.2	1,275,047	-
Pakistan investment bonds - Floating Rate Bond	6.1.3	1,961,820	2,282,147
Term finance certificates - listed	6.1.4	-	-
Term finance certificates - unlisted	6.1.5	282,687	204,992
Sukuks certificates - unlisted	6.1.6	25,374	40,218
Future stock contracts		-	77,971
		<u>3,544,928</u>	<u>5,983,085</u>

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

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

6.1.1 Listed equity securities

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

Name of investee company	As at July 1, 2021	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at Dec 31, 2021	As at Dec 31, 2021			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
(Number of shares)											
(Rupees in '000)											
Automobile Assembler											
Ghandhara Industries Limited	-	-	-	-	-	-	-	-	-	-	-
Ghandhara Nissan Limited	-	15,000	-	15,000	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	71,000	80,000	-	151,000	-	-	-	-	-	-	-
Pak Suzuki Motors Company Limited	18,000	28,500	-	46,500	-	-	-	-	-	-	-
Cable & Electrical Goods											
Pak Elektron Limited	2,192,500	1,813,000	-	4,005,500	-	-	-	-	-	-	-
Tpl Corp Limited	-	-	-	-	-	-	-	-	-	-	-
Waves Singer Pakistan Limited	201,500	6,101,500	-	6,303,000	-	-	-	-	-	-	-
Cement											
Cherat Cement Company Limited	1,000,000	4,969,500	-	5,969,500	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	341,500	2,506,500	-	2,848,000	-	-	-	-	-	-	-
Fauji Cement Company Limited	79,500	782,500	-	862,000	-	-	-	-	-	-	-
Kohat Cement Limited	-	-	-	-	-	-	-	-	-	-	-
Lucky Cement Limited	102,500	476,500	-	579,000	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	589,000	4,309,500	-	4,898,500	-	-	-	-	-	-	-
Pioneer Cement Limited	26,000	638,000	-	664,000	-	-	-	-	-	-	-
Power Cement Limited	454,000	258,500	-	712,500	-	-	-	-	-	-	-
Chemicals											
Descor Oxychem Limited	-	-	-	-	-	-	-	-	-	-	-
Engro Polymer and Chemicals Limited	1,466,000	1,912,500	-	3,378,500	-	-	-	-	-	-	-
Ghani Global Holdings Limited	3,939,500	19,359,000	-	23,298,500	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	202,000	504,000	-	706,000	-	-	-	-	-	-	-
Sitara Peroxide Limited	-	-	-	-	-	-	-	-	-	-	-
Commercial Banks											
Bank Of Punjab	-	500	-	500	-	-	-	-	-	-	-
Habib Bank Limited	-	200,000	-	200,000	-	-	-	-	-	-	-
United Bank Limited	-	5,000	-	5,000	-	-	-	-	-	-	-

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

Name of investee company	As at July 1, 2021	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at Dec 31, 2021	As at Dec 31, 2021			Market value as percentage of net assets	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
(Number of shares)											
(Rupees in '000)											
(%)											
Engineering											
Aisha Steel Mills Limited	4,971,000	27,299,500	-	32,270,500	-	-	-	-	-	-	-
Amreli Steels Limited	267,500	303,000	-	570,500	-	-	-	-	-	-	-
Crescent Steel And Allied Products	-	-	-	-	-	-	-	-	-	-	-
International Industries Limited	828,000	4,168,000	-	4,996,000	-	-	-	-	-	-	-
International Steels Limited	1,181,500	4,779,000	-	5,960,500	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	604,500	3,982,000	-	4,586,500	-	-	-	-	-	-	-
Fertilizer											
Engro Fertilizer Limited	-	131,000	-	131,000	-	-	-	-	-	-	-
Engro Corporation Limited	1,000	73,000	-	74,000	-	-	-	-	-	-	-
Fatima Fertilizer Company Limited	-	-	-	-	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	2,200,500	470,000	-	2,670,500	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	-	-	-	-	-	-	-	-	-	-
Food and Personal Care Products											
Fauji Foods Limited	-	674,000	-	674,000	-	-	-	-	-	-	-
The Organic Meat Company Limited	-	1,378,000	-	1,378,000	-	-	-	-	-	-	-
Treet Corporation Limited	-	13,000	-	13,000	-	-	-	-	-	-	-
Unity Foods Limited	10,670,000	32,046,500	-	42,716,500	-	-	-	-	-	-	-
Glass & Ceramics											
Shabbir Tiles & Ceramics Limited	-	500	-	500	-	-	-	-	-	-	-
Tariq Glass Industries	3,000	89,500	-	92,500	-	-	-	-	-	-	-
Miscellaneous											
Siddiqsons Tin Plate Limited	-	2,545,000	-	2,545,000	-	-	-	-	-	-	-
Oil & Gas Exploration Companies											
Oil & Gas Development Company Limited	665,000	2,281,000	-	2,946,000	-	-	-	-	-	-	-
Pakistan Oilfields Limited	-	-	-	-	-	-	-	-	-	-	-
Pakistan Petroleum Limited	151,500	654,000	-	805,500	-	-	-	-	-	-	-
Oil And Gas Marketing Companies											
Hascol Petroleum Limited	-	-	-	-	-	-	-	-	-	-	-
Pakistan State Oil Company Limited.	258,500	686,500	-	945,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	1,233,500	2,818,500	-	4,052,000	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	40,500	-	-	40,500	-	-	-	-	-	-	-

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

Name of investee company	As at July 1, 2021	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at Dec 31, 2021	As at Dec 31, 2021			Market value as percentage of net assets of investments	Market value as percentage of total investments	Par value as percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)			
----- (Rupees in '000) ----- (%) -----											
----- (Number of shares) -----											
Paper And Board											
Century Paper & Board Mills Limited	-	-	-	-	-	-	-	-	-	-	-
Pharmaceuticals											
Ferozsons Laboratories Limited	-	-	-	-	-	-	-	-	-	-	-
The Seafle Company Limited	36,000	87,000	-	123,000	-	-	-	-	-	-	-
Power Generation & Distribution											
Hub Power Company Limited	173,500	840,000	-	1,013,500	-	-	-	-	-	-	-
Kot Addu Power Co. Limited	405,500	954,000	-	1,359,500	-	-	-	-	-	-	-
K-Electric Limited	3,905,500	483,500	-	4,389,000	-	-	-	-	-	-	-
Refinery											
Attock Refinery Limited	1,170,500	1,838,500	-	3,009,000	-	-	-	-	-	-	-
Energycor PK Limited	11,563,500	68,600,000	-	80,163,500	-	-	-	-	-	-	-
National Refinery Limited	350,000	931,000	-	1,281,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	1,688,500	-	1,688,500	-	-	-	-	-	-	-
Technology & Communications											
Avancon Limited	485,000	6,296,000	-	6,781,000	-	-	-	-	-	-	-
Hum Network Limited	31,160,000	16,620,500	-	47,780,500	-	-	-	-	-	-	-
Netsol Technologies	854,500	1,949,500	-	2,804,000	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	338,500	3,917,000	-	4,255,500	-	-	-	-	-	-	-
TRG Pakistan	1,633,000	11,404,000	-	13,037,000	-	-	-	-	-	-	-
Textile Composite											
Gul Ahmed Textile Mills Limited	133,000	1,945,500	-	2,078,500	-	-	-	-	-	-	-
Nishat (Chunian) Limited	3,500	1,256,000	-	1,259,500	-	-	-	-	-	-	-
Nishat Mills Limited	39,000	644,000	-	683,000	-	-	-	-	-	-	-
Transport											
Pakistan International Bulk Terminal Limited	4,684,500	3,666,500	-	8,351,000	-	-	-	-	-	-	-
Total as at December 31, 2021											
						3,381,434	3,377,757	(3,677)			
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**

6.1.2 Government securities - Market treasury bills

Tenor	Issue Date	Face value				As at December 31, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)		
(Rupees in '000)										
3 months										
- 3 months	July 2, 2021	-	500,000	500,000	-	-	-	-	-	-
- 3 months	May 20, 2021	-	600,000	600,000	-	-	-	-	-	-
- 3 months	June 3, 2021	-	425,000	425,000	-	-	-	-	-	-
- 3 months	July 15, 2021	-	4,400,000	4,400,000	-	-	-	-	-	-
- 3 months	May 6, 2021	-	350,000	350,000	-	-	-	-	-	-
- 3 months	July 29, 2021	-	500,000	500,000	-	-	-	-	-	-
- 3 months	June 17, 2021	-	3,000,000	3,000,000	-	-	-	-	-	-
- 3 months	August 12, 2021	-	4,500,000	4,500,000	-	-	-	-	-	-
- 3 months	August 26, 2021	-	500,000	500,000	-	-	-	-	-	-
- 3 months	September 9, 2021	-	500,000	500,000	-	-	-	-	-	-
- 3 months	October 7, 2021	-	2,750,000	2,750,000	-	-	-	-	-	-
- 3 months	November 4, 2021	-	1,500,000	1,500,000	-	-	-	-	-	-
6 months										
- 6 months	July 2, 2021	-	500,000	500,000	-	-	-	-	-	-
- 6 months	July 15, 2021	-	5,000,000	5,000,000	-	-	-	-	-	-
- 6 months	April 22, 2021	-	1,000,000	1,000,000	-	-	-	-	-	-
- 6 months	July 29, 2021	-	5,500,000	5,500,000	-	-	-	-	-	-
- 6 months	February 25, 2021	-	1,600,000	1,600,000	-	-	-	-	-	-
- 6 months	August 12, 2021	-	2,500,000	2,500,000	-	-	-	-	-	-
- 6 months	June 3, 2021	-	4,000,850	4,000,850	-	-	-	-	-	-
- 6 months	September 9, 2021	-	11,300,000	11,300,000	-	-	-	-	-	-
- 6 months	August 26, 2021	-	3,676,500	3,676,500	-	-	-	-	-	-
- 6 months	March 25, 2021	-	1,250,000	1,250,000	-	-	-	-	-	-
- 6 months	May 6, 2021	-	2,050,000	2,050,000	-	-	-	-	-	-
- 6 months	December 2, 2021	-	700,000	350,000	350,000	334,959	334,905	(55)	7%	9%
- 6 months	December 16, 2021	-	4,500,000	3,750,000	750,000	714,123	714,401	278	15%	20%
12 months										
- 12 months	December 16, 2021	-	500,000	250,000	250,000	225,682	225,741	59	5%	6%
Total as at December 31, 2021						1,274,764	1,275,047	282		
Total as at June 30, 2021										

58	PAKISTAN INCOME FUND
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6.1.3 Pakistan investment bonds - Floating Rate Bond

PAKISTAN INCOME FUND

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

6.1.4 Listed debt securities - term finance certificates

	Note	(Un-audited) December 31, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2021 -----
Market value as at June 30	6.1.4.1	99,771	99,771
Less: Provision as at July 1			
- Pace Pakistan Limited		(49,940)	(49,940)
- Telecard Limited		(31,088)	(31,088)
- Trust Investment Bank Limited		(18,743)	(18,743)
		(99,771)	(99,771)
		-	-

6.1.4.1 Listed debt securities - Term finance certificates

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

Name of investee company	Number of certificates			As at December 31, 2021		Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Unrealised appreciation / (diminution)		
						----- (Rupees in '000) -----	----- (%) -----
Investment Banks / Investment Companies / Securities Companies							
Trust Investment Bank Limited	10,000	-	10,000	-	-	-	-
Miscellaneous							
Pace Pakistan Limited	10,000	-	10,000	-	-	-	-
Technology & Communication							
Telecard Limited	19,975	-	19,975	-	-	-	-
Total as at December 31, 2021							
				-	-		
				-	-		
				-	-		
Total as at June 30, 2021				99,771	99,771		

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

6.1.5 Unlisted debt securities - Term finance certificates

Certificates have a face value of Rs 5,000 each

Name of investee company	Number of certificates				As at December 31, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value	Market value	Unrealised appreciation / (diminution)		
Commercial Banks									
Askari Bank Limited - II	30	-	-	30	29,693	30,300	607	0.64%	0.85%
The Bank of Punjab	880	1,700	850	1,730	172,736	178,372	5,636	3.77%	5.03%
Investment Banks / Investment Companies / Securities Companies									
Jahangir Siddiqui & Company Limited	22,000	-	-	22,000	72,847	74,015	1,168	1.57%	2.09%
Total as at December 31, 2021					275,276	282,687	7,411		
Total as at June 30, 2021					204,163	204,992	829		

6.1.5.1 Significant terms and conditions of term finance certificates outstanding as at December 31, 2021 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
Commercial Banks				
Askari Bank Limited - II	3 months KIBOR + 1.20%	March 17, 2020	March 17, 2030	AA
The Bank of Punjab	6 months KIBOR + 1.25%	April 23, 2018	April 23, 2028	AA
Investment Banks / Investment Companies / Securities Companies				
Jahangir Siddiqui & Company Limited	6 months KIBOR + 1.40%	March 6, 2018	March 6, 2023	AA+

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

6.1.6 Unlisted debt securities - Sukuk certificates

Certificates have a face value of Rs 100,000 each

Name of investee company	Number of certificates			As at December 31, 2021			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying value	Unrealised appreciation / (diminution)		
					(Rupees in '000)	-----	-----	----- (%) -----
Chemical								
Ghani Gases Limited	480	-	-	480	15,680	16,560	880	0.35
Refinery								
Byco Petroleum Pakistan Limited	10	-	-	10	417	420	3	0.01
Miscellaneous								
International Brands Limited	500	-	-	500	8,391	8,394	3	0.18
Total as at December 31, 2021					24,488	25,374	886	
Total as at June 30, 2021					39,474	40,218	744	

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

6.1.6.1 Significant terms and conditions of Sukuk certificates outstanding as at December 31, 2021 are as follows:

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

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

		(Un-audited) December 31, 2021 (Rupees in '000)	(Un-audited) December 31, 2020
6.1.7 Unrealised appreciation in fair value of	Note		
Market value of investments	6.1.1, 6.1.2, 6.1.3, 6.1.4, 6.1.5, 6.1.6	3,544,928	2,551,309
Carrying value of investments	6.1.1, 6.1.2, 6.1.3, 6.1.4, 6.1.5, 6.1.6	3,536,962	(2,488,146)
		7,965	63,163

		(Un-audited) December 31, 2021 (Rupees in '000)	(Audited) June 30, 2021
7. PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY	Note		
Management remuneration payable	7.1	4,430	6,772
Sindh sales tax payable on management remuneration	7.2	576	880
Sales load payable		280	343
Payable against allocated expenses	7.3	477	852
Payable against marketing and selling expenses	7.4	-	-
		5,763	8,847

7.1 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 the management fee as disclosed in the Offering Document subject into the total expense ratio limit. As per offering document, the Management Company can charge management fee up to 10% of the gross earnings of the fund, calculated on daily basis. Provided that fund is subject to a minimum fee of 0.25% of the average daily net asset of the scheme. The remuneration is payable to the Management Company monthly in arrears.

Subsequent to the period end, with effect from January 07, 2022, the minimum fee of 0.25% has been removed through supplement offering document dated December 31, 2021.

7.2 Sindh Sales Tax on management fee has been charged at 13% (June 2021: 13%).

7.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

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

The Management Company has allocated expenses to the Fund based on its discretion subject to not being higher than actual expense.

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

In the financial year 2019-20, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company can charge selling and marketing expenses to the Fund based on its discretion subject to not being higher than actual expenses. Furthermore, the time limit of three years has also been removed in the revised conditions.

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

		(Un-audited) December 31, 2021 (Rupees in '000)	(Audited) June 30, 2021
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	8.1	-	18,571
Provision for federal excise duty and related tax on	8.2		
- Management fee		9,210	9,210
- Sales load		239	239
Brokerage		130	8,812
Capital gain tax		17,140	6,779
Auditors' remuneration		307	409
Legal and Professional Charges		437	31
Other		22,655	665
		50,118	44,716

8.1 Provision for Sindh Workers' Welfare Fund

During the period, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. Accordingly all Asset Management Companies reversed the cumulative provision for SWWF, on August 13, 2021.

8.2 Federal Excise Duty (FED) and related tax payable

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the audited financial statements of the Fund for the year ended June 30, 2021. Had the said provision for FED not been recorded in this condensed interim financial information of the Fund, the net asset value of the Fund as at December 31, 2021 would have been higher by Rs. 0.113 per unit (June 30, 2021: Re. 0.0534 per unit).

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There were no contingencies as at December 31, 2021 (June 30, 2021: Nil).

9.2 Commitments

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

	(Un-audited) December 31, 2021 ---(Rupees in '000)---	(Audited) June 30, 2021
	-	-
Margin Trading Systems (MTS) transaction entered into by the Fund which have not been settled as at period end:		
- Sale transactions	966	-

10. TAXATION

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

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

11. EARNINGS PER UNIT

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

12. TOTAL EXPENSE RATIO

The total annualised expense ratio of the Fund from July 1, 2021 to December 31, 2021 is 1.86% and this includes 0.13% representing government levy, Sindh Worker's Welfare Fund, SECP fee etc.

13. TRANSACTIONS WITH RELATED PARTY / CONNECTED PERSONS

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

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

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

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

For the half year ended December 31, 2021								
	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)			
MCB Arif Habib Savings And Investments Limited	7,152,428	8,753,800	15,906,228	-	388,254	486,000	881,428	-
Adamjee Life Assurance Company Limited - Employees Gratuity Fund	264,275	33,280	297,556	-	14,346	1,820	16,486	-
Security General Insurance Company Limited	8,700,207	7,195,642	15,895,849	-	472,272	400,000	883,252	-
Adamjee Life Assurance Company Limited	-	2,716,884	-	2,716,884	-	150,000	-	153,499
Directors and key management personnel of the Management Company	55	36,247	36,248	54	3	2,010	2,013	3
Mandate under discretionary portfolio services	26,650,498	27,332,943	53,841,497	141,944	1,446,664	1,530,139	3,011,321	8,020

For the half year ended December 31, 2020								
	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)			
MCB Arif Habib Savings And Investments Limited	-	5,746	5,746	-	-	318	318	-
Adamjee Life Assurance Company Limited - Employees Gratuity Fund	97,032	-	-	97,032	5,075	-	-	5,450
Security General Insurance Company Limited	5,540,636	2,691,901	4,593,224	3,639,313	300,341	150,000	250,000	204,427
Directors and key management personnel of the Management Company	-	14	14	-	-	1	1	-
Mandate under discretionary portfolio services	27,245	-	-	27,245	1,424	-	-	1,530

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

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

	December 31, 2021 ----- (Rupees in '000) -----	December 31, 2020 ----- (Rupees in '000) -----
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration including indirect taxes	45,943	13,444
Allocated expenses	4,576	1,148
Marketing and selling expense	2,329	1,491
Central Depository Company of Pakistan Limited - Trustee		
Remuneration including indirect taxes	3,878	973
CDS charges	1,864	188
Arif Habib Limited - Subsidiary of Associated Company		
Brokerage expense *	47	-
MCB Bank Limited - Parent of the Management Company		
Profit on bank balances	100	224
Bank charges	42	22
Purchase of securities : Face value Nil (2020: Face value: 1000 M)	-	983,038
Aisha Steel Limited		
Purchase of 27,299,500 shares (2020: Nil shares)	592,440	-
Sell of 32,270,500 shares (2020: Nil shares)	716,900	-
Adamjee Insurance Company Limited		
Purchase of Nil shares (2020: 6,500 shares)	-	246
Sell of Nil shares (2020: 6,500 shares)	-	248
DG Khan Cement Company Limited		
Purchase of 2,506,500 shares (2020: 1,599,000 shares)	243,649	174,489
Sell of 2,848,000 shares (2020: 1,580,500 shares)	287,319	173,613
Nishat Chunian Limited		
Purchase of 1,256,000 shares (2020: 8,000 shares)	61,065	296
Sell of 1,259,500 shares (2020: 8,000 shares)	57,548	298
Dividend Income	4,115	-
Nishat Mills Limited		
Purchase of 644,000 shares (2020: 271,500 shares)	62,132	27,100
Sell of 683,000 shares (2020: 271,500 shares)	66,508	26,681
Dividend Income	46	-
Power Cement Limited		
Purchase of 258,500 shares (2020: Nil shares)	2,147	-
Sell of 258,500 shares (2020: Nil shares)	2,169	-

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

	December 31, 2021 ----- (Rupees in '000) -----	June 30, 2021 ----- (Rupees in '000) -----
MCB-Arif Habib Savings and Investments Limited - Management Company		
Management remuneration payable	4,430	6,772
Sindh sales tax payable on management remuneration	576	880
Sales load payable	280	343
Payable against allocated expenses	477	852
Payable against marketing and selling expenses	-	-
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	359	640
Sindh sales tax payable on Trustee remuneration	47	83
Security deposit	200	200
MCB Bank Limited - Parent of the Management Company		
Bank balance	17,128	15,156
D.G. Khan Cement Company Limited		
Nil shares (2021: 341,500 shares)	-	40,270
Aisha Steel Limited		
Nil shares shares (2021: 4,971,000 shares)	-	123,828
Nishat Chunian Limited		
Nil shares (2021: 3,500 shares)	-	176
Nishat Mills Limited		
Nil shares (2021: 39,000 shares)	-	3,639
Power Cement Limited		
Nil shares shares (June 2021: 454,000 shares)	-	4,363

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

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

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

December 31, 2021 (Un-audited)						
Carrying amount			Fair Value			
Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)						
Financial assets measured at fair value						
Listed equity securities	-	-	-	-	-	-
Government securities - Market treasury bills	1,275,047	1,275,047	-	1,275,047	-	1,275,047
Pakistan investment bonds - Floating Rate Bond	1,961,820	1,961,820	-	1,961,820	-	1,961,820
Term finance certificates - listed	-	-	-	-	-	-
Term finance certificates - unlisted	282,687	282,687	-	282,687	-	282,687
Sukuks certificates - listed	-	-	-	-	-	-
Sukuks certificates - unlisted	25,374	25,374	-	25,374	-	25,374
Future stock contracts	-	-	-	-	-	-
3,544,928	-	3,544,928	-	3,544,928	-	3,544,928
Financial assets not measured at fair value						
Bank balances	-	3,699,984	-	-	-	3,699,984
Profit receivable	-	52,247	-	-	-	52,247
Receivable from National Clearing Company of Pakistan Limited	-	37,190	-	-	-	37,190
-	3,789,421	3,789,421	-	-	-	3,789,421
Financial liabilities not measured at fair value						
Payable to the Management Company	-	5,763	-	-	-	5,763
Payable to the Trustee	-	405	-	-	-	405
Payable against redemption of units	-	47	-	-	-	47
Payable against purchase of investment	-	3,209,590	-	-	-	3,209,590
Accrued expenses and other liabilities	-	23,638	-	-	-	23,638
-	3,239,443	3,239,443	-	-	-	3,239,443
June 30, 2021 (Audited)						
Carrying amount			Fair Value			
Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)						
Financial assets measured at fair value						
Government securities	2,282,147	2,282,147	-	2,282,147	-	2,282,147
Term Finance Certificates - Listed	-	-	-	-	-	-
Term Finance Certificates - Unlisted	204,992	204,992	-	204,992	-	204,992
Sukuks Certificates - Listed	-	-	-	-	-	-
Sukuks Certificates - Unlisted	40,218	40,218	-	40,218	-	40,218
Future Contracts	77,971	77,971	77,971	-	-	77,971
Listed Equity Securities	3,377,757	3,377,757	3,377,757	-	-	3,377,757
5,983,085	-	5,983,085	3,455,728	2,527,357	-	5,983,085
Financial assets not measured at fair value						
Bank balances	-	4,557,894	-	-	-	4,557,894
Profit receivable	-	68,418	-	-	-	68,418
Receivable against MTS	-	135,777	-	-	-	135,777
Receivable against Sale of Investments	-	11,652	-	-	-	11,652
Deposits and Other Recivables	-	45,181	-	-	-	45,181
-	4,818,922	4,818,922	-	-	-	4,818,922
Financial liabilities not measured at fair value						
Payable to the Management Company	-	7,967	-	-	-	7,967
Payable to the Trustee	-	640	-	-	-	640
Payable against Purchase of Investment	-	1,155,947	-	-	-	1,155,947
Payable against redemption of units	-	47	-	-	-	47
Accrued expenses and other liabilities	-	9,917	-	-	-	9,917
-	1,174,518	1,174,518	-	-	-	1,174,518

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

15. CORRESPONDING FIGURES

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

16. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 08, 2022 by the Board of Directors of the Management Company.

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



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

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