



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2022
(UNAUDITED)

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



PAKISTAN CASH MANAGEMENT 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	Digital Custodian Company Limited (Formerly MCB Financial Services Limited) 4th Floor, Pardesi House, Old Queens Road, Karachi, Pakistan Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.digitalcustodian.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited Zarai Traqiati Bank Limited Habib Bank Limited	
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) Sate Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
Rating	AM1 Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Pakistan Cash Management Fund's** accounts review for the nine months & quarter ended March 31, 2022.

ECONOMY AND MONEY MARKET OVERVIEW

Political turmoil in the country has taken the central stage in past few weeks where we witnessed ruling party coalition government lost majority in the National Assembly and overthrown by opposition led coalition. In the backdrop of weak economic environment, the transition resulted in significant volatility in equity, fixed income and exchange rate markets. In heightened political environment, markets will increasingly focus on efforts of the new government on policies and measures taken to stabilize the economy.

The fiscal year (July – June) started on strong note with government's renewed focus on reviving growth through several incentives in fiscal year 2022 (FY22) budget to spur growth. This was in addition to lagged impact of monetary easing 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. The start of Russia Ukraine conflict inflicted additional misery as international commodities prices spiked up further to multi-year high.

The country posted a current account deficit of USD 12.1bn in 8MFY22 compared to a surplus of USD 1.0bn in the corresponding period last year. This was the largest CAD since FY18, when country witnessed a deficit of USD 10.6bn in first eight months of the fiscal year. The deterioration came in primarily on the back of higher imports which grew by 49.1% in 8MFY22 compared to export growth of 28.1%. Trade Deficit increased by 70.2% to USD 27.3bn compared to USD 16.0bn 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 a decrease of USD 5.3bn on account of higher current account deficit and debt repayments. Pakistan was also unable to timely roll over commercial loan of USD 2.2bn from China which put further pressure on reserves. In addition, a USD 900mn penalty payment to settle Reko Dik case further dragged the reserves to 22 months' low of USD 11.3bn, implying an import cover of hardly a couple of months. These outflows coupled with widening current account deficit led PKR to lost ground against USD by 14.1% since start of the fiscal year.

Inflation remained a concern as rising commodities continued to create challenges for policy makers. Headline inflation represented by CPI averaged 10.7% in 9MFY22 compared to 8.4% in 9MFY21. 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 9.5% in March 2022 compared to 6.9% in June 2021. The SBP increased policy rate by a cumulative 525bps to 12.75% in the fiscal year to counter inflationary pressures and slow aggregate demand.

On the fiscal side FBR tax collection increased by 29.1% in 9MFY22 to PKR 4,382bn compared to PKR 3,394bn during same period last year. This exceeded the target of 4,134bn by 248bn. The improved tax collection was primarily on the back of higher custom duty and sales tax collected on import stage.

Secondary markets yields have increased significantly in 9MFY22 as SBP started the monetary tightening cycle. The recent depreciation in rupee along with persistently high commodity prices

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

will add pressure to inflation and we expect average inflation numbers to remain elevated in medium term. Bond yields for tenors of 3 years, 5 years and 10 years witnessed a rise of 2.4%, 2.1% and 1.4%, respectively during the period.

FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 9.69% as against its benchmark return of 8.17%.

The fund's exposure remained majorly tilted towards Cash at the quarter-end due to attractive rates offered by the commercial banks.

The Net Assets of the Fund as at March 31, 2022 stood at Rs. 15,329 million as compared to Rs. 3,119 million as at June 30, 2021 registering an increase of 391.47%.

The Net Asset Value (NAV) per unit as at March 31, 2022 was Rs. 50.4678 which is same as of opening NAV of Rs. 50.4678 per unit as at June 30, 2021.

Economy & Market – Future Outlook

The ongoing Russia – Ukraine war has kept international commodity prices at elevated levels which have exacerbated fears about the import bill and external outlook going forward. In addition, due to political pressure the government resorted to the populist move to absorb the hike in international energy prices and keep petroleum prices unchanged. This have undermined the structural reform process and put the IMF program on hold. Going forward the new government will have to engage with the IMF and find the right balance of growth and external account sustainability.

We estimate GDP to grow by 4.5% this year, slightly lower than the government target of 4.8%. We expect Agriculture, Industrial and Services sectors to grow by 4.5%, 4.1% and 4.5% respectively. Industrial sector growth is likely to remain robust but below government's target due to demand compression as a result of monetary tightening. Agriculture sector growth on the other hand is likely to exceed government estimates due to growth in 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, 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 19.0bn (5.7% of GDP). This would be the largest current account deficit since fiscal year 2018, when the country posted CAD of USD 19.2bn (6.1% of GDP). Responding to a high CAD, we expect PKR to depreciate further to end the fiscal year near PKR 192 against a dollar.

Successful resumption 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.

We expect Average FY22 and FY23 inflation to clock at 11.6% and 13.8% respectively assuming international oil stays above USD 100/bbl. The recent hike in commodity prices and the resultant currency depreciation is likely to keep inflation numbers elevated in near term. In the recent monetary policy held in April-22 SBP increased policy rate by 250bps to 12.25% due to significant uncertainty around outlook for international commodities and global financial condition as result of Russia Ukraine war. As per the SBP the recent rate hike increased forward looking interest rates to mildly positive territory. Thus we may be at the end of monetary tightening cycle.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

From capital market perspective, particularly equities, the recent correction in stock prices have opened up valuation. The market has priced in interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 13.4%, a discount of 69% from its historical average. Similarly, risk premiums are close to 6.0%, compared to historical average of 1.9% signifying deep discount at which market is trading. 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 5.7x, while offering a dividend yield of 8.3%.

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 inflationary pressure. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

Mutual Fund Industry Review

The Net Assets of the open end mutual fund industry increased by about 7.4% during the nine months to PKR 1,093bn. Total money market funds grew by about 11.9% since June 2021. Within the money market sphere, the conventional funds dominated with a growth of about 19.6% to PKR 341bn while Islamic funds declined by 0.2% to PKR 181bn. In addition, the total fixed Income funds increased by about 17.7% since June 2021, as the conventional income funds rose by 21.5% to PKR 153bn. Equity and related funds declined by 11.3% as market witnessed a decline in 9MFY22 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 47.8%, followed by Income funds with a share of 26.4% and Equity and Equity related funds having a share of 24.3% as at the end of 9MFY22.

Mutual Fund Industry Outlook

The recent increase in interest rates 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
April 20, 2022



Nasim Beg
Director/Vice Chairman
April 20, 2022

ڈائریکٹرز رپورٹ

کاروں کے لیے موزوں ترین ہوں گے جو مختصر مدت کے لیے کم خطرات کے ساتھ چلنا چاہتے ہیں۔ تاہم اسٹاک کی قیمتوں میں حالیہ تصحیح سے valuations کھل گئی ہیں اور طویل المیعاد سرمایہ کاران پُرکشش سطحوں پر ایکوٹی میں سرمایہ کاری کرنا 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 دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکے۔

اظہار تشکر

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

من جانب ڈائریکٹرز



نسیم بیگ
ڈائریکٹر اوائس چیئرمین
20 اپریل 2022ء



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
20 اپریل 2022ء

(ایس بی پی) نے پالیسی شرح میں 250 بی پی ایس اضافہ کر کے اسے 12.25 فیصد کر دیا کیونکہ روس اور یوکرین کے مابین جنگ کے باعث بین الاقوامی اشیائی قیمتوں اور عالمی مالی حالات میں غیر یقینی صورتحال پیدا ہو گئی ہے۔ ایس بی پی کے مطابق شرح میں حالیہ اضافے کے نتیجے میں forward looking شروح سود بڑھ کر معتدل حد تک مثبت محل وقوع میں آ گئی ہیں۔ چنانچہ مالیاتی سختی کے دور کا اختتام متوقع ہے۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز کے تناظر سے، اسٹاک کی قیمتوں میں حالیہ تصحیح سے valuation کھل گئی ہے۔ مارکیٹ نے سود کی شرح میں اضافے اور روپے کی قدر میں کمی سے فائدہ اٹھایا ہے۔ مارکیٹ cap کا مجموعی ملکی پیداوار (جی ڈی پی) کے ساتھ تناسب کم ہو کر 13.4 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 69 فیصد کی ہے۔ اسی طرح، ریسک پریمیئم 6.0 فیصد کے قریب ہیں جو اپنے قدیم اوسط 1.9 فیصد کے مقابلے میں مارکیٹ میں جاری تجارت میں گہری رعایت کی نشاندہی کرتے ہیں۔ ہم سمجھتے ہیں کہ سیکٹرز اور اسٹاک کی خورد تصویر اہم رہے گی اور سرمایہ کاری کے انتخاب کا انحصار ایسی کمپنیوں پر ہونا چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ فی الوقت مارکیٹ میں 5.7 گنا PER پر تجارت ہو رہی ہے جبکہ 8.3 فیصد ڈیویڈنڈ منافع پیش کیا جا رہا 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 کے منافع جات افراط زر کے دباؤ کے باعث بلند سطحوں پر برقرار رہیں گے۔ ہم بانڈز کے منافعوں کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا پوائنٹس کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ صنعت کا جائزہ

مالی سال 2022ء کے ابتدائی نو ماہ کے دوران اوپن end میوچل فنڈ صنعت کے Inet اثاثہ جات تقریباً 7.4 فیصد بڑھ کر 1,093 بلین روپے ہو گئے۔ منی مارکیٹ کے مجموعی فنڈز میں جون 2021ء کے بعد سے تقریباً 11.9 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے جو تقریباً 19.6 فیصد بڑھ کر 341 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 0.2 فیصد کم ہو کر 181 بلین روپے ہو گئے۔ مزید براں، مجموعی فیکسڈ انکم فنڈز میں جون 2021ء سے تقریباً 17.7 فیصد اضافہ ہوا کیونکہ روایتی انکم فنڈز 21.5 فیصد بڑھ کر 153 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں 17.7 فیصد کمی ہوئی کیونکہ مالی سال 2022ء کے ابتدائی نو ماہ کے دوران مارکیٹ تنزل کا شکار رہی جس کے نتیجے میں مجموعی معاشی اور جغرافیائی۔ سیاسی عوامل پر تشویش کے باعث سرمایہ کاروں کی حوصلہ شکنی اثاثہ جات تحت الانظامیہ (AUMs) میں انحطاط کا سبب بنی۔

شعبہ جاتی اعتبار سے منی مارکیٹ فنڈز تقریباً 47.8 فیصد حصے کے ساتھ سب سے آگے رہے، جبکہ انکم فنڈز 26.4 فیصد حصے اور ایکویٹی اور ایکویٹی سے متعلقہ فنڈز 24.3 فیصد حصے کے ساتھ بالترتیب دوسرے اور تیسرے نمبر پر رہے۔

میوچل فنڈ صنعت کے مستقبل کے امکانات

سود کی شرحوں میں حالیہ اضافے سے منی مارکیٹ فنڈز میں آمدات میں اضافہ ہوگا۔ منی مارکیٹ فنڈز اپنی مختصر میعاد کی بدولت ایسے سرمایہ

معیشت اور بازار - مستقبل کے امکانات

روس اور یوکرین کے مابین جاری جنگ نے بین الاقوامی اشیائی قیمتوں کو بلند سطحوں پر رکھا ہوا ہے جس کے باعث درآمداتی بل اور خارجی جہت کے امکانات سے متعلق اندیشوں میں اضافہ ہوا ہے۔ مزید برآں، حکومت نے سیاسی دباؤ کے باعث populist (یعنی عوام کی مملکت کا) قدم اٹھایا تاکہ توانائی کی بین الاقوامی قیمتوں کو جذب کیا جاسکے اور پٹرولیم کی قیمتوں کو غیر تبدیل شدہ رکھا جاسکے۔ اس کے نتیجے میں بنیادی ڈھانچے سے متعلق اصلاح کے عمل میں رکاوٹ پیدا ہوئی اور آئی ایم ایف پروگرام التواء کا شکار ہو گیا ہے۔ مستقبل میں نئی حکومت کو آئی ایم ایف کے ساتھ مربوط ہو کر ترقی اور خارجی اکاؤنٹ کے استحکام کے مابین درست توازن تلاش کرنا ہوگا۔

ہمارے اندازے کے مطابق مجموعی ملکی پیداوار (جی ڈی پی) میں اس سال 4.5 فیصد اضافہ ہوگا، جو حکومتی ہدف 4.8 فیصد سے کچھ کم ہے۔ زراعت، صنعت اور خدمات کے شعبوں میں بالترتیب 4.5 فیصد، 4.1 فیصد اور 4.5 فیصد ترقی متوقع ہے۔ صنعتی شعبے کی ترقی تیز رفتار ہو سکتی لیکن حکومتی ہدف سے کم رہے گی کیونکہ مالیاتی سختی کے نتیجے میں طلب سکڑ گئی ہے۔ البتہ گندم اور کپاس کی بہتر فصل کی بدولت زراعت کے شعبے کی ترقی حکومتی تخمینوں سے سبقت لے جاسکتی ہے۔ کووڈ ویکسینیشن کا دور کافی کامیاب رہا جس کے نتیجے میں خدمات کے شعبے میں بحالی متوقع ہے کیونکہ یہ شعبہ واء سے سب سے زیادہ متاثر ہوا تھا۔

مسلسل بڑھی ہوئی بین الاقوامی اشیائی قیمتوں، خصوصاً پٹرولیم، پام تیل، کھاد اور اسٹیل، کے نتیجے میں درآمدات میں بھرپور بحالی اور کرنٹ اکاؤنٹ خسارے میں اضافہ ہوا ہے جو اختتام سال پر ہمارے اندازے کے مطابق تقریباً 19.0 بلین ڈالر (جی ڈی پی کا 5.7 فیصد) ہوگا۔ یہ مالی سال 2018ء میں ہونے والے 19.2 بلین ڈالر خسارے (جی ڈی پی کا 6.1 فیصد) کے بعد تاحال سب سے بڑا خسارہ ہوگا۔ اس بلند خسارے کے رد عمل میں ہم سمجھتے ہیں کہ روپے کی قدر میں مزید کمی ہوگی اور مالی سال کے اختتام پر یہ تقریباً 192 روپے بالمقابل ایک ڈالر ہوگا۔

آئی ایم ایف پروگرام کی کامیابی بحالی مالیاتی اکاؤنٹ کو مثبت محل وقوع میں رکھنے کے لیے کلیدی شرط ہوگی۔ اسٹیٹ بینک آف پاکستان متوقع طور پر غیر ضروری درآمدات کی حوصلہ شکنی جاری رکھے گا اور مارکیٹ سے تعین کردہ لچکدار شرح مبادلہ اور موزوں مالیاتی پالیسی کے ذریعے خارجی اکاؤنٹ کے استحکام کو یقینی بنائے گا۔ ترسیلاتِ زرمع دو جہتی اور کثیر الجہتی آمدات بھی خارجی اکاؤنٹ کو سنبھالنے میں اہم عوامل ثابت ہوں گے۔

افراطِ زر کا اوسط مالی سال 2022ء میں 11.6 فیصد اور مالی سال 2023ء میں 13.8 فیصد متوقع ہے بشرطیکہ تیل کی بین الاقوامی قیمت 100 ڈالر فی بیرل برقرار رہے۔ اشیائی قیمتوں میں حالیہ اضافہ اور اس کے نتیجے میں ہونے والی روپے کی قدر میں کمی کے باعث افراطِ زر کے قریب المیعا میں بلند رہنے کا امکان ہے۔ حالیہ مانیٹری پالیسی منعقدہ اپریل 2022ء میں اسٹیٹ بینک آف پاکستان

ڈائریکٹر ز رپورٹ

افراط زر باعث تشویش بنی رہی کیونکہ بڑھتی ہوئی اشیائی قیمتوں کی وجہ سے پالیسی ساز مشکلات کا شکار رہے۔ مجموعی افراط زر، جس کی ترجیحی صارفی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط مالی سال 2022ء کے ابتدائی نو ماہ میں 10.7 فیصد تھا، جبکہ مالی سال 2021ء کے ابتدائی نو ماہ میں 8.4 فیصد تھا۔ اس اضافے کی بنیادی وجہ اشیائے خورد و نوش کی بڑھتی ہوئی قیمتیں، توانائی (بجلی اور ایندھن، دونوں) کی لاگتوں میں اضافہ، اور پاکستانی روپے کی قدر میں کمی کے دوسرے مرحلے کا اثر تھیں، جس سے درآمد شدہ اشیاء کی قیمتیں بلند رہتی ہیں۔ بنیادی افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، میں بھی اضافے کا رجحان رہا اور مارچ 2022ء میں 9.5 فیصد تک جا پہنچی، جبکہ جون 2021ء میں 6.9 فیصد تھی۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) پالیسی شرح میں مجموعی طور پر 525 بیس پوائنٹس (بی پی ایس) کا اضافہ کر کے اسے 12.75 فیصد تک لے گیا تاکہ افراط زر کے دباؤ اور مجموعی طلب میں سست روی کا مقابل کیا جاسکے۔

مالیاتی جہت میں فیڈرل بورڈ آف ریونیو (ایف بی آر) کی ٹیکس وصولی مالی سال 2022ء کے ابتدائی نو ماہ میں 29.1 فیصد بڑھ کر 4,382 بلین روپے تک پہنچ گئی جو 4,134 بلین روپے کے ہدف سے 248 بلین روپے زیادہ تھی، جبکہ گزشتہ سال مماثل مدت کے دوران 3,394 بلین روپے تھی۔ اس بہتر کارکردگی کی بنیادی وجہ درآمد کے مرحلے پر پہلے سے زیادہ کسٹم ڈیوٹی اور سیلز ٹیکس کی وصولی ہے۔

ثانوی مارکیٹوں کے منافع جات میں مالی سال 2022ء میں قابل ذکر اضافہ ہوا ہے کیونکہ ایس بی پی نے مالیاتی سختی کے دور کا آغاز کر دیا۔ روپے کی قدر میں حالیہ کمی کے ساتھ مسلسل بڑھی ہوئی اشیائی قیمتوں سے افراط زر پر دباؤ میں اضافہ ہوگا اور افراط زر کا اوسط درمیانی مدت میں متوقع طور پر بلند رہے گا۔ تین، پانچ اور دس سالہ بانڈز کے منافع جات میں دوران مدت بالترتیب 2.1، 2.4 اور 1.4 فیصد اضافہ ہوا۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 9.69 فیصد سالانہ منافع حاصل کیا جبکہ اس کا مقررہ منافع 8.17 فیصد تھا۔ کمرشل بینکوں کی جانب سے پیش کردہ پرکشش نرخوں کی وجہ سے فنڈ کی سرمایہ کاری سہ ماہی کے اختتام پر نقد کی طرف کافی حد تک جھکی رہی۔

31 مارچ 2022ء کو فنڈ کے خالص اثاثے 15,329 ملین روپے رہے جبکہ 30 جون 2021ء کو 3,119 ملین روپے تھے، یعنی 391.47 فیصد کا اضافہ درج کیا گیا۔

31 مارچ 2022ء کو خالص اثاثہ قدر (این اے وی) فی یونٹ 50.4678 روپے تھی جو 30 جون 2021ء کو 50.4678 روپے فی یونٹ تھی۔

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان کیش مینجمنٹ فنڈ کے گوشواروں کا جائزہ برائے نومبر اور سہ ماہی مختتمہ 31 مارچ 2022ء پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

گزشتہ کچھ ہفتوں کے دوران ملک میں سیاسی افراتفری توجہ کا مرکز بنی رہی۔ حکمران جماعت نے قومی اسمبلی میں اکثریت کھودی اور حزب اختلاف کی قیادت میں بننے والے اتحاد کے ہاتھوں حکومت کا تختہ الٹ گیا۔ یہ تبدیلی پہلے سے ہی کمزور معاشی ماحول کے پس منظر میں ایکوٹی، مقررہ آمدنی اور شرح مبادلہ کی مارکیٹوں میں عدم استحکام کا باعث بنی۔ اس مضطرب سیاسی ماحول میں مارکیٹیں نئی حکومت کی معیشت کو مستحکم کرنے کی پالیسیوں اور اقدام کی منتظر ہیں۔

مالی سال (جولائی-جون) کا آغاز مضبوط نوٹ کے ساتھ ہوا جس میں حکومت کی جانب سے مالی سال 2022 (FY22) کے بجٹ میں کئی مراعات کے ذریعے ترقی کی بحالی پر نئی توجہ مرکوز کی گئی۔ یہ مالیاتی تسہیل کے تاخیری اثر اور کم شرحوں (TERF) پر سرمایہ کاری کی ترغیبات پر مستزاد تھا جس سے ترقی کو مزید معاونت حاصل ہوئی۔ تاہم مقامی طلب میں تیز رفتار بحالی اور اس کے ساتھ ساتھ بڑھتی ہوئی بین الاقوامی اشیائی قیمتوں کے نتیجے میں درآمدات میں بھی بھرپور بحالی ہوئی اور کرنٹ اکاؤنٹ خسارے میں متناسب اضافہ ہوا۔ روس اور یوکرین کے مابین تنازعے کے باعث مشکلات میں اضافہ ہوا کیونکہ بین الاقوامی اشیائی قیمتیں کئی برسوں کی بلند ترین سطح پر پہنچ گئیں۔

مالی سال 2022ء کے ابتدائی آٹھ ماہ میں ملک کا کرنٹ اکاؤنٹ خسارہ 12.1 بلین ڈالر تھا، جبکہ گزشتہ سال کی مماثل مدت میں 1.0 بلین ڈالر فاضل (منافع) تھا۔ یہ مالی سال 2018ء کے ابتدائی آٹھ ماہ میں ہونے والے 10.6 بلین ڈالر خسارے سے تاحال سب سے زیادہ خسارہ تھا۔ اس کی بنیادی وجہ ابتدائی آٹھ ماہ درآمدات میں 49.1 فیصد اضافہ تھی، جبکہ برآمدات میں اضافہ 28.1 فیصد تھا۔ تجارتی خسارہ 70.2 فیصد بڑھ کر 27.3 بلین ڈالر ہو گیا، جبکہ گزشتہ سال مماثل مدت میں 16.0 بلین ڈالر تھا۔ درآمدات میں یہ فقید المثال اضافہ ہماری اشیائی basket کی قدیم بلند قیمتوں کی بدولت ہوا، بشمول خام تیل، پام تیل، کونڈہ اور اس کے ساتھ ساتھ ویکسین کی یکبار درآمد۔ ہمارے اندازے کے مطابق درآمداتی بل میں قیمتوں کا دو تہائی حصہ تھا۔

مرکزی بینک کے زیر مبادلہ کے ذخائر میں 5.3 بلین ڈالر کمی ہوئی جس کی وجہ کرنٹ اکاؤنٹ کا بلند تر خسارہ اور ادائیگی و قرض میں اضافہ تھا۔ علاوہ ازیں، پاکستان چین سے 2.2 بلین ڈالر کے تجارتی قرض کی بروقت تجدید نہیں کر سکا جس کے باعث ذخائر پر مزید باؤ پڑا۔ مزید برآں، ریکوڈک معاملے کو نمٹانے کے لیے 900 ملین ڈالر جرمانے کی ادائیگی کے باعث ذخائر گزشتہ 22 ماہ کی پست ترین سطح 11.3 بلین ڈالر پر پہنچ گئے، یعنی بمشکل کچھ ماہ کا درآمداتی cover۔ یہ اخراجات بمع پھیلتے ہوئے کرنٹ اکاؤنٹ خسارے کے نتیجے میں روپے کی ڈالر کے مقابلے میں قدر مالی سال کے آغاز سے 14.1 فیصد کم ہو گئی۔

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2022

		March 31, 2022 (Unaudited) ----- (Rupees in '000) -----	June 30, 2021 (Audited)
ASSETS	Note		
Balances with banks	4	15,242,663	3,141,821
Investments	5	-	-
Advances, prepayments and profit receivable		112,583	11,320
Total assets		<u>15,355,247</u>	<u>3,153,141</u>
LIABILITIES			
Payable to MCB - Arif Habib Savings and Investments Limited - Management Company	6	561	305
Payable to Digital Custodian Company Limited - Trustee		354	82
Payable to the Securities and Exchange Commission of Pakistan (SECP)		1,044	478
Accrued and other liabilities	7	24,684	33,660
Total liabilities		<u>26,642</u>	<u>34,525</u>
NET ASSETS		<u>15,328,606</u>	<u>3,118,616</u>
Unit holders' fund (as per statement attached)		<u>15,328,606</u>	<u>3,118,616</u>
Contingencies and commitments	8		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		<u>303,730,417</u>	<u>61,794,223</u>
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		<u>50.4678</u>	<u>50.4678</u>

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

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

		Nine months period ended		Quarter Ended	
		March 31,		March 31,	
		2022	2021	2022	2021
Note		(Rupees in '000)			
INCOME					
		147,639	77,745	91,717	30,134
		343,357	54,106	122,249	24,767
		7,946	(1,386)	(733)	559
		2	-	(856)	-
		9,912	-	9,011	-
		508,856	130,465	221,388	55,460
EXPENSES					
		8,583	2,526	2,859	1,290
		1,116	329	372	168
		21	915	-	374
		2,147	-	-	-
		2,240	673	973	225
		291	88	124	29
		1,044	366	399	150
		403	487	151	151
		626	128	222	55
		137	102	(334)	33
		53	36	12	12
		472	222	(1,913)	7
		17,134	5,872	2,865	2,494
		491,722	124,593	218,523	52,966
		12,614	(2,492)	-	(1,059)
		504,336	122,101	218,523	51,907
		-	-	-	-
		504,336	122,101	218,523	51,907
<i>Allocation of net income for the period:</i>					
		504,336	122,101		
		(14,799)	(4,073)		
		489,537	118,028		
<i>Accounting income available for distribution:</i>					
		7,374	-		
		482,163	118,028		
		489,537	118,028		

Earnings per unit

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

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022**

	Nine months period ended March 31,		Quarter ended March 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net income for the period after taxation	504,336	122,101	218,523	51,907
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>504,336</u>	<u>122,101</u>	<u>218,523</u>	<u>51,907</u>

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

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Nine months period ended March 31, 2022			Nine months period ended March 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at the beginning of the period	3,101,753	16,863	3,118,616	3,680,763	12,512	3,693,275
Issuance of 770,270,977 (March 31, 2021: 112,254,051) units including additional units						
- Capital value (at net assets value per unit at the beginning of the period)	38,873,882	-	38,873,882	5,655,841	-	5,655,841
- Element of income	58,152	-	58,152	139,556	-	139,556
	38,932,037	-	38,932,034	5,795,397	-	5,795,397
Redemption of 528,334,784 (March 31, 2021: 132,390,282) units						
- Capital value (at net assets value per unit at the beginning of the period)	(26,663,894)	-	(26,663,894)	(6,670,392)	-	(6,670,392)
- Element of income	(6,461)	(14,799)	(21,260)	(76,383)	(4,073)	(80,456)
	(26,670,355)	(14,799)	(26,685,154)	(6,746,775)	(4,073)	(6,750,848)
Total comprehensive income for the period	-	504,336	504,336	-	122,101	122,101
Total Interim distribution for the year ended Mar 31, 2022	14	(489,483)	(489,483)			
Refund of capital for the period ended Mar 31, 2022	(51,743)	-	(51,743)			
Total Interim distribution for the year ended Mar 31, 2021						
@ Rs 0.1882 per unit declared on July 22, 2020				(37)	(13,845)	(13,882)
@ Rs 1.8741 per unit declared on Feb 09, 2021				(62,268)	(77,701)	(139,969)
@ Rs 0.3194 per unit declared on March 15, 2021				(374)	(18,438)	(18,812)
	(51,743)	(489,483)	(541,226)	(62,679)	(109,984)	(172,663)
Net assets at the end of the period	<u>15,311,692</u>	<u>16,917</u>	<u>15,328,606</u>	<u>2,666,706</u>	<u>20,556</u>	<u>2,687,262</u>
Undistributed income brought forward comprising of:						
- Realised		16,863			12,512	
- Unrealised gain		-			-	
		16,863			12,512	
Accounting income available for distribution:						
- Relating to capital gains		7,374			-	
- Excluding capital gains		482,163			118,028	
		489,537			118,028	
Distributions during the period		(489,483)			(109,984)	
Undistributed income carried forward		<u>16,917</u>			<u>20,556</u>	
Undistributed income carried forward comprising of:						
- Realised		16,915			20,556	
- Unrealised		2			-	
		<u>16,917</u>			<u>20,556</u>	
Net asset value per unit at the beginning of the period		<u>50.4678</u>			<u>50.3843</u>	
Net asset value per unit at the end of the period		<u>50.4678</u>			<u>50.5448</u>	

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

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Nine months period ended	
	March 31, 2022	March 31, 2021
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	504,336	122,101
Adjustments for:		
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(2)	-
Provision for Sindh Workers' Welfare Fund (SWWF)	(12,614)	2,492
	<u>491,720</u>	<u>124,593</u>
Decrease / (increase) in assets		
Investments - net	2	
Advances, prepayments and profit receivable	(101,263)	1,916
	<u>(101,261)</u>	<u>1,916</u>
(Decrease) / increase in liabilities		
Payable to MCB - Arif Habib Savings and Investments Limited- Management Company	256	(123)
Payable to Digital Custodian Company Limited - Trustee	272	(73)
Payable to the Securities and Exchange Commission of Pakistan	566	(233)
Accrued expenses and other liabilities	3,635	26,507
	<u>4,729</u>	<u>26,078</u>
Net cash generated from operating activities	<u>395,187</u>	<u>152,587</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance and conversion of units	38,880,291	5,732,718
Payments against redemption and conversion of units	(26,685,154)	(6,750,848)
Dividend paid	(489,483)	(109,984)
Net cash generated from / (used in) financing activities	<u>11,705,654</u>	<u>(1,128,114)</u>
Net increase / (decrease) in cash and cash equivalents during the period	<u>12,100,842</u>	<u>(975,528)</u>
Cash and cash equivalents at the beginning of the period	3,141,821	3,703,623
Cash and cash equivalents at the end of the period	<u><u>15,242,663</u></u>	<u><u>2,728,095</u></u>

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

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pakistan Cash Management Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB-Arif Habib Savings and Investments Limited) as the Management Company and Habib Metropolitan Bank Limited as Trustee on February 08, 2008. Subsequently, Digital Custodian Company Limited has been appointed as the trustee of the fund with effect from July 21, 2014. The draft Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter dated February 01, 2008 consequent to which the Trust Deed was executed on February 08, 2008.
- 1.2 The Management Company of the Fund obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake asset management services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). 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-ended mutual fund and has been categorised as "money market scheme" and is listed on the Pakistan Stock Exchange Limited. The Fund primarily invests in market treasury bills, short term Government instruments and reverse repurchase transactions against government securities.
- 1.4 Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2021 to the Management Company and has assigned stability rating of 'AA+(f)' dated March 09, 2022 to the Fund.
- 1.6 Title to the assets of the Fund is held in the name of Digital Custodian Company 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 13, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC rules, the NBFC Regulations and requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.2 This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2021. The comparative in the statement of assets and liabilities presented in the condensed interim financial

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

information as at 31 March 2022 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2021, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2021.

2.3 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.

2.4 In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the state of affairs of the Fund.

2.5 This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

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 Funds for the year ended June 30, 2021.

		March 31, 2022 (Unaudited) ----- (Rupees in '000) -----	June 30, 2021 (Audited)
4. BALANCES WITH BANKS	Note		
In current accounts		4	20
In saving accounts	4.1	15,242,659	3,141,801
	4.2	<u>15,242,663</u>	<u>3,141,821</u>

4.1 These carry profit at the rates ranging from 8.25% to 12.65% per annum (Jun 2021: 5.50% to 7.85% per annum).

4.2 These includes balances with related party of Rs. 5.134 million (June 30, 2021: Rs. 2.747 million) maintained with MCB Bank Limited.

		March 31, 2022 (Un-Audited) ---- (Rupees in '000) ----	June 30, 2021 (Audited)
5 INVESTMENTS	Note		
Investments by category			
At fair value through profit or loss			
Government securities - Market treasury bills	5.1	<u>-</u>	<u>-</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022**

5.1 Market treasury bills

Name of Security	Issue Date	Face value				Balance as at March 31, 2022			Market value as a percentage of	
		As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at March 31, 2022	Carrying value	Market value	Unrealized gain / (loss)	net assets of the fund	total investments

----- (Rupees in '000) ----- % -----

Market treasury bills - 3 months

Market treasury bills	7-Oct-21	-	7,000,000	7,000,000	-	-	-	-	-	-
Market treasury bills	16-Dec-21	-	8,000,000	8,000,000	-	-	-	-	-	-
Market treasury bills	13-Jan-22	-	385,000	385,000	-	-	-	-	-	-
Market treasury bills	4-Nov-21	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	15-Jul-21	-	1,300,000	1,300,000	-	-	-	-	-	-
Market treasury bills	2-Jul-21	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	30-Dec-21	-	6,500,000	6,500,000	-	-	-	-	-	-
Market treasury bills	23-Sep-21	-	1,000,000	1,000,000	-	-	-	-	-	-
Market treasury bills	2-Dec-21	-	10,500,000	10,500,000	-	-	-	-	-	-
Market treasury bills	29-Jul-21	-	2,500,000	2,500,000	-	-	-	-	-	-
Market treasury bills	6-May-21	-	550,000	550,000	-	-	-	-	-	-
Market treasury bills	12-Aug-21	-	4,000,000	4,000,000	-	-	-	-	-	-
Market treasury bills	9-Sep-21	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	26-Aug-21	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	27-Jan-22	-	500,000	500,000	-	-	-	-	-	-

Market treasury bills - 6 months

Market treasury bills	25-Mar-21	-	250,000	250,000	-	-	-	-	-	-
Market treasury bills	29-Jul-21	-	1,500,000	1,500,000	-	-	-	-	-	-
Market treasury bills	25-Feb-21	-	200,000	200,000	-	-	-	-	-	-
Market treasury bills	6-May-21	-	1,500,000	1,500,000	-	-	-	-	-	-
Market treasury bills	2-Jul-21	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	30-Dec-21	-	1,000,000	1,000,000	-	-	-	-	-	-
Market treasury bills	26-Aug-21	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	12-Aug-21	-	2,500,000	2,500,000	-	-	-	-	-	-
Market treasury bills	3-Jun-21	-	3,800,000	3,800,000	-	-	-	-	-	-
Market treasury bills	22-Apr-21	-	1,400,000	1,400,000	-	-	-	-	-	-
Market treasury bills	9-Sep-21	-	2,500,000	2,500,000	-	-	-	-	-	-
Market treasury bills	20-May-21	-	2,000,000	2,000,000	-	-	-	-	-	-
Market treasury bills	15-Jul-21	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	27-Jan-22	-	900,000	900,000	-	-	-	-	-	-
Market treasury bills	17-Jun-21	-	1,000,000	1,000,000	-	-	-	-	-	-

Total as at March 31, 2022

- - -

Total as at June 30, 2021

- - -

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022**

		March 31, 2022 (Unaudited) ----- (Rupees in '000) -----	June 30, 2021 (Audited) ----- (Rupees in '000) -----
6	PAYABLE TO THE MCB-ARIF HABIB SAVINGS & INVESTMENTS LIMITED - MANAGEMENT COMPANY		
	Management remuneration payable	496	193
	Sindh sales tax on remuneration payable	65	25
	Payable against allocated expenses	-	62
	Sale Load Payable	-	25
		<u>561</u>	<u>305</u>

		March 31, 2022 (Unaudited) ----- (Rupees in '000) -----	June 30, 2021 (Audited) ----- (Rupees in '000) -----
7	ACCRUED AND OTHER LIABILITIES		
	Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	-
	Provision for Federal Excise Duty on remuneration to the Management Company	7.2	11,933
	Withholding tax payable	12	8,575
	Brokerage payable	27	24
	Auditors' remuneration payable	313	463
	Payable to legal advisor	48	31
	Other payables	12,351	20
		<u>24,684</u>	<u>33,660</u>

7.1 Provision for Sindh Workers' Welfare Fund (SWWF)

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 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. 12.614 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

7.2 Federal Excise Duty on remuneration to the Management Company

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2021. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2022 would have been higher by Re. 0.04 per unit (June 30, 2021: Re. 0.19 per unit).

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2022 and June 30, 2021.

9 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management intends to distribute atleast 90% of the income earned by the Fund during the year ending June 30, 2022 to the unit holders, no provision for taxation has been made in these condensed interim financial statements.

10 EARNINGS PER UNIT

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

11 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 0.32% (March 31, 2021: 0.45%) which includes 0.04% (March 31, 2021: 0.17%) representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee.

12 TRANSACTION 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

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

		(Un-Audited)	
		March 31, 2022	March 31, 2021
		----- (Rupees in '000) -----	
12.1	Details of transactions with connected persons are as follows:		
	MCB Arif Habib Savings and Investments Limited		
	Remuneration (including indirect taxes)	9,699	2,855
	Allocated expenses (including indirect taxes)	21	915
	Marketing And Selling Expense	2,147	-
	Group / Associated Companies		
	MCB Bank Limited		
	Mark-up on bank deposits	326	408
	Bank Charges	20	10
	Digital Custodian Company Limited - Trustee		
	Remuneration (including indirect taxes)	2,531	761
	Arif habib Limited - Brokerage house		
	Brokerage charges*	71	-

* 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 transaction with connected persons as the ultimate counter parties are not the connected persons.

		(Unaudited) March 31, 2022	(Audited) June 30, 2021
		----- (Rupees in '000) -----	
12.2	Balances outstanding at period / year end:		
	Management Company		
	MCB Arif Habib Savings and Investment Limited		
	Remuneration payable	496	193
	Sales tax on remuneration payable	65	25
	Allocated expenses payable	-	62
	Sales load payable	-	25
	Group / Associated Companies		
	MCB Bank Limited		
	Balance with bank	5,134	2,747
	Digital Custodian Company Limited - Trustee		
	Remuneration payable	313	73
	Sales tax on remuneration payable	41	9

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

12.3 Unit Holders' Fund

	March 31, 2022 (Unaudited)							
	As at July 01, 2021	Issued for cash	Redeemed	As at March 31, 2022	As at July 01, 2021	Issued for cash	Redeemed	As at March 31, 2022
	-----Units-----				----- (Rupees in '000) -----			
Associated company								
MCB Arif Habib savings and investments Limited	-	8,671,793	8,550,014	121,779	-	437,646	431,500	6,146
Security General Insurance Company Limited	-	14,032,397	14,021,590	10,807	-	708,184	707,639	545
Adamjee Insurance Co.Ltd. Employees Gratuity Fund	-	661,247	-	661,247	-	33,372	-	33,372
Adamjee Insurance Co.Ltd Employees Provident Fund	-	1,318,569	-	1,318,569	-	66,545	-	66,545
Nishat Paper Products Company Limited Staff Provident Fund Trust	-	364,413	-	364,413	-	18,391	-	18,391
Key management personnel*	-	417,047	417,046	1	-	21,060	21,063	-
Mandate under discretionary portfolio services*	98,279	7,749,627	5,878,855	1,969,051	4,960	391,480	297,493	99,374
Unit holders holding 10% or more units	-	79,730,063	-	79,730,063	-	4,023,801	-	4,023,801

* This reflects the position of related party / connected persons status as at March 31, 2022.

	March 31, 2021 (Unaudited)							
	As at July 01, 2020	Issued for cash	Redeemed	As at March 31, 2021	As at July 01, 2020	Issued for cash	Redeemed	As at March 31, 2021
	----- Units -----				----- (Rupees in '000) -----			
Associated company								
Hyundai Nishat Motor (Private) Limited Employees Provident Fund	44,239	2,109	-	46,348	2,229	106	-	2,343
MCB Arif Habib savings and investments Limited	-	2	2	-	-	-	-	-
Key management personnel*	-	12,958	12,958	-	-	653	654	-
Mandate under discretionary portfolio services*	-	37,616,967	37,236,434	380,532	-	1,949,312	1,930,745	19,234
Unit holders holding 10% or more units*	-	35,042,761	-	35,042,761	-	1,766,051	-	1,771,229

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

14 TOTAL DISTRIBUTION

During the period ended December 31, 2021, the Management Company on behalf of the Fund, has distributed Rs. 91.916 million and Rs. 60.713 million as dividend on September 14, 2021 and October 12, 2021, respectively. Subsequently, in accordance with an amendment in clause 5.1 of the Offering Document, the Fund has distributed and re-invested dividend on a daily basis. The amendment was made effective from October 13, 2021.

-----March 31, 2022-----				
----- (Unaudited) -----				
Declaration date	Rate per unit	Refund of capital	Distribution from income	Total distribution
----- (Rupees in '000) -----				
September 14, 2021	1.0029	45,851	46,065	91,916
October 12, 2021	0.3133	5,892	54,821	60,713
October 13, 2021 to March 6, 2022	1.8516	-	307,475	307,475
March 8, 2022 to March 31, 2022	0.3917	-	81,122	81,122
		51,743	489,483	541,226

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

(Unaudited)				(Unaudited)			
March 31, 2022				March 31, 2022			
Payout date	Payout per unit	Payout date	Payout per unit	Payout date	Payout per unit	Payout date	Payout per unit
	Rupees		Rupees		Rupees		Rupees
October 13, 2021	0.0101	December 2, 2021	0.0125	January 21, 2022	0.0109	March 13, 2022	0.0158
October 14, 2021	0.0105	December 3, 2021	0.0125	January 22, 2022	0.0135	March 14, 2022	0.0158
October 15, 2021	0.0080	December 4, 2021	0.0124	January 23, 2022	0.0134	March 15, 2022	0.0158
October 16, 2021	0.0104	December 5, 2021	0.0124	January 24, 2022	0.0124	March 16, 2022	0.0158
October 17, 2021	0.0104	December 6, 2021	0.0117	January 25, 2022	0.0162	March 17, 2022	0.0161
October 18, 2021	0.0082	December 7, 2021	0.0126	January 26, 2022	0.0133	March 18, 2022	0.0161
October 19, 2021	0.0087	December 8, 2021	0.0127	January 27, 2022	0.0158	March 19, 2022	0.0161
October 20, 2021	0.0088	December 9, 2021	0.0127	January 28, 2022	0.0136	March 20, 2022	0.0161
October 21, 2021	0.0029	December 10, 2021	0.0126	January 29, 2022	0.0136	March 21, 2022	0.0161
October 22, 2021	0.0100	December 11, 2021	0.0126	January 30, 2022	0.0136	March 22, 2022	0.0161
October 23, 2021	0.0110	December 12, 2021	0.0126	January 31, 2022	0.0106	March 23, 2022	0.0161
October 24, 2021	0.0109	December 13, 2021	0.0141	February 1, 2022	0.0122	March 24, 2022	0.0163
October 25, 2021	0.0086	December 14, 2021	0.0139	February 2, 2022	0.0141	March 25, 2022	0.0173
October 26, 2021	0.0101	December 15, 2021	0.0155	February 3, 2022	0.0154	March 26, 2022	0.0173
October 27, 2021	0.0108	December 16, 2021	0.0156	February 4, 2022	0.0155	March 27, 2022	0.0213
October 28, 2021	0.0106	December 17, 2021	0.0152	February 5, 2022	0.0135	March 28, 2022	0.0167
October 29, 2021	0.0081	December 18, 2021	0.0152	February 6, 2022	0.0135	March 29, 2022	0.0167
October 30, 2021	0.0106	December 19, 2021	0.0159	February 7, 2022	0.0126	March 30, 2022	0.0168
October 31, 2021	0.0106	December 20, 2021	0.0160	February 8, 2022	0.0135	March 31, 2022	0.0183
November 1, 2021	0.0105	December 21, 2021	0.0159	February 9, 2022	0.0134		
November 2, 2021	0.0105	December 22, 2021	0.0159	February 10, 2022	0.0115		
November 3, 2021	0.0106	December 23, 2021	0.0160	February 11, 2022	0.0131		
November 4, 2021	0.0105	December 24, 2021	0.0159	February 12, 2022	0.0136		
November 5, 2021	0.0105	December 25, 2021	0.0159	February 13, 2022	0.0136		
November 6, 2021	0.0104	December 26, 2021	0.0159	February 14, 2022	0.0114		
November 7, 2021	0.0104	December 27, 2021	0.0158	February 15, 2022	0.0119		
November 8, 2021	0.0109	December 28, 2021	0.0159	February 16, 2022	0.0132		
November 9, 2021	0.0103	December 29, 2021	0.0162	February 17, 2022	0.0138		
November 10, 2021	0.0104	December 30, 2021	0.0166	February 18, 2022	0.0138		
November 11, 2021	0.0104	December 31, 2021	0.0201	February 19, 2022	0.0138		
November 12, 2021	0.0105	January 1, 2022	0.0163	February 20, 2022	0.0138		
November 13, 2021	0.0104	January 2, 2022	0.0163	February 21, 2022	0.0128		
November 14, 2021	0.0104	January 3, 2022	0.0163	February 22, 2022	0.0138		
November 15, 2021	0.0102	January 4, 2022	0.0154	February 23, 2022	0.0133		
November 16, 2021	0.0104	January 5, 2022	0.0130	February 24, 2022	0.0084		
November 17, 2021	0.0100	January 6, 2022	0.0124	February 25, 2022	0.0131		
November 18, 2021	0.0102	January 7, 2022	0.0166	February 26, 2022	0.0138		
November 19, 2021	0.0098	January 8, 2022	0.0141	February 27, 2022	0.0138		
November 20, 2021	0.0107	January 9, 2022	0.0142	February 28, 2022	0.0123		
November 21, 2021	0.0106	January 10, 2022	0.0160	March 1, 2022	0.0141		
November 22, 2021	0.0087	January 11, 2022	0.0158	March 2, 2022	0.0125		
November 23, 2021	0.0123	January 12, 2022	0.0153	March 3, 2022	0.0116		
November 24, 2021	0.0124	January 13, 2022	0.0152	March 4, 2022	0.0133		
November 25, 2021	0.0125	January 14, 2022	0.0148	March 5, 2022	0.0138		
November 26, 2021	0.0123	January 15, 2022	0.0142	March 6, 2022	0.0138		
November 27, 2021	0.0124	January 16, 2022	0.0142	March 8, 2022	0.0127		
November 28, 2021	0.0124	January 17, 2022	0.0171	March 9, 2022	0.0150		
November 29, 2021	0.0124	January 18, 2022	0.0153	March 10, 2022	0.0159		
November 30, 2021	0.0124	January 19, 2022	0.0134	March 11, 2022	0.0157		
December 1, 2021	0.0124	January 20, 2022	0.0145	March 12, 2022	0.0158		

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022**

15 GENERAL

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

15.2 Certain prior period's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are material re-arrangements / re-classifications to report.

16 DATE FOR AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 20, 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

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

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