



**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

MARCH  
**2022**  
(UNAUDITED)

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



# **PAKISTAN INCOME FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	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
<b>Audit Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	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
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> 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	
<b>Bankers</b>	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	
<b>Auditors</b>	<b>Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	



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

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**Dear Investor,**

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

## **Economy and Money Market Review**

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

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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 8.64% as against its benchmark return of 9.91%.

At period end, the fund was 10.1% in TFCs and 52.7% in Cash. Weighted average maturity of the fund stood at 2.0 years.

The Net Assets of the Fund as at March 31, 2022 stood at Rs. 4,922 million as compared to Rs. 9,595 million as at June 30, 2021 registering a decrease of 48.70%.

The Net Asset Value (NAV) per unit as at March 31, 2022 was Rs. 57.8041 as compared to opening NAV of Rs. 54.2828 per unit as at June 30, 2021 registering an increase of Rs. 3.5213 per unit.

### 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 has 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

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 کوششوں کو بھی خراج تحسین پیش کرتے ہیں۔

من جانب ڈائریکٹرز



نسیم بیگ  
ڈائریکٹر /وائس چیئرمین  
20 اپریل 2022ء



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
20 اپریل 2022ء

کے نتیجے میں forward looking شروح سود بڑھ کر معتدل حد تک مثبت محل وقوع میں آگئی 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 کمی ہے۔ اسی طرح، رسک 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 شروحوں 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 net 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 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 پر کشش سطحوں پر ایکویٹی میں سرمایہ کاری کرنا چاہیں گے۔



## 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 پالترتیب 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 مسکڑ 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 وباء سے سب سے زیادہ متاثر ہوا تھا۔

مسلل 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 کامیاب 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۔ ترسیلات زر، جمع دو جہتی اور کثیر الجہتی آمدات بھی خارجی اکاؤنٹ کو سنبھالنے میں اہم عوامل ثابت ہوں گے۔

افراط 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 افراط زر کے قریب المیاد میں بلند رہنے کا امکان ہے۔ حالیہ مانیٹری پالیسی منعقدہ اپریل 2022ء میں اسٹیٹ بینک آف پاکستان (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

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 ترجمانی 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 وجوہ 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 تھے۔ 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 9.91 فیصد کے مقررہ منافع کے مقابلے میں 8.64 فیصد سالانہ منافع حاصل کیا۔ مدت کے اختتام پر فنڈ ٹی ایف سی میں 10.1 فیصد اور نقد میں 52.7 فیصد رہا۔ فنڈ کی وزنی اوسط پختگی 2.0 سال رہی۔ 31 مارچ 2022ء کو فنڈ کے خالص اثاثے 4,922 ملین روپے رہے جبکہ 30 جون 2021ء کو 9,595 ملین روپے تھے، یعنی 48.70 فیصد کی کمی درج کی گئی۔

31 مارچ 2022ء کو خالص اثاثہ قدر (این اے وی) فی یونٹ 57.8041 روپے رہی جبکہ 30 جون 2021ء کو (این اے وی) 54.2828 روپے فی یونٹ تھی، یعنی 3.5213 روپے فی یونٹ کا اضافہ درج کیا گیا۔

بورڈ آف ڈائریکٹرز کی جانب سے پاکستان انکم 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 ایکویٹی، 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 کی 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، کونڈا اور اس کے ساتھ ساتھ ویکسین کی یکبار در آمد۔ 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 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

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	5	4,115,068	4,557,894
Investments	6	3,621,863	5,983,085
Profit receivable		54,990	68,418
Advances, deposits, prepayments and other receivables		9,143	155,173
Receivable from National Clearing Company of Pakistan Limited		5,610	42,127
<b>Total assets</b>		<b>7,806,675</b>	<b>10,806,697</b>
<b>LIABILITIES</b>			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	7	5,153	8,847
Payable to Central Depository Company of Pakistan Limited - Trustee		416	723
Payable to Securities and Exchange Commission of Pakistan		1,195	1,062
Payable against redemption of units		47	47
Payable against purchase of investment		2,859,877	1,155,947
Accrued expenses and other liabilities	8	18,095	44,716
<b>Total liabilities</b>		<b>2,884,783</b>	<b>1,211,342</b>
<b>NET ASSETS</b>		<b>4,921,892</b>	<b>9,595,355</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>4,921,892</b>	<b>9,595,355</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>85,147,775</b>	<b>176,766,181</b>
		----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>57.8041</b>	<b>54.2828</b>

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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2022

		Nine months ended March 31,		Quarter ended March 31,	
		2022	2021	2022	2021
Note		----- (Rupees in '000) -----			
<b>INCOME</b>					
		224,054	46,707	82,190	28,115
		(59,508)	38,898	(10,189)	36,708
		55,699	22,488	-	13,994
		45,208	37,895	18,701	7,232
		159,498	76,502	48,311	49,478
		5,794	14,755	83	9,759
		121,435	(7,753)	-	8,591
		-	1,862	-	-
		15,860	29,510	7,895	648
		4,154	1,536	647	1,016
		572,195	262,400	147,639	155,541
<b>EXPENSES</b>					
	7.1	53,317	25,073	12,660	13,175
		6,931	3,259	1,646	1,713
		4,494	2,066	1,062	1,205
		584	269	138	157
		1,195	550	282	321
	7.3	5,991	2,754	1,415	1,606
	7.4	2,329	2,592	-	1,101
		4,396	1,867	390	1,185
		21,574	19,928	74	14,266
		513	101	(42)	33
		614	1,412	27	666
		486	454	150	148
	8.1	(18,571)	4,036	-	2,399
		829	265	139	18
		84,682	64,626	17,942	37,993
		487,513	197,774	129,697	117,548
		487,513	197,774	129,697	117,548
	10	-	-	-	-
		487,513	197,774	129,697	117,548
<b>Allocation of net income for the period:</b>					
		487,513	197,774		
		(268,686)	(36,679)		
		218,827	161,095		
<b>Accounting income available for distribution</b>					
		-	42,768		
		218,827	118,327		
		218,827	161,095		

Earnings per unit

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

	Nine months ended March 31,		Quarter ended March 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
<b>Net income for the period after taxation</b>	<b>487,513</b>	197,774	<b>129,697</b>	117,548
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>487,513</b>	197,774	<b>129,697</b>	117,548

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 NINE MONTHS ENDED MARCH 31, 2022

	For nine months ended March 31,					
	2022			2021		
	(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 232,100,857 units (2020: 197,639,523 units)						
- Capital value (at net asset value per unit at the beginning of the period)	12,599,085	-	12,599,085	10,713,446	-	10,713,446
- Element of income	359,552	-	359,552	430,905	-	430,905
	12,958,637	-	12,958,637	11,144,351	-	11,144,351
Redemption of 323,719,263 units (2020: 88,385,023 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(17,572,388)	-	(17,572,388)	(4,791,087)	-	(4,791,087)
- Element of income	(278,538)	(268,686)	(547,224)	(149,060)	(36,679)	(185,739)
	(17,850,926)	(268,686)	(18,119,612)	(4,940,147)	(36,679)	(4,976,826)
Total comprehensive income for the period	-	487,513	487,513	-	197,774	197,774
Net assets at end of the period	4,564,228	357,665	4,921,892	8,148,382	293,112	8,441,493
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		-			42,768	
- Excluding capital gains		218,827			118,327	
		218,827			161,095	
Undistributed income carried forward		357,665			293,112	
Undistributed income carried forward						
- Realised		341,805			263,602	
- Unrealised		15,860			29,510	
		357,665			293,112	
		(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		57.8041			57.2088	

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 NINE MONTHS ENDED MARCH 31, 2022

	Nine months ended March 31,	
	2022	2021
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	487,513	197,774
<b>Adjustments for non cash and other items:</b>		
Unrealised (appreciation) / diminution in fair value of investments classified as 'at fair value through profit or loss' - net	(15,860)	(29,510)
(Reversal)/ provision for Sindh Workers' Welfare Fund	(18,571)	4,036
	<b>453,081</b>	<b>172,300</b>
<b>(Increase) / decrease in assets</b>		
Investments	2,377,082	(1,923,091)
Profit receivable	13,428	(19,297)
Advances, deposits, prepayments and other receivables	146,030	(344,894)
Receivable from National Clearing Company of Pakistan Limited	36,517	(57,423)
	<b>2,573,057</b>	<b>(2,344,705)</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	(3,695)	6,644
Payable to the Central Depository Company of Pakistan Limited - Trustee	(307)	454
Payable to the Securities and Exchange Commission of Pakistan	133	223
Payable against purchase of investment	1,703,930	777,702
Dividend payable	-	-
Accrued expenses and other liabilities	(8,050)	47,954
	<b>1,692,012</b>	<b>832,977</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>4,718,150</b>	<b>(1,339,428)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	12,958,637	11,144,351
Payments on redemption of units	(18,119,612)	(4,976,826)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(5,160,976)</b>	<b>6,167,524</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>(442,826)</b>	<b>4,828,096</b>
Cash and cash equivalents at beginning of the period	4,557,894	970,246
<b>Cash and cash equivalents at end of the period</b>	<b>4,115,068</b>	<b>5,798,342</b>

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 STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

## 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 "AA-(f)" as stability rating dated March 3, 2022 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 statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises 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 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.

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 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 2022.

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

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.

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.

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

## 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 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.

## 4. FINANCIAL RISK MANAGEMENT

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

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	---- (Rupees in '000) ----	
<b>5. BANK BALANCES</b>			
Savings accounts	5.1	4,105,937	4,545,560
Current accounts	5.2	9,131	12,334
		<u>4,115,068</u>	<u>4,557,894</u>

5.1 These carry profit at the rates ranging between 5.50% to 12.15% (June 30, 2021: 5.50% to 9.75%) per annum and include Rs 0.012 million (June 30, 2021: Rs 2.83 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 8.25% (June 30, 2021: 5.50%) per annum.

5.2 These include balance amounting to Rs. 9.124 million related to MCB Bank Limited, a related party / connected person.

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	---- (Rupees in '000) ----	
<b>6. INVESTMENTS</b>			
<b>Financial assets 'at fair value through profit or loss' - net</b>	6.1		
Listed equity securities	6.1.1	-	3,377,757
Government securities - Market treasury bills	6.1.2	870,531	-
Pakistan investment bonds - Floating Rate Bond	6.1.4	1,961,875	2,282,147
Term finance certificates - listed	6.1.5	-	-
Term finance certificates - unlisted	6.1.6	772,175	204,992
Sukuks certificates - unlisted	6.1.7	17,282	40,218
Future stock contracts		-	77,971
		<u>3,621,863</u>	<u>5,983,085</u>

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

**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 March 31, 2022	As at March 31, 2022			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)			
<b>Automobile Assembler</b>											
Ghandhara Industries Limited	-	-	-	-	-	-	-	-	-	-	-
Ghandhara Nissan Limited	-	15,000	-	15,000	-	-	-	-	-	-	-
Pak Suzuki Motors Company Limited	18,000	28,500	-	46,500	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	71,000	80,000	-	151,000	-	-	-	-	-	-	-
<b>Cable &amp; Electrical Goods</b>											
Pak Elektron Limited	2,192,500	1,813,000	-	4,005,500	-	-	-	-	-	-	-
Waves Singer Pakistan Limited	201,500	6,101,500	-	6,303,000	-	-	-	-	-	-	-
<b>Cement</b>											
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	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
<b>Chemicals</b>											
Descon 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	-	-	-	-	-	-	-
Silara Peroxide Limited	-	-	-	-	-	-	-	-	-	-	-
<b>Commercial Banks</b>											
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 STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2022**

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 March 31, 2022	As at March 31, 2022			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)			
										(%)	
<b>Engineering</b>											
Aisha Steel Mills Limited	4,971,000	27,299,500	-	32,270,500	-	-	-	-	-	-	-
Amreli Steels Limited	267,500	303,000	-	570,500	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
<b>Fertilizer</b>											
Engro Fertilizer Limited	-	131,000	-	131,000	-	-	-	-	-	-	-
Engro Corporation Limited	1,000	73,000	-	74,000	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	2,200,500	470,000	-	2,670,500	-	-	-	-	-	-	-
<b>Food and Personal Care Products</b>											
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	-	-	-	-	-	-	-
<b>Glass &amp; Ceramics</b>											
Shabbir Tiles & Ceramics Limited	-	500	-	500	-	-	-	-	-	-	-
Tariq Glass Industries	3,000	89,500	-	92,500	-	-	-	-	-	-	-
<b>Miscellaneous</b>											
Siddiqsons Tin Plate Limited	-	2,545,000	-	2,545,000	-	-	-	-	-	-	-
<b>Oil &amp; Gas Exploration Companies</b>											
Oil & Gas Development Company Limited	685,000	2,281,000	-	2,946,000	-	-	-	-	-	-	-
Pakistan Oilfields Limited	-	-	-	-	-	-	-	-	-	-	-
Pakistan Petroleum Limited	151,500	654,000	-	805,500	-	-	-	-	-	-	-
<b>Oil And Gas Marketing Companies</b>											
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	-	-	-	-	-	-	-
<b>Pharmaceuticals</b>											
The Searle Company Limited	36,000	87,000	-	123,000	-	-	-	-	-	-	-
<b>Power Generation &amp; Distribution</b>											
Hub Power Company Limited	173,500	840,000	-	1,013,500	-	-	-	-	-	-	-
Kot Addu Power Co. Limited	405,500	954,000	-	1,359,500	-	-	-	-	-	-	-

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

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 March 31, 2022	As at March 31, 2022			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)											
----- (%)											
K-Electric Limited	3,905,500	483,500	-	4,389,000	-	-	-	-	-	-	-
<b>Refinery</b>											
Attock Refinery Limited	1,170,500	1,838,500	-	3,009,000	-	-	-	-	-	-	-
Energyco 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	-	-	-	-	-	-	-
<b>Technology &amp; Communications</b>											
Avanceon 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	-	-	-	-	-	-	-
<b>Textile Composite</b>											
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	-	-	-	-	-	-	-
<b>Transport</b>											
Pakistan International Bulk Terminal Limited	4,684,500	3,666,500	-	8,351,000	-	-	-	-	-	-	-
<b>Total as at March 31, 2022</b>						-	-	-			
Total as at June 30, 2021						3,381,434	3,377,757	(3,677)			

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

**6.1.2 Government securities - Market treasury bills**

Tenor	Issue Date	Face value				As at March 31, 2022			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 March 31, 2022	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	-	-	-	-	-	-
- 3 months	January 27, 2022	-	1,200,000	1,200,000	-	-	-	-	-	-
- 3 months	December 30, 2021	-	750,000	750,000	-	-	-	-	-	-
- 3 months	January 13, 2022	-	960,000	960,000	-	-	-	-	-	-
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	700,000	-	-	-	-	-	-
- 6 months	December 16, 2021	-	4,500,000	4,500,000	-	-	-	-	-	-
- 6 months	January 27, 2022	-	750,000	750,000	-	-	-	-	-	-
12 months										
- 12 months	December 30, 2021	-	1,400,000	700,000	700,000	640,700	640,697	(3)	13%	18%
- 12 months	December 16, 2021	-	750,000	500,000	250,000	229,839	229,834	(5)	5%	6%
Total as at March 31, 2022						870,539	870,531	(8)		
Total as at June 30, 2021						-	-	-		

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

**6.1.3 Pakistan investment bonds**

Particulars	Issue Date	Face value				As at March 31, 2022			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 during the period	As at March 31, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)		
(Rupees in '000)										
Pakistan Investment Bonds-3 Years	August 20, 2020	100,000	350,000	450,000	-	-	-	-	-	-
Pakistan Investment Bonds-5 Years	October 15, 2020	50,000	450,000	500,000	-	-	-	-	-	-
Pakistan Investment Bonds-5 Years	July 12, 2018	650,000	250,000	900,000	-	-	-	-	-	-
Total as at March 31, 2022						-	-	-	-	-
Total as at June 30, 2021						784,815	786,142	1,327		

**6.1.4 Pakistan investment bonds - Floating Rate Bond**

Particulars	Issue Date	Face value				As at March 31, 2022			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 during the period	As at March 31, 2022	Carrying value	Market value	Unrealised appreciation / (diminution)		
(Rupees in '000)										
Pakistan Investment Bond - 2 years	August 26, 2020	-	2,500,000	1,250,000	1,250,000	1,241,964	1,241,625	(339)	25%	34%
Pakistan Investment Bond - 2 years	November 5, 2020	550,000	500,000	500,000	550,000	548,419	548,680	261	11%	15%
Pakistan Investment Bond - 3 years	October 22, 2020	300,000	550,000	850,000	-	-	-	-	0%	0%
Pakistan Investment Bond - 3 years	June 18, 2020	650,000	650,000	1,300,000	-	-	-	-	0%	0%
Pakistan Investment Bond - 5 years	May 6, 2021	-	525,000	350,000	175,000	171,605	171,570	(35)	3%	5%
Total as at March 31, 2022						1,961,988	1,961,875	(113)		
Total as at June 30, 2021						1,495,982	1,496,005	23		

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

<b>Note</b>	<b>(Un-audited) March 31, 2022 ----- (Rupees in '000) -----</b>	<b>(Audited) June 30, 2021 -----</b>
6.1.5.1	99,771	99,771
	(49,940)	(49,940)
	(31,088)	(31,088)
	(18,743)	(18,743)
	(99,771)	(99,771)
	-	-

**6.1.5 Listed debt securities - term finance certificates**

Market value as at June 30

Less: Provision as at July 1  
 - Pace Pakistan Limited  
 - Telecard Limited  
 - Trust Investment Bank Limited

**6.1.5.1 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 March 31, 2022			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 March 31, 2022	Unrealised appreciation / (diminution)	Market value		
							----- (Rupees in '000) -----	----- ( % ) -----
<b>Investment Banks / Investment Companies / Securities Companies</b>								
Trust Investment Bank Limited	10,000	-	10,000	-	-	-	-	-
<b>Miscellaneous</b>								
Pace Pakistan Limited	10,000	-	10,000	-	-	-	-	-
<b>Technology &amp; Communication</b>								
Telecard Limited	19,975	-	19,975	-	-	-	-	-
<b>Total as at March 31, 2022</b>								
						99,771	99,771	-
Total as at June 30, 2021								

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

**6.1.6 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 March 31, 2022			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 March 31, 2022	Carrying value	Unrealised appreciation / (diminution)		
------(Rupees in '000)-----								
----- (%) -----								
Commercial Banks								
Askari Bank Limited - II	30	-	-	30	29,693	30,450	757	0.84%
The Bank of Punjab	880	1,700	850	1,730	172,736	172,439	(297)	4.76%
Bank Al Habib Limited	-	100,000	-	100,000	499,900	513,397	13,497	14.17%
Investment Banks / Investment Companies / Securities Companies								
Jahangir Siddiqui & Company Limited	22,000	-	-	22,000	54,639	55,889	1,250	1.54%
Total as at March 31, 2022					756,968	772,175	15,207	
Total as at June 30, 2021					204,163	204,992	829	

**6.1.6.1** Significant terms and conditions of term finance certificates outstanding as at March 31, 2022 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
<b>Commercial Banks</b>				
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
Bank Al Habib Limited	6 months KIBOR + 0.75%	September 30, 2021	September 30, 2031	AAA
<b>Investment Banks / Investment Companies / Securities Companies</b>				
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 STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2022**

**6.1.7 Unlisted debt securities - Sukuk certificates**

Certificates have a face value of Rs 100,000 each

Name of investee company	Number of certificates			As at March 31, 2022			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 March 31, 2022	Carrying value	Unrealised appreciation / (diminution)		
Rupees in '000) ( % )								
<b>Chemical</b>								
Ghani Gases Limited	480	-	-	480	13,938	14,720	782	0.30 0.41
<b>Refinery</b>								
Byco Petroleum Pakistan Limited	10	-	-	10	333	338	5	0.01 0.01
<b>Miscellaneous</b>								
International Brands Limited	500	-	-	500	2,220	2,224	4	0.05 0.06
<b>Total as at March 31, 2022</b>					<b>16,491</b>	<b>17,282</b>	<b>791</b>	
Total as at June 30, 2021					39,474	40,218	744	

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

**6.1.7.1** Significant terms and conditions of Sukuk certificates outstanding as at March 31, 2022 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 STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Note	(Un-audited) March 31, 2022 (Rupees in '000)	(Un-audited) March 31, 2021
<b>6.1.8 Unrealised appreciation in fair value investments classified as at fair value of profit of loss net</b>			
Market value of investments	6.1.1, 6.1.2, 6.1.3, 6.1.4, 6.1.5, 6.1.6, 6.1.7	3,621,863	3,079,227
Carrying value of investments	6.1.1, 6.1.2, 6.1.3, 6.1.4, 6.1.5, 6.1.6, 6.1.7	3,605,986	(3,113,336)
		<b>15,878</b>	<b>(34,109)</b>

	Note	(Un-audited) March 31, 2022 (Rupees in '000)	(Audited) June 30, 2021
<b>7. PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>			
Management remuneration payable	7.1	4,035	6,772
Sindh sales tax payable on management remuneration	7.2	524	880
Sales load payable		103	343
Payable against allocated expenses	7.3	490	852
Payable against marketing and selling expenses	7.4	-	-
		<b>5,153</b>	<b>8,847</b>

**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 to 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 STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
		(Rupees in '000)	
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
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		38	8,812
Capital gain tax		7,084	6,779
Auditors' remuneration		258	409
Legal and Professional Charges		420	31
Other		846	665
		<b>18,095</b>	<b>44,716</b>

## 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 March 31, 2022 would have been higher by Rs. 0.111 per unit (June 30, 2021: Re. 0.0534 per unit).

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

There were no contingencies as at March 31, 2022 (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) March 31, 2022	(Audited) June 30, 2021
	---(Rupees in '000)---	
	-	-
Margin Trading Systems (MTS) transaction entered into by the Fund which have not been settled as at period end:		
- Sale transactions	-	-

## 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 STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

## 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 March 31, 2022 is 1.72% and this includes 0.15% 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 nine months ended March 31, 2022							
	As at July 01, 2021	Issued for cash	Redeemed	As at March 31, 2022	As at July 01, 2021	Issued for cash	As at March 31, 2022
	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
DG Khan Cement Company Limited Employees Provident Fund Trust	-	435,219	-	435,219	-	25,000	-
Adamjee Insurance 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	-
Directors and key management personnel of the Management Company	55	70,384	70,386	53	3	3,957	3,962
Mandate under discretionary portfolio services	26,650,498	39,862,597	66,378,138	134,957	1,446,664	2,240,248	3,722,043
							7,801
For the nine months ended March 31, 2021							
	As at July 01, 2020	Issued for cash	Redeemed	As at March 31, 2021	As at July 01, 2020	Issued for cash	As at March 31, 2021
	Units				(Rupees in '000)		
MCB Arif Habib Savings And Investments Limited	-	10,607,741	5,968,270	4,639,471	-	600,238	338,318
Nishat Mills Limited Employees Provident Fund Trust	-	11,467,428	-	11,467,428	-	648,750	-
Adamjee Insurance Company Limited - Employees Gratuity Fund	-	265,328	18,807	246,522	-	15,000	1,066
Adamjee Insurance Company Limited - Employees Provident Fund	-	530,657	530,657	-	-	30,000	30,113
Adamjee Life Assurance Company Limited - Employees Gratuity Fund	97,032	-	-	97,032	5,260	-	-
Security General Insurance Company Limited	5,540,636	2,691,901	8,213,021	19,516	300,341	150,000	454,000
Directors and key management personnel of the Management Company	-	130,288	130,288	-	-	7,401	7,405
Mandate under discretionary portfolio services	-	25,999,695	9,703,278	16,296,417	-	1,470,586	549,011
							932,298

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

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

	March 31, 2022 ----- (Rupees in '000) -----	March 31, 2021 ----- (Rupees in '000) -----
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration including indirect taxes	60,248	28,332
Allocated expenses	5,991	2,754
Marketing and selling expense	2,329	2,592
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration including indirect taxes	5,078	2,335
CDS charges	2,100	709
<b>Arif Habib Limited - Subsidiary of Associated Company</b>		
Brokerage expense *	53	-
<b>MCB Bank Limited - Parent of the Management Company</b>		
Profit on bank balances	125	266
Bank charges	55	31
Purchase of securities : Face value Nil ( 2021: Face value: 1,000 M)	-	983,038
<b>Aisha Steel Limited</b>		
Purchase of 27,299,500 shares (2021: 4,494,500 shares)	592,440	111,413
Sell of 32,270,500 shares (2021: 754,500 shares)	716,900	18,406
Dividend Income	11,070	-
<b>Adamjee Insurance Company Limited</b>		
Purchase of Nil shares (2021: 6,500 shares)	-	246
Sell of Nil shares (2021: 6,500 shares)	-	248
<b>DG Khan Cement Company Limited</b>		
Purchase of 2,506,500 shares (2021: 1,892,000 shares)	243,649	210,625
Sell of 2,848,000 shares (2021: 1,847,000 shares)	287,319	206,480
Dividend Income	1,095	-
<b>Nishat Chunian Limited</b>		
Purchase of 1,256,000 shares (2021: 993,000 shares)	61,065	48,236
Sell of 1,259,500 shares (2021: 178,500 shares)	57,548	9,038
Dividend Income	4,115	-
<b>Nishat Mills Limited</b>		
Purchase of 644,000 shares (2021: 401,500 shares)	62,132	40,754
Sell of 683,000 shares (2021: 347,500 shares)	66,508	35,067
Dividend Income	46	670
<b>Power Cement Limited</b>		
Purchase of 258,500 shares (2021: 2,676,500 shares)	2,147	27,050
Sell of 712,500 shares (2021: 2,656,000 shares)	6,706	27,094
<b>Pak Elektron Limited</b>		
Purchase of 1,813,000 shares (2021: 5,860,500 shares)	58,338	211,178
Sell of 4,005,500 shares (2021: 5,860,500 shares)	137,039	212,991

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

	March 31, 2022 ----- (Rupees in '000) -----	June 30, 2021 ----- (Rupees in '000) -----
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Management remuneration payable	4,035	6,772
Sindh sales tax payable on management remuneration	524	880
Sales load payable	103	343
Payable against allocated expenses	490	852
Payable against marketing and selling expenses	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	368	640
Sindh sales tax payable on Trustee remuneration	48	83
Security deposit	200	200
<b>MCB Bank Limited - Parent of the Management Company</b>		
Bank balance	9,136	15,156
<b>D.G. Khan Cement Company Limited</b>		
Nil shares (2021: 341,500 shares)	-	40,270
<b>Aisha Steel Limited</b>		
Nil shares shares (2021: 4,971,000 shares)	-	123,828
<b>Nishat Chunian Limited</b>		
Nil shares (2021: 3,500 shares)	-	176
<b>Nishat Mills Limited</b>		
Nil shares (2021: 39,000 shares)	-	3,639
<b>Power Cement Limited</b>		
Nil shares shares (June 2021: 454,000 shares)	-	4,363
<b>Pak Elektron Limited</b>		
Nil shares shares (June 2021: 2,192,500 shares)	-	76,869

\* 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 STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

### 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).

### 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 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**

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