

# **PAKISTAN CASH MANAGEMENT FUND**

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## FUND'S INFORMATION

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|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| <b>Management Company</b>                                    | MCB-Arif Habib Savings & Investments Limited<br>24th Floor, Centre Point, Off Shaheed-e-Millat Expressway<br>Near K.P.T. Interchange, Karachi.                                           |                                                                                                                  |
| <b>Board of Directors</b>                                    | Mian Muhammad Mansha<br>Mr. Nasim Beg<br>Mr. Muhammad Saqib Saleem<br>Syed Savail Meekal Hussain<br>Mr. Haroun Rashid<br>Mr. Ahmed Jahangir<br>Mr. Samad A. Habib<br>Mr. Mirza Qamar Beg | Chairman<br>Vice Chairman<br>Chief Executive Officer<br>Director<br>Director<br>Director<br>Director<br>Director |
| <b>Audit Committee</b>                                       | Mr. Haroun Rashid<br>Mr. Ahmed Jahangir<br>Mr. Mirza Qamar Beg<br>Mr. Nasim Beg                                                                                                          | Chairman<br>Member<br>Member<br>Member                                                                           |
| <b>Risk Management Committee</b>                             | Mr. Mirza Qamar Beg<br>Mr. Ahmed Jahangir<br>Mr. Nasim Beg                                                                                                                               | Chairman<br>Member<br>Member                                                                                     |
| <b>Human Resource &amp; Remuneration Committee</b>           | Mr. Mirza Qamar Beg<br>Mr. Nasim Beg<br>Mr. Haroun Rashid<br>Mr. Ahmed Jahangir<br>Mr. Muhammad Saqib Saleem                                                                             | Chairman<br>Member<br>Member<br>Member<br>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. Amir Qadir                                                                                                                                                                           |                                                                                                                  |
| <b>Trustee</b>                                               | <b>MCB Financial Services Limited</b><br>4th Floor, Pardesi House, Old Queens Road,<br>Karachi - Pakistan.<br>Ph: (92-21) 32419770<br>Fax: (92-21) 32416371<br>Web: www.mchfsl.com.pk    |                                                                                                                  |
| <b>Bankers</b>                                               | MCB Bank Limited<br>Habib Metropolitan Bank Limited<br>Bank Al-Falah Limited<br>United Bank Limited<br>Allied Bank Limited<br>Bank Al-Habib Limited<br>Zarai Traqiati Bank Limited       |                                                                                                                  |
| <b>Auditors</b>                                              | <b>A.F. Ferguson &amp; Co.</b><br>Chartered Accountants<br>(A Member Firm of PWC Network)<br>State Life Building 1-C,<br>I.I. Chundrigar Road, Karachi.                                  |                                                                                                                  |
| <b>Legal Advisor</b>                                         | <b>Bawaney &amp; Partners</b><br>3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area<br>Phase VI, D.H.A., Karachi                                                                    |                                                                                                                  |
| <b>Transfer Agent</b>                                        | <b>MCB-Arif Habib Savings &amp; Investments Limited</b><br>24th Floor, Centre Point,<br>Off Shaheed-e-Millat Express Way<br>Near K.P.T. Interchange, Karachi.                            |                                                                                                                  |
| <b>Rating</b>                                                | <b>AM2++</b> Asset Manager Rating assigned by PACRA                                                                                                                                      |                                                                                                                  |

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2019

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Dear Investor,

On behalf of the Board of Directors, We are pleased to present **Pakistan Cash Management Fund's** accounts review for the quarter ended September 30, 2019.

## ECONOMY AND MONEY MARKET OVERVIEW

Stabilization measures pursued by the government have started to bear fruits as the Balance of Payment situation continues to improve. The Current Account Deficit (CAD) contracted by ~55% on an Year on Year (YoY) basis to USD 1.3 billion in the first two months of FY20. Imports of goods continued to nose-dive as it compressed by 23.5% while exports increased by 1.4% in the first two months. On the flip side, remittances remained weak amidst lesser number of working days and declined by 8% during the first two months of the fiscal year. Foreign exchange reserves increased by USD 1.2 billion during the period as Pakistan received its first tranche of USD 1.3 billion from IMF, while the outflow from CAD remained restrained.

CPI was rebased with a new base of 2015-16 and the average for newly rebased CPI clocked in at 10.1% YoY. However, the latest monthly readings were recorded north of 11% as rising food and energy prices took its toll on the index. Food inflation during the latest month was recorded at 15.0% YoY. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged 8.4% for the quarter.

Large Scale Manufacturing as anticipated continued on a downward trajectory as the import based consumption demand evaporated. LSM posted a decline of ~3.3% in July, 2019 primarily decline emanating from cyclical sectors. Both Autos and Steel manufacturing saw demand compression of 27.5% and 15.5% respectively.

Provisional number of tax collection were also encouraging as FBR collected PKR 962 billion in the first quarter of the current fiscal year, which was 16% higher compared to the corresponding period of the last year. Dissecting the performance in terms of domestic and international collection, the performance was even better as domestic tax revenue grew by 28% YoY. The non-tax collection as per the provisional estimates were also promising as the government managed to collect PKR ~400 billion with the major portion driven by Surplus Profitability from SBP and Sale of Telecom sector licenses. The target for primary deficit was also met as per the provisional estimates as government generated a surplus of PKR 200 billion.

During the period under review, yield curve shifted downwards owing to massive demand for longer tenor bonds as market participants drew comfort from stabilization measures and anticipated outlook of lower inflation. 2 Year bonds eased of by 86 bps during the quarter while the longer end (10Y) saw a massive easing of 154 bps during the same period. The State Bank of Pakistan (SBP) in its latest bi-monthly Monetary Policy Statement also left the Policy Rate unchanged at 13.25%, citing the Monetary Policy Committee's outlook on moderating inflation and balance of payment situation. The monetary policy committee kept the status quo after 8 successive increases.

## FUND PERFORMANCE

During the period under review, the fund generated an annualized return of 10.84% as against its benchmark return of 12.61%.

The fund's exposure was shifted towards T-Bills but still major chunk was invested in Cash at the quarter-end due to attractive rates offered by the commercial banks.

The Net Assets of the Fund as at September 30, 2019 stood at Rs. 109 million as compared to Rs. 190 million as at June 30, 2019 registering a decrease of 42.63%.

The Net Asset Value (NAV) per unit as at September 30, 2019 was Rs. 51.7397 as compared to opening NAV of Rs. 50.3639 per unit as at June 30, 2019 registering an increase of Rs. 1.3758 per unit.

## FUTURE OUTLOOK

Policy adjustments by the central bank will result in macroeconomic consolidation thus restricting the economic growth in low single digits for the current year. IMF forecasts Pakistan GDP growth to slow down to 2.5% in FY20, in the wake of tightening policies pursued by the government. Industrial growth will remain muted particularly for the import-driven consumption based sectors. However, export driven industrial companies can provide some respite as the government has incentivized the above, while increased power supply also eliminates bottleneck for them.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2019

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Balance of Payment worries are over for now as current account deficit has adjusted to reasonable level since the policy actions taken by the central government. Our forecast at very conservative assumptions is that CAD will settle at 2.6% of GDP. We have assumed crude oil prices at USD 70/BBL, which are currently hovering near USD 60/BBL. After signing up for an IMF program, Pakistan will be able to finance its gross finance requirements by tapping into international avenues. Saudi deferred oil facility will also provide a short term buffer to foreign exchange reserves. We expect foreign exchange reserves to increase to USD ~12 billion by the end of the current fiscal year. With PKR aligned to its equilibrium levels (Aug'19 REER at 92.71) and current account deficit in a sustainable range, PKR should now depreciate nominally based on its historical average.

CPI is expected to jack up to an average of ~11.0% for the fiscal year from current quarter average of 10.1% owing to a hike in food inflation and rising utility prices. Nevertheless, we expect core inflation as represented by Non Food Non Energy (NFNE) to average below 10.0% for the year. We expect the 12 month forward CPI to start slowing down from the second half of this fiscal year, which will open the room for monetary easing as central bank has indicated to opt for more proactive monetary policy approach.

On the fiscal side, the government is aiming to limit fiscal deficit at 7.4% of GDP for the year. While the final target for fiscal deficit can evolve, nevertheless, it has to meet the primary condition of IMF for limiting the primary deficit at 0.6% of GDP. For this purpose, FBR is targeting an ambitious tax collection of PKR 5.5 trillion (up 35% YoY). The budget presented in the parliament proposed PKR 600-700 billion of tax measures, while the remaining amount was kept contingent on FBR efforts and economic growth. On the expenditure side, the government is aiming for austerity measures on the current expenditure side, however, it is aiming for an expansionary Public Sector Development Program (PSDP) of PKR 1.7 trillion (up 40% YoY). We believe the tax collection target to be highly optimistic and expect a shortfall of PKR ~400-500 billion. The result of provisional tax collection for 1Q assert our view as there was a shortfall of PKR 100 billion during the quarter. Resultantly, the shortfall in tax collection will trickle down to a lower development spending.

On the equity side, we believe, the last two years' market performance (down approx. 39% from peak levels) has reflected the concerns on political and economic direction & also reflected in performance of cyclical stocks where correction in stock prices is even sharper. We continue to reiterate our stance that current levels offer very attractive levels for long term investors with very little downside potential. We believe upside in stocks shall unveil only gradually as confidence reigns back and economic policies shape the outlook in the expected manner. Therefore, going forward, stocks offer long term investment opportunity with rewards for patient investors. We continue to track trends in the economic indicators of the country and adjust our portfolio accordingly.

The equity strategy should be a mix of macro based theme along with bottom up analysis. The overall strategy should be a focus towards defensive sectors (E&P's, Power, Fertilizers) and sector which will benefit from changing dynamics on macro front (Commercial Banks) should be overweight. In addition to that, government's strong focus on reviving exports should provide a boost to the outlook of export oriented sectors such as Textiles & IT. Despite being negative on cyclical stocks, we believe there will be distressed assets and quality companies which should be looked into as they have a tendency to provide abnormal returns.

### 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  
October 24, 2019



**Nasim Beg**  
Vice Chairman / Director

## ڈائریکٹر رپورٹ

(35 فیصد YoY زیادہ) ٹیکس جمع کرنے کا پُرس عزم ہدف طے کر رہی ہے۔ پارلیمنٹ میں پیش کردہ بجٹ میں 600 سے 700 بلین روپے ٹیکس کے اقدامات کی تجویز دی گئی جبکہ باقی مقدار کو ایف بی آر کی کوششوں اور معاشی ترقی سے مشروط کیا گیا۔ اخراجات کی جہت میں حکومت کرنٹ اخراجات کے حوالے سے سادگی کے اقدامات پر توجہ دے رہی ہے، تاہم 1.7 ٹریلین روپے (40 فیصد YoY زیادہ) کا ایک توسیعی پبلک سیکٹر ڈولپمنٹ پروگرام (پی ایس ڈی پی) کے لیے بھی کوشاں ہے۔ ہم ٹیکس وصولی کے ہدف کو بے حد مثبت پسند سمجھتے ہیں لیکن ہمیں لگتا ہے کہ اس میں 400 سے 500 بلین روپے کی کمی آئے گی۔ پہلی سہ ماہی میں عارضی ٹیکس وصولی کے نتیجے سے ہمارے نظریے کی توثیق ہوتی ہے کیونکہ دوران سہ ماہی 100 بلین ڈالر کی کمی ہوئی تھی۔ ٹیکس وصولی میں کمی کے نتیجے میں ترقیاتی اقدامات کے لیے کم رقم خرچ کی جائے گی۔

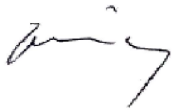
ایکویٹی کی جہت میں ہم سمجھتے ہیں کہ گزشتہ دو برسوں کی مارکیٹ کی کارکردگی (بلند ترین سطحوں سے تقریباً 39 فیصد کم) سے سیاسی اور معاشی سمت پر خدشات کی عکاسی ہوئی، اور گردشی اسٹاکس کی کارکردگی میں بھی یہی عکاسی ہوتی ہے جہاں اسٹاک کی قیمتوں میں اصلاح تیز تر ہے۔ ہم اپنے موقف پر قائم ہیں کہ موجودہ سطحیں طویل المیعاد سرمایہ کاروں کے لیے بے حد پُرکشش سطحیں پیش کرتی ہیں کیونکہ اس میں خسارے کے امکانات کم ہیں۔ ہم سمجھتے ہیں کہ اسٹاکس میں مثبت رجحان بتدریج ظاہر ہوگا جب اعتماد بحال ہوگا اور معاشی پالیسیوں سے متوقع انداز میں مستقبل کے امکانات کی تشکیل ہوگی۔ چنانچہ اسٹاکس سے طویل المیعاد سرمایہ کاری کا موقع فراہم ہوتا ہے جس میں صبر و تحمل کا مظاہرہ کرنے والے سرمایہ کاروں کے لیے فوائد مضمر ہیں۔ ہم منڈی کی معاشی علامات سے باخبر رہنے اور ان کے مطابق اپنے دائرہ کار میں مطلوبہ ترمیم کرنے کا سلسلہ جاری رکھے ہوئے ہیں۔

ایکویٹی کے لائحہ عمل میں کلاں معاشیات پر مبنی عوامل اور bottom up تجزیے کا امتزاج ہونا چاہیے۔ مجموعی طور پر حکمت عملی کی توجہ دفاعی شعبہ جات - ایکسپلوریشن اینڈ پروڈکشن (E&Ps)، پاور، کھاد - پر ہونی چاہیے اور کلاں معاشی میدان میں تبدیل ہوتے ہوئے عوامل سے مستفید ہونے والے شعبے (کمرشل بینکوں) کو زیادہ وزن دیا جانا چاہیے۔ علاوہ ازیں، برآمدات کی بحالی پر حکومت کی بھرپور توجہ سے برآمدات پر منحصر شعبوں مثلاً ٹیکسٹائلز اور انفارمیشن ٹیکنالوجی (IT) کے لیے مستقبل کے امکانات روشن ہوں گے۔ گردشی اسٹاکس میں منفی رجحان کے باوجود ہم سمجھتے ہیں کہ ایسے distressed اثاثہ جات اور کوالٹی کمپنیاں موجود ہیں جن پر توجہ دی جانی چاہیے کیونکہ یہ غیر معمولی منافع جات فراہم کرنے کی استعداد کے حامل ہیں۔

اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے گراں قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیز کی مسلسل معاونت اور پشت پناہی کے لئے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹر مینجمنٹ ٹیم کی کوششوں کو بھی خراج تحسین پیش کرتے ہیں۔

من جانب ڈائریکٹرز،



نسیم بیگ

وائس چیئرمین / ڈائریکٹر



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

24 اکتوبر، 2019ء

## فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 10.84 فیصد منافع حاصل کیا جبکہ منافع کے 12.61 فیصد تھا۔ فنڈ کی سرمایہ کاری کو ٹریڈری بلز کی طرف منتقل کیا گیا لیکن اختتام سہ ماہی پر اکثر حصہ نقد میں لگا ہوا تھا جس کی وجہ کمرشل بینکوں کی طرف سے پیش کردہ پُرکشش شرحیں ہیں۔ 30 ستمبر 2019ء کو فنڈ کے net اثاثہ جات 109 ملین روپے تھے جو 30 جون 2019ء کی سطح 190 ملین روپے کے مقابلے میں 42.63 فیصد کمی ہے۔

30 ستمبر 2019ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 51.7397 روپے تھی جو 30 جون 2019ء کی ابتدائی قدر 50.3639 روپے فی یونٹ کے مقابلے میں 1.3758 روپے فی یونٹ اضافہ ہے۔

## معیشت اور بازار - مستقبل کا منظر

مرکزی بینک کی طرف سے پالیسی میں ترمیمات کے نتیجے میں کلاں معاشیاتی استحکام ہوگا جس کے باعث موجودہ سال کے لیے معاشی ترقی چھوٹے اعداد تک محدود ہو جائے گی۔ آئی ایم ایف کی پیش گوئی کے مطابق حکومت کی اختیار کردہ تنگی پر مبنی پالیسیوں کے تناظر میں پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) کی ترقی مالی سال 2019-20ء میں سست ہو کر 2.5 فیصد پر آجائے گی۔ صنعتی ترقی غیر فعال رہے گی، خاص طور پر درآمدات سے چلنے والے صرف پر مبنی شعبوں کے لیے۔ تاہم درآمدات سے چلنے والی صنعتی کمپنیاں کچھ سہولت فراہم کر سکتی ہیں کیونکہ حکومت نے ان کے لیے ترغیبات مقرر کی ہیں، جبکہ توانائی کی فراہمی میں اضافے سے بھی ان کمپنیوں کے لیے رکاوٹیں دور ہوتی ہیں۔

ادائیگی کے توازن کی پریشانیوں نے ابھی ختم ہوئی ہیں کیونکہ کرنٹ اکاؤنٹ کا خسارہ (سی اے ڈی) مرکزی حکومت کے پالیسی اقدامات کے بعد معقول سطح تک آ گیا ہے۔ ہم بے حد محتاط مفروضوں کی بنیاد پر پیش گوئی کر سکتے ہیں کہ سی اے ڈی مجموعی ملکی پیداوار (جی ڈی پی) کے 2.6 فیصد پر رک جائے گا۔ ہم نے خام تیل کی قیمتوں کو 70 ڈالر فی بی بی ایل فرض کیا ہے جو موجودہ طور پر 60 ڈالر فی بی بی ایل کے قریب منڈلا رہی ہیں۔ پاکستان ایک آئی ایم ایف پروگرام اختیار کرنے کے بعد بین الاقوامی ذرائع کو استعمال میں لا کر اپنی مجموعی مالیاتی ضروریات پوری کر سکے گا۔ سعودی تیل کی ملتی ہوئی شدہ سہولت سے بھی زرمبادلہ کے ذخائر کو مختصر المیعاد سہارا فراہم ہوگا۔ موجودہ مالی سال کے اختتام تک زرمبادلہ کے ذخائر میں 12 بلین ڈالر اضافہ متوقع ہے۔ پاکستانی روپیہ اپنے توازن کی سطحوں سے ہم آہنگ ہے (اگست 2019ء REER 92.7 فیصد پر) اور کرنٹ اکاؤنٹ کا خسارہ قابل بقاء حد میں ہے، چنانچہ پاکستانی روپے کی قدر میں اب اس کے تاریخی اوسط کی بنیاد پر معمولی کمی ہونی چاہیے۔

زیر بحث مالی سال کے لیے سی پی آئی کا اوسط موجودہ سہ ماہی کے اوسط 10.1 فیصد سے 11.0 فیصد تک بڑھ جانے کی توقع ہے جس کا سبب اشیائے خورد و نوش کے افراط زر میں اضافہ اور یوٹیلٹیز کی بڑھتی ہوئی قیمتیں ہیں۔ لیکن اشیائے خورد و نوش اور توانائی کے علاوہ دیگر عوامل (NFNE) سے ظاہر ہونے والی اصل افراط زر کا اوسط زیر بحث سال کے لیے 10.0 فیصد سے کم متوقع ہے۔ ہمیں اُمید ہے کہ 12 ماہانہ فارورڈ سی پی آئی موجودہ مالی سال کے نصف آخر سے سست رفتار ہونا شروع ہو جائے گا جس کے مالیاتی سہولت کا موقع ملے گا کیونکہ مرکزی بینک نے مالیاتی پالیسی کا زیادہ متحرک لائحہ عمل اختیار کرنے کی طرف اشارہ کیا ہے۔

مالیاتی جہت میں حکومت زیر بحث سال کے لیے مالیاتی خسارے کو جی ڈی پی کے 7.4 فیصد تک محدود کرنے کے لیے کوشاں ہے۔ اگرچہ مالیاتی خسارے کا حتمی ہدف تبدیل ہو سکتا ہے لیکن پرائمری خسارے کو جی ڈی پی کے 0.6 فیصد پر محدود کر دینے کی آئی ایم کی بنیادی شرط کو پورا کرنا لازمی ہے۔ اس مقصد کے لیے ایف بی آر 5.5 ٹرلین روپے

پاکستان کیش منیجمنٹ فنڈ کے بورڈ آف ڈائریکٹرز کی طرف سے 30 ستمبر 2019ء کو ختم ہونے والی سہ ماہی کے لیے فنڈ کے گوشواروں کا جائزہ پیش خدمت ہے۔

### معیشت اور بازار کا جائزہ

حکومت نے استحکام کے لیے جو اقدامات کیے بالآخر ان کے ثمرات ظاہر ہونا شروع ہو گئے ہیں کیونکہ ادائیگی کے توازن کی صورتحال میں بہتری جاری ہے۔ مالی سال 2019-20ء کے پہلے دو ماہ میں کرنٹ اکاؤنٹ کا خسارہ (سی اے ڈی) یز آن یز (YoY) بنیاد پر 55 فیصد کم ہو کر 1.3 بلین ڈالر ہو گیا۔ پہلے دو ماہ میں درآمدات میں 23.5 فیصد کمی ہوئی جبکہ برآمدات میں 1.4 اضافہ ہوا۔ دوسری جانب ترسیل زر میں 8 فیصد کمی ہوئی اور اس کمزور صورتحال کا سبب ایام کار کی کم تعداد تھی۔ زر مبادلہ کے ذخائر میں دوران مدت 1.2 بلین ڈالر اضافہ ہوا کیونکہ پاکستان کو آئی ایم ایف سے 1.3 بلین ڈالر کی پہلی قسط موصول ہوئی، جبکہ سی اے ڈی سے اخراج کا سلسلہ محدود رہا۔

صارفی قیمت کے انڈیکس (سی پی آئی) کو 2015-16 کی نئی بنیاد کے ساتھ دوبارہ مقرر کیا گیا، اور اس نئے سی پی آئی کے اوسط کا آغاز 10.1 فیصد YoY سے ہوا۔ تاہم تازہ ترین ماہانہ اعداد و شمار سے 11 فیصد درج ہوئے کیونکہ اشیائے خورد و نوش اور توانائی کی بڑھتی ہوئی قیمتوں نے انڈیکس کو متاثر کیا۔ تازہ ترین مہینے کے دوران اشیائے خورد و نوش میں افراط زر 15.0 فیصد YoY تھا، لیکن اشیائے خورد و نوش اور توانائی کے علاوہ دیگر عوامل میں اصل افراط زر نسبتاً قابو میں تھی اور زیر بحث سہ ماہی میں اس کا اوسط 8.4 فیصد تھا۔

وسیع پیمانے کی مینوفیکچرنگ (ایل ایس ایم) میں توقع کے مطابق کمی کا رجحان جاری رہا کیونکہ درآمدات پر مبنی صرفی مانگ بتدریج ختم ہو گئی۔ ایل ایس ایم میں جولائی 2019ء میں 3.3 فیصد کمی ہوئی جس کا اصل منبع گردش شعبہ جات تھے۔ گاڑیوں اور اسٹیل کی مینوفیکچرنگ میں مانگ بالترتیب 27.5 فیصد اور 15.5 فیصد سُکڑ گئی۔ ٹیکس کے حصول کے عارضی اعداد بھی حوصلہ افزا تھے۔ فیڈرل بورڈ آف ریونیو (ایف بی آر) نے موجودہ مالی سال کی پہلی سہ ماہی میں 962 بلین روپے ٹیکس جمع کیا جو گزشتہ سال کی مماثل مدت کے مقابلے میں 16 فیصد زیادہ ہے۔ اگر مقامی اور بین الاقوامی اعتبار سے علیحدہ علیحدہ دیکھا جائے تو کارکردگی زیادہ بہتر تھی کیونکہ مقامی سطح پر ٹیکس کی آمدنی میں 28 فیصد YoY اضافہ ہوا۔ ٹیکس کے علاوہ وصولی بھی عارضی تخمینوں کے مطابق حوصلہ افزا تھے۔ حکومت نے 400 بلین روپے ٹیکس جمع کیا جس کا اکثر حصہ اسٹیٹ بینک آف پاکستان (ایس بی پی) سے فاضل منافع اور ٹیلی کام سیکٹر لائسنس کی فروخت سے حاصل ہوا۔ عارضی تخمینوں کے مطابق پرائمری خسارے کا ہدف بھی حاصل ہو گیا کیونکہ حکومت نے 200 بلین کا فاضل منافع پیدا کیا۔

زیر جائزہ مدت کے دوران طویل تر ميعاد کے بانڈز کی خطیر مانگ کے سبب پیداواری خم جھک گیا کیونکہ بازار میں شامل ہونے والے نئے فریق استحکام کے اقدامات سے مطمئن ہو کر افراط زر میں کمی کی توقع کر رہے تھے۔ دوران سہ ماہی دو سالہ بانڈز 86 بیسیس پوائنٹس کی ایزنگ ہوئی جبکہ اسی مدت کے دوران طویل تر ميعاد والے (دس سالہ) بانڈز میں 154 بیسیس پوائنٹس کی خطیر ایزنگ ہوئی۔ ایس بی پی نے اپنے تازہ ترین دو ماہانہ مالیاتی پالیسی بیان میں افراط زر اور ادائیگی کے توازن کی صورتحال کو متعادل کرنے پر مانیٹری پالیسی کمیٹی کے نظریے کا حوالہ دیتے ہوئے پالیسی کی شرح کو تبدیل کیے بغیر 13.25 فیصد پر چھوڑ دیا ہے۔ مالیاتی پالیسی نے 8 متواتر اضافوں کے بعد رائج شرح کو برقرار رکھا ہے۔



# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2019

|                                                                                       |      | September 30,<br>2019<br>(Unaudited)<br>----- (Rupees in '000) ----- | June 30,<br>2019<br>(Audited) |
|---------------------------------------------------------------------------------------|------|----------------------------------------------------------------------|-------------------------------|
|                                                                                       | Note |                                                                      |                               |
| <b>ASSETS</b>                                                                         |      |                                                                      |                               |
| Balances with banks                                                                   | 6    | 123,588                                                              | 205,926                       |
| Investments                                                                           | 7    | 59,800                                                               | 172,374                       |
| Advances, Prepayments and Other Recievables                                           |      | 1,312                                                                | 1,300                         |
| Receivable from MCB-Arif Habib Savings and Investment<br>Limited - Management Company |      | -                                                                    | 396                           |
| <b>Total assets</b>                                                                   |      | <u>184,700</u>                                                       | <u>379,996</u>                |
| <b>LIABILITIES</b>                                                                    |      |                                                                      |                               |
| Payable to MCB - Arif Habib Savings and Investments Limited-<br>Management Company    | 8    | 31                                                                   | -                             |
| Payable to the MCB Financial Services Limited - Trustee                               | 9    | 57                                                                   | 226                           |
| Payable to the Securities and Exchange Commission of Pakistan                         | 10   | 8                                                                    | 220                           |
| Payable against purchase of investment                                                |      | 59,795                                                               | 172,352                       |
| Accrued and other liabilities                                                         | 11   | 15,715                                                               | 17,614                        |
| <b>Total liabilities</b>                                                              |      | <u>75,606</u>                                                        | <u>190,412</u>                |
| <b>NET ASSETS</b>                                                                     |      | <u>109,094</u>                                                       | <u>189,584</u>                |
| <b>Unit holders' fund (as per statement attached)</b>                                 |      | <u>109,094</u>                                                       | <u>189,584</u>                |
| <b>Contingencies and commitments</b>                                                  | 12   |                                                                      |                               |
|                                                                                       |      | '----- (Number of units) -----                                       |                               |
| <b>NUMBER OF UNITS IN ISSUE</b>                                                       |      | <u>2,108,511</u>                                                     | <u>3,764,285</u>              |
|                                                                                       |      | '----- (Rupees) -----                                                |                               |
| <b>NET ASSETS VALUE PER UNIT</b>                                                      |      | <u>51.7397</u>                                                       | <u>50.3639</u>                |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

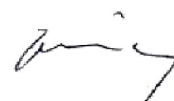
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

# CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

|                                                                                                                          | September 30,<br>2019        | September 30,<br>2018 |
|--------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------|
|                                                                                                                          | (Un-audited)                 |                       |
| Note                                                                                                                     | ----- (Rupees in '000) ----- |                       |
| <b>INCOME</b>                                                                                                            |                              |                       |
| Mark-up on bank deposits                                                                                                 | 1,914                        | 2,500                 |
| Income from Government securities                                                                                        | 3,936                        | 5,080                 |
| Capital loss on sale of investments                                                                                      | (206)                        | (127)                 |
| Net unrealized diminution on re-measurement of<br>investments classified as "at fair value through profit or loss" - net | 5                            | -                     |
| <b>Total income</b>                                                                                                      | <b>5,649</b>                 | <b>7,453</b>          |
| <b>EXPENSES</b>                                                                                                          |                              |                       |
| Remuneration of the Management Company                                                                                   | 562                          | 744                   |
| Sales tax on remuneration of the Management Company                                                                      | 73                           | 97                    |
| Expenses allocated by the Management Company<br>and related taxes                                                        | 40                           | 109                   |
| Remuneration of the Trustee                                                                                              | 184                          | 600                   |
| Sales tax on remuneration of the Trustee                                                                                 | 24                           | 78                    |
| Annual fee to SECP                                                                                                       | 8                            | 72                    |
| Auditors' remuneration                                                                                                   | 117                          | 118                   |
| Brokerage, settlement charges                                                                                            | -                            | 19                    |
| Legal and other professional charges                                                                                     | 145                          | 159                   |
| Fee & subscription                                                                                                       |                              |                       |
| Printing and stationery                                                                                                  | 25                           | 25                    |
| Other expenses                                                                                                           | 17                           |                       |
| <b>Total expenses</b>                                                                                                    | <b>1,195</b>                 | <b>2,021</b>          |
| <b>Net income from operating activities</b>                                                                              | <b>4,454</b>                 | <b>5,432</b>          |
| Provision for Sindh Workers' Welfare Fund (SWWF)                                                                         | 11.1 89                      | 109                   |
| <b>Net income for the period before taxation</b>                                                                         | <b>4,365</b>                 | <b>5,323</b>          |
| Taxation                                                                                                                 | 13 -                         | -                     |
| <b>Net income for the period after taxation</b>                                                                          | <b>4,365</b>                 | <b>5,323</b>          |
| <i>Allocation of net income for the period:</i>                                                                          |                              |                       |
| Net income for the period after taxation                                                                                 | 4,365                        | 5,323                 |
| Income already paid on units redeemed                                                                                    | (1,620)                      | (581)                 |
|                                                                                                                          | <b>2,745</b>                 | <b>4,742</b>          |
| <i>Accounting income available for distribution:</i>                                                                     |                              |                       |
| - Relating to capital gains                                                                                              | -                            | -                     |
| - Excluding capital gains                                                                                                | 2,745                        | 4,742                 |
|                                                                                                                          | <b>2,745</b>                 | <b>4,742</b>          |
| <b>Earnings per unit</b>                                                                                                 | 14                           |                       |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

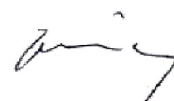
**For MCB-Arif Habib Savings and Investments Limited  
(Management Company)**



**Chief Executive Officer**



**Chief Financial Officer**



**Director**

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

|                                                  | September 30,<br>2019        | September 30,<br>2018 |
|--------------------------------------------------|------------------------------|-----------------------|
|                                                  | (Un-audited)                 |                       |
|                                                  | ----- (Rupees in '000) ----- |                       |
| <b>Net income for the period after taxation</b>  | <b>4,365</b>                 | 5,323                 |
| Other comprehensive income for the period        | -                            | -                     |
| <b>Total comprehensive income for the period</b> | <b><u>4,365</u></b>          | <b><u>5,323</u></b>   |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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



*Chief Executive Officer*



*Chief Financial Officer*



*Director*

# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

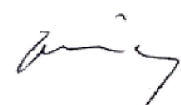
|                                                                                                                                                             | September 30, 2019           |                                          |                  | September 30, 2018 |                                          |                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------------|------------------|--------------------|------------------------------------------|-----------------|
|                                                                                                                                                             | Capital value                | Undistri-<br>buted<br>income /<br>(loss) | Total            | Capital value      | Undistri-<br>buted<br>income /<br>(loss) | Total           |
|                                                                                                                                                             | ----- (Rupees in '000) ----- |                                          |                  |                    |                                          |                 |
| <b>Net assets at beginning of the period</b>                                                                                                                | <b>188,968</b>               | <b>616</b>                               | <b>189,584</b>   | <b>878,533</b>     | <b>10,418</b>                            | <b>888,951</b>  |
| Issuance of 573,189 (September 30, 2018: 1,245,155) units including additional units                                                                        |                              |                                          |                  |                    |                                          |                 |
| - Capital value (at net assets value per unit at beginning of the period)                                                                                   | 28,868                       | -                                        | 28,868           | 62,646             | -                                        | 62,646          |
| - Element of income                                                                                                                                         | 234                          | -                                        | 234              | 94                 | -                                        | 94              |
|                                                                                                                                                             | <b>29,102</b>                | <b>-</b>                                 | <b>29,102</b>    | <b>62,740</b>      | <b>-</b>                                 | <b>62,740</b>   |
| Redemption of 2,228,963 (September 30, 2018: 11,381,096) units                                                                                              |                              |                                          |                  |                    |                                          |                 |
| - Capital value (at net assets value per unit at beginning of the period)                                                                                   | (112,259)                    | -                                        | (112,259)        | 572,605            | -                                        | 572,605         |
| - Element of income                                                                                                                                         | (78)                         | (1,620)                                  | (1,698)          | 26                 | 581                                      | 607             |
|                                                                                                                                                             | <b>(112,337)</b>             | <b>(1,620)</b>                           | <b>(113,957)</b> | <b>572,631</b>     | <b>581</b>                               | <b>573,212</b>  |
| Total comprehensive income for the period                                                                                                                   | -                            | 4,365                                    | 4,365            | -                  | 5,323                                    | 5,323           |
| Final Distribution for the period Rs. Nil (For the year ended June 30, 2018 Rs. 2.3168 per unit including additional units declared on July 04, 2018) units | -                            | -                                        | -                | (29,012)           | (10,121)                                 | (39,133)        |
|                                                                                                                                                             | <b>-</b>                     | <b>4,365</b>                             | <b>4,365</b>     | <b>(29,012)</b>    | <b>(4,798)</b>                           | <b>(33,810)</b> |
| <b>Net assets at end of the period</b>                                                                                                                      | <b>105,733</b>               | <b>3,361</b>                             | <b>109,094</b>   | <b>339,630</b>     | <b>5,039</b>                             | <b>344,669</b>  |
| <b>Undistributed income / (loss) brought forward comprising of:</b>                                                                                         |                              |                                          |                  |                    |                                          |                 |
| - Realised                                                                                                                                                  | 594                          |                                          |                  | 10,418             |                                          |                 |
| - Unrealised loss                                                                                                                                           | 22                           |                                          |                  | -                  |                                          |                 |
|                                                                                                                                                             | <b>616</b>                   |                                          |                  | <b>10,418</b>      |                                          |                 |
| Accounting income available for distribution:                                                                                                               |                              |                                          |                  |                    |                                          |                 |
| - Relating to capital gains                                                                                                                                 | -                            |                                          |                  | -                  |                                          |                 |
| - Excluding capital gains                                                                                                                                   | 2,745                        |                                          |                  | 4,742              |                                          |                 |
|                                                                                                                                                             | <b>2,745</b>                 |                                          |                  | <b>4,742</b>       |                                          |                 |
| Cash distribution during the period                                                                                                                         | -                            |                                          |                  | (10,121)           |                                          |                 |
| <b>Undistributed income carried forward</b>                                                                                                                 | <b>3,361</b>                 |                                          |                  | <b>5,039</b>       |                                          |                 |
| <b>Undistributed income carried forward:</b>                                                                                                                |                              |                                          |                  |                    |                                          |                 |
| - Realised                                                                                                                                                  | 3,356                        |                                          |                  | 5,039              |                                          |                 |
| - Unrealised                                                                                                                                                | 5                            |                                          |                  | -                  |                                          |                 |
|                                                                                                                                                             | <b>3,361</b>                 |                                          |                  | <b>5,039</b>       |                                          |                 |
|                                                                                                                                                             | <b>Rupees</b>                |                                          |                  | <b>Rupees</b>      |                                          |                 |
| <b>Net assets value per unit at beginning of the period</b>                                                                                                 | <b>50.3639</b>               |                                          |                  | <b>52.6287</b>     |                                          |                 |
| <b>Net assets value per unit at the end of period</b>                                                                                                       | <b>51.7397</b>               |                                          |                  | <b>51.0240</b>     |                                          |                 |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

  
\_\_\_\_\_  
**Chief Executive Officer**

  
\_\_\_\_\_  
**Chief Financial Officer**

  
\_\_\_\_\_  
**Director**

# CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

|                                                                             | September 30,<br>2019        | September 30,<br>2018 |
|-----------------------------------------------------------------------------|------------------------------|-----------------------|
|                                                                             | (Un-audited)                 |                       |
| Note                                                                        | ----- (Rupees in '000) ----- |                       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                 |                              |                       |
| Net income for the period before taxation                                   | 4,365                        | 5,323                 |
| <b>Adjustments for:</b>                                                     |                              |                       |
| Provision for Sindh Workers' Welfare Fund (SWWF)                            | (89)                         | (109)                 |
|                                                                             | 4,276                        | 5,214                 |
| <b>Decrease / (Increase) in assets</b>                                      |                              |                       |
| Investments                                                                 | 112,574                      | -                     |
| Advances, Prepayments and Recievables                                       | 384                          | (1,742)               |
|                                                                             | 112,958                      | (1,742)               |
| <b>(Decrease) in liabilities</b>                                            |                              |                       |
| Payable to MCB - Arif Habib Savings and Investments Limited-                | 31                           | (3)                   |
| Payable to the MCB Financial Services Limited - Trustee                     | (169)                        | -                     |
| Payable to Securities and Exchange Commission of Pakistan                   | (212)                        | (458)                 |
| Payable against purchase of investments                                     | (112,557)                    | -                     |
| Accrued and other liabilities                                               | (1,899)                      | 236                   |
|                                                                             | (114,806)                    | (225)                 |
| <b>Net cash generated from operating activities</b>                         | 2,517                        | 3,247                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                 |                              |                       |
| Receipts from issuance and conversion of units (excluding additional units) | 29,102                       | 62,740                |
| Payments on redemption and conversion of units                              | (113,957)                    | (573,212)             |
| Dividend paid                                                               | -                            | (39,133)              |
| <b>Net cash used in financing activities</b>                                | (84,855)                     | (549,605)             |
| <b>Net decrease in cash and cash equivalents during the period</b>          | (82,338)                     | (546,358)             |
| Cash and cash equivalents at beginning of the period                        | 205,926                      | 904,003               |
| <b>Cash and cash equivalents at end of the period</b>                       | 123,588                      | 357,645               |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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



**Chief Executive Officer**



**Chief Financial Officer**



**Director**

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2019

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## 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 Investment Limited) as Management Company and Habib Metropolitan Bank Limited as Trustee on February 08, 2008. Subsequently, MCB Financial Services Limited has been appointed as trustee of the fund with effect from July 21, 2014. The draft Trust Deed was approved by 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 24th Floor, Centre Point, Off. Shaheed-e-Millat Expressway, Near KPT Interchange, Karachi, Pakistan.
- 1.3 The Fund is 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 'AM2++' dated October 08, 2019 to the Management Company and has assigned stability rating of 'AA+(f)' dated June 27, 2019 to the Fund.
- 1.6 Title to the assets of the Fund is held in the name of MCB Financial Services Limited as Trustee of the Fund.

## 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
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (The NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) and requirement 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.

- 2.1.2 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 2019.
- 2.1.3 The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2019 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2019, whereas 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 quarter ended 30 September 2018.

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2019

**2.1.4** 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.

**2.1.5** 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.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1** The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended June 30, 2019.

### **3.2 Standards, amendments and interpretations to existing standards not yet effective and not applicable/ relevant to the Fund**

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Fund's accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

## **4 Estimates and Judgements**

**4.1** The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2019.

## **5. Financial Risk Management**

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2019.

|                               |     | Sep 30,<br>2019<br>(Unaudited)<br>----- (Rupees in '000) ----- | June 30,<br>2019<br>(Audited) |
|-------------------------------|-----|----------------------------------------------------------------|-------------------------------|
| <b>6. BALANCES WITH BANKS</b> |     |                                                                |                               |
| In current accounts           |     | 583                                                            | 1,755                         |
| In saving accounts            | 6.1 | <u>123,005</u>                                                 | <u>204,171</u>                |
|                               |     | <u><b>123,588</b></u>                                          | <u><b>205,926</b></u>         |

**6.1** \*These carry profit at the rates ranging between 11.25% to 13.6% (2019: 4.5% to 12.6 %) per annum. It includes bank balance of Rs.1.405 million (2018: Rs1.16 million) maintained with MCB Bank Limited (a related party) which carries profit at the rate of 11.25% (2019:4.5 %) per annum.

|                                               |      | Sep 30,<br>2019<br>(Unaudited)<br>---- (Rupees in '000) ---- | June 30,<br>2019<br>(Audited) |
|-----------------------------------------------|------|--------------------------------------------------------------|-------------------------------|
| <b>7 INVESTMENTS</b>                          |      |                                                              |                               |
| <b>Investments by category</b>                | Note |                                                              |                               |
| <b>'At fair value through profit or loss'</b> |      |                                                              |                               |
| Government securities - Market treasury bills | 7.1  | <u><b>59,800</b></u>                                         | <u><b>172,374</b></u>         |

# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2019

## 7.1 Market treasury bills

| Name of security                         | Issue date | Face value          |                           |                                |                          | As at September 30, 2019 |              |                 | Market value as a percentage of |                   |
|------------------------------------------|------------|---------------------|---------------------------|--------------------------------|--------------------------|--------------------------|--------------|-----------------|---------------------------------|-------------------|
|                                          |            | As at July 01, 2019 | Purchased during the year | Sold / matured during the year | As at September 30, 2019 | Carrying value           | Market value | Unrealized gain | Net assets                      | Total investments |
| <div>(Rupees in '000)</div> <div>%</div> |            |                     |                           |                                |                          |                          |              |                 |                                 |                   |
| Market treasury bills - 3 months *       | 23-May-19  | -                   | 175,000                   | 175,000.00                     | -                        |                          |              | -               | 0.00%                           | 0.00%             |
| Market treasury bills - 3 months *       | 18-Jul-19  | -                   | 390,000                   | 330,000.00                     | 60,000                   | 59,795                   | 59,800       | 5               | 54.82%                          | 100.00%           |
| Total as at Sep 30, 2019 (Unaudited)     |            |                     |                           |                                |                          | 59,795                   | 59,800       | 5               |                                 |                   |
| Total as at June 30, 2019 (Audited)      |            |                     |                           |                                |                          | 172,352                  | 172,374      | 22              |                                 |                   |

|   |                                                                               | Sep 30,<br>2019<br>(Unaudited) | June 30,<br>2019<br>(Audited) |
|---|-------------------------------------------------------------------------------|--------------------------------|-------------------------------|
|   |                                                                               | ----- (Rupees in '000) -----   |                               |
| 8 | (RECEIVABLE) / PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED- NET |                                |                               |
|   | Remuneration payable / (receivable) - net                                     | 8.1                            | (27)                          |
|   | Sales tax on remuneration payable                                             |                                | 48                            |
|   | Payable against allocated expenses                                            | 8.2                            | 10                            |
|   |                                                                               | <u>31</u>                      | <u>(396)</u>                  |

8.1 As per amendment in the offering document, the management company wef August 08, 2019 charged management fee at the rate of up to 10% of the gross earnings of the scheme, calculated on a daily basis.

8.2 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. SECP vide SRO 639(I)/2019 dated June 20, 2019 has removed the maximum cap of 0.1%. Resultantly, during the current quarter, the Management Company has charge actual expenses to the extent as it has think expedient.

|   |                                                     | Sep 30,<br>2019<br>(Unaudited) | June 30,<br>2019<br>(Audited) |
|---|-----------------------------------------------------|--------------------------------|-------------------------------|
|   |                                                     | ---- (Rupees in '000) ----     |                               |
| 9 | Payable to Central Depository of Pakistan - Trustee |                                |                               |
|   | Remuneration payable                                | 9.1                            | 50                            |
|   | Sales tax on remuneration payable                   | 9.2                            | 7                             |
|   |                                                     | <u>57</u>                      | <u>226</u>                    |

9.1 As per the amendment in the offering document wef from July 08, 2019, Trustee shall be entitled to a remuneration equivalent to 1% of the gross earnings of the Fund, calculated on a daily basis, subject to a minimum monthly remuneration of Rs.0.05 million (2019: Rs. 0.2 million).

9.2 Sales tax on remuneration of the Trustee has been charged at the rate of 13% ( June 30, 2019: 13%).

## 10 Payable to Securities and Exchange Commission of Pakistan (SECP)

SECP, vide SRO no. 685 (I)/2019 dated June 28, 2019, revised the rate of annual fee at 0.02% (2019: 0.075%) of net assets on all categories of Collective Investment Schemes which is effective from July 01, 2019.



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2019

|                                                               | Note | Sep 30,<br>2019<br>(Unaudited)<br>----- (Rupees in '000) ----- | June 30,<br>2019<br>(Audited) |
|---------------------------------------------------------------|------|----------------------------------------------------------------|-------------------------------|
| <b>11 ACCRUED AND OTHER LIABILITIES</b>                       |      |                                                                |                               |
| Provision for Sindh Workers' Welfare Fund (SWWF)              | 11.1 | 2,372                                                          | 2,283                         |
| Federal Excise Duty on remuneration to the Management Company | 11.2 | 11,933                                                         | 11,933                        |
| Withholding tax payable                                       |      | 77                                                             | 7                             |
| Brokerage payable                                             |      | -                                                              | -                             |
| Auditors' remuneration                                        |      | 441                                                            | 324                           |
| Dividend payable                                              |      | 715                                                            | 2,931                         |
| Payable to legal advisor                                      |      |                                                                | 75                            |
| Others                                                        |      | 177                                                            | 61                            |
|                                                               |      | <u>15,715</u>                                                  | <u>17,614</u>                 |

## 11.1 Provision for Sindh Workers' Welfare Fund

There is no change in the status of the SWWF as reported in the annual financial statements of the Fund for the year ended June 30, 2019. Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2019 would have been higher/lower by Re. 1.125 per unit (June 30, 2019 Re. 0.61 per unit).

## 11.2 Federal Excise Duty and related tax payable

There is no change in the status of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2019. 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 September 30, 2019 would have been higher/lower by Re. 5.66 per unit (June 30, 2019: Re.3.17 per unit).

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2019 and June 30, 2019.

## 13 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The management intends to distribute the income to be earned by the Fund during the year ending June 30, 2019 to the unit holders in cash in the manner as explained above. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

## 14 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.

## 15 TOTAL EXPENSE RATIO

SECP, vide SRO no. 639 (I)/2019 dated June 20, 2019 enhanced the Total Expense Ratio from 2% to 2.5%. The total expense ratio of the Fund from July 1, 2019 to September 30, 2019 is 0.79% (September 30, 2018: 0.56 %) and this includes 0.12% (September 30, 2018: 0.1%) representing government levy, Sindh Worker's Welfare Fund, SECP fee etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorized as money market scheme.



# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2019

|                                                      | September 30,<br>2019<br>(Unaudited)<br>----- (Rupees in '000) ----- | September 30,<br>2018<br>(Unaudited)<br>----- (Rupees in '000) ----- |
|------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|
| <b>MCB Bank Limited</b>                              |                                                                      |                                                                      |
| Mark-up on bank deposits                             | 106                                                                  | 36                                                                   |
| Bank Charges                                         | 3                                                                    | 1                                                                    |
| <b>MCB Financial Services Limited - Trustee</b>      |                                                                      |                                                                      |
| Remuneration (including indirect taxes)              | 208                                                                  | 678                                                                  |
| <b>Arif Habib Limited - Brokerage house</b>          |                                                                      |                                                                      |
| Brokerage and settlement charges*                    | -                                                                    | 6                                                                    |
|                                                      | September 30,<br>2019<br>(Unaudited)<br>----- (Rupees in '000) ----- | June 30,<br>2019<br>(Audited)<br>----- (Rupees in '000) -----        |
| <b>16.3 Balances outstanding at period end:</b>      |                                                                      |                                                                      |
| <b>Management Company</b>                            |                                                                      |                                                                      |
| <b>MCB Arif Habib Savings and Investment Limited</b> |                                                                      |                                                                      |
| Receivable against Remuneration - net                | (27)                                                                 | (396)                                                                |
| Sales tax on remuneration payable                    | 48                                                                   | -                                                                    |
| Expenses allocated by the Management Company         | 10                                                                   | -                                                                    |
| <b>MCB Bank Limited</b>                              |                                                                      |                                                                      |
| Balances with bank                                   | 1,988                                                                | 4,145                                                                |
| Mark-up receivable on bank deposits                  | 97                                                                   | 101                                                                  |
| <b>MCB Financial Services Limited - Trustee</b>      |                                                                      |                                                                      |
| Remuneration payable                                 | 50                                                                   | 200                                                                  |
| Sales tax on remuneration payable                    | 7                                                                    | 26                                                                   |
| <b>Arif Habib Limited - Brokerage house</b>          |                                                                      |                                                                      |
| Brokerage and settlement charges payable*            | -                                                                    | 6                                                                    |

\* The amount disclosed represents the amount of brokerage paid to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter parties are not connected persons.

## 17. GENERAL

17.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise specified

17.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. However, no significant rearrangements or reclassifications were made in these condensed interim financial statements to report.

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2019

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### 18. DATE FOR AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 24, 2019 by the Board of Directors of the Management Company.

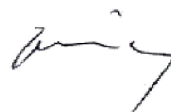
*For MCB-Arif Habib Savings and Investments Limited  
(Management Company)*



*Chief Executive Officer*



*Chief Financial Officer*



*Director*