

ALHAMRA ISLAMIC STOCK FUND

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
Board of Directors	Mian Muhammad Mansha Mr. Nasim Beg Mr. Muhammad Saqib Saleem Syed Savail Meekal Hussain Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Qamar Beg	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mirza Qamar Beg Mr. Nasim Beg	Chairman Member Member Member
Risk Management Committee	Mr. Mirza Qamar Beg Mr. Ahmed Jahangir Mr. Nasim Beg	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Mirza Qamar Beg Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Amir Qadir	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited Habib Bank Limited National Bank of Pakistan Standard Chartered Bank Limited Silk Bank Limited MCB Islamic Bank Limited Bank Islami Pakistan Limited Dubai Islamic Bank Limited Askari Bank Limited	
Auditors	Deloitte Yousuf Adil Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Express Way Near K.P.T. Interchange, Karachi.	
Rating	AM2++ Asset Manager Rating assigned by PACRA	

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

Dear Investor,

On behalf of the Board of Directors, We are pleased to present **Alhamra Islamic Stock Fund** accounts review for the quarter ended September 30, 2019.

ECONOMIC 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 nosedive 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.

EQUITIES MARKET OVERVIEW

Fiscal year 2020 had a dismal start with the market posting a loss of ~5.4% during the first quarter. While, fixed income market continued to cherish the stabilization measures, continuous selling from Mutual Funds amidst redemption measures resulted in weak sentiments in the local bourse. While foreigners continued to accumulate exposure (USD 23 million), Mutual Funds and Insurance companies were the biggest sellers, selling stocks worth of ~USD 82/23 million respectively. During the quarter, average trading volumes amounted to ~94 million shares compared to ~129 million shares during the preceding quarter. Similarly, Average trading value during the quarter was down by 12.7% QoQ to ~PKR 3,710 million.

Automobile Parts, Automobile Assemblers, Cement & Oil and Gas Marketing companies were the major laggards posting negative returns of 28.1%/17.7%/14.5%/13.3% respectively. Massive decline in automobile volumes was witnessed after manufacturers raised prices to an unprecedented level, keeping the investors at bay from the sector. Similarly, Cement sector continued to remain weak as the local supply glut put pressure on cement prices while cost pressures continued to mount (Axle Load Limit). Poor result announcement by HASCOL Petroleum dragged the performance of the entire sector.

FUND PERFORMANCE

During the period, ALHISF delivered a return of -4.3% as compared to benchmark return of -5.48%. Overall equity exposure of the fund stood at 89.7% at the end of the period as compared to 84.1% at June 30, 2019. The fund changed its investment strategy several times during the quarter to cope with various sector and company level fundamental developments. During the period, the fund maintained its sector exposures in Oil and Gas Exploration companies, Fertilizer and Power Generation and Distribution Sector.

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

The Net Assets of the Fund as at September 30, 2019 stood at Rs. 2,652 million as compared to Rs. 2,779 million as at June 30, 2019 registering a decrease of 4.57%.

The Net Asset Value (NAV) per unit as at September 30, 2019 was Rs. 8.23 as compared to opening NAV of Rs. 8.60 per unit as at June 30, 2019 registering a decrease of Rs. 0.37 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. 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.

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

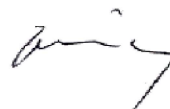
ACKNOWLEDGMENT

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

ڈائریکٹرز رپورٹ

کا مظاہرہ کرنے والے سرمایہ کاروں کے لیے فوائد مضمر ہیں۔ ہم ملک 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، ڈائریکٹرز 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

ڈائریکٹر رپورٹ

برآمدات 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 فی الوقت ختم ہو گئی 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 ملٹی شدہ سہولت سے بھی زیر مبادلہ کے ذخائر کو مختصر المیعاد سہارا فراہم ہوگا۔ موجودہ مالی سال کے اختتام تک زیر مبادلہ کے ذخائر میں 12 بلین ڈالر اضافہ متوقع ہے۔ پاکستانی روپیہ اپنے توازن کی سطحوں سے ہم آہنگ ہے (اگست 2019ء 92.7 REER 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 سُست 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 ٹریلین روپے (35 فیصد YoY زیادہ) ٹیکس جمع کرنے کا ہُسر 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 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 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 گردش اسٹاکس کی کارکردگی میں بھی 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

ڈائریکٹر رپورٹ

ایکویٹیز مارکیٹ کا مجموعی جائزہ

مالی سال 2020ء کا آغاز ناخوشگوار تھا کیونکہ مارکیٹ کو پہلی سہ ماہی کے دوران 5.4 فیصد خسارے کا سامنا تھا۔ اگرچہ مقررہ آمدنی کی مارکیٹ میں استحکام کے اقدامات کا خیر مقدم کرنے کا سلسلہ جاری رہا لیکن میوچل فنڈز سے مسلسل فروخت بمع بازیابی کے اقدامات کے نتیجے میں مقامی صرافے میں مایوسی چھائی رہی۔ غیر ملکیوں نے شمولیت میں اضافے کا سلسلہ جاری رکھا (23 ملین ڈالر) اور میوچل فنڈز اور بیمہ کمپنیاں سب سے بڑے فروخت کار تھے جنہوں نے بالترتیب 82 ملین ڈالر اور 23 ملین ڈالر مالیت کے اثا کس فروخت کیے۔ دوران سہ ماہی اوسط تجارتی حجم 94 ملین حصص تھے جبکہ گزشتہ سہ ماہی میں 129 ملین حصص تھے۔ اسی طرح اوسط تجارتی قدر بھی دوران سہ ماہی 12.7 فیصد QoQ کم ہو کر 3,710 ملین روپے ہو گئی۔

گاڑیوں کے پڑھ جات، آٹوموبائل اسیمبلرز، سینٹ اور آئل اینڈ گیس مارکیٹنگ کمپنیز اصل سست رفتار فریق تھے جنہوں نے بالترتیب 28.1 فیصد، 17.7 فیصد، 14.5 فیصد اور 13.3 فیصد منفی منافع پوسٹ کیا۔ گاڑیوں کے تیار کنندگان کی طرف سے قیمتوں میں بے دریغ اضافے کے بعد گاڑیوں کے حجم میں شدید کمی دیکھنے میں آئی جس کے نتیجے میں سرمایہ کار اس شعبے سے دور رہے۔ اسی طرح سینٹ کا شعبہ بدستور کمزور رہا کیونکہ بے تحاشا مقامی فراہمی نے سینٹ کی قیمتوں کو دباؤ میں ڈال دیا جبکہ لاگتوں کے دباؤ بڑھتے رہے (ایکسل لوڈ لٹ)۔ پیکسل پٹرولیم کے مایوس کن نتائج نے پورے شعبے کی کارکردگی کو سست بنا دیا۔

فنڈ کی کارکردگی

دوران مدت فنڈ نے 4.3- فیصد منافع حاصل کیا جبکہ بیچ مارک منافع 5.48- فیصد تھا۔ اختتام مدت پر فنڈ کی ایکویٹیز میں مجموعی سرمایہ کاری 89.7 فیصد تھی جبکہ 30 جون 2019ء کو 84.1 فیصد تھی۔ دوران سہ ماہی سیکٹر اور کمپنی کی سطح پر ہونے والے بنیادی نوعیت کے مختلف ترقیاتی اقدامات سے ہم آہنگی کے مقصد سے فنڈ کی سرمایہ کاری کے لائحہ عمل میں متعدد مرتبہ تبدیلی کی گئی۔ دوران مدت فنڈ کی تیل اور گیس کی دریافت کی کمپنیوں، کھاد، اور بجلی کی پیداوار اور تقسیم کے شعبوں میں سرمایہ کاری کو برقرار رکھا گیا۔

30 ستمبر 2019ء کو فنڈ کے net اثا ش جات 2,652 ملین روپے تھے جو 30 جون 2019ء کی سطح 2,779 ملین روپے کے مقابلے میں 4.57 فیصد کمی ہے۔

30 ستمبر 2019ء کو net اثا ش جاتی قدر (NAV) فی یونٹ 8.23 روپے تھی جو 30 جون 2019ء کی سطح 8.60 روپے فی یونٹ کے مقابلے میں 0.37 روپے فی یونٹ کمی ہے۔

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

عزیز سرمایہ دار

الحمد للہ اسلامک اسٹاک فنڈ کے بورڈ آف ڈائریکٹرز کی طرف سے 30 ستمبر 2019ء کو ختم ہونے والی سہ ماہی کے لیے گوشواروں کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر 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 کاری کم تعداد تھی۔ زرمبادلہ 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 عوامی 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 سُکھ 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 میعاد 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 دوسالہ بانڈز 86 بیسیس پوائنٹس کی ایزنگ ہوئی جبکہ اسی مدت کے دوران طویل تر میعاد 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

		(Un-Audited) September 30, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
ASSETS			
Balance with banks	6	212,723	396,625
Investments	7	2,419,066	2,374,513
Receivable against sale of investments		12,163	30,019
Dividend, profit and other receivable		49,189	18,209
Advances, deposits and prepayments		3,266	3,227
Total assets		2,696,407	2,822,593
LIABILITIES			
Payable to the Management Company	8	8,146	8,439
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	328	354
Payable to the Securities and Exchange Commission of Pakistan	10	129	2,941
Unclaimed Dividend		12,236	12,236
Payable against purchase of investments		3,379	-
Accrued expenses and other liabilities	11	20,503	19,914
Total liabilities		44,721	43,884
NET ASSETS		2,651,686	2,778,709
Unit holders' fund (as per statement attached)		2,651,686	2,778,709
Contingencies and commitments	12		
		----- (Number of units) -----	
Number Of Units In Issue		322,378,436	322,935,483
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		8.23	8.60

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 (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

		September 30,	
		2019	2018
INCOME		Note ----- (Rupees in '000) -----	
Capital loss on sale of investments		(15,347)	(9,747)
Dividend income		46,352	39,979
Profit on bank deposits		9,322	8,637
Net unrealised diminution in fair value of investments classified as 'at fair value through profit or loss'	7.1	(138,119)	(73,274)
Total Loss		(97,792)	(34,406)
EXPENSES			
Remuneration of the Management Company		12,852	17,408
Sindh Sales Tax on remuneration of the Management Company		1,671	2,263
Remuneration of the Central Depository Company of Pakistan Limited - Trustees		894	1,122
Sindh Sales tax on remuneration of Trustee		116	146
Securities and Exchange Commission of Pakistan - annual fee		129	827
Allocated expense		643	983
Selling and marketing expenses		3,078	3,481
Brokerage, Settlement and bank charges		1,219	2,733
Fees and subscription		19	23
Legal and professional charges		46	45
Shariah advisory fee		227	225
Donation		1,207	346
Auditors' remuneration		103	149
Printing and related costs		22	25
Total expenses		22,226	29,777
Net Loss for the period before taxation		(120,018)	(64,182)
Taxation	13	-	-
Net Loss for the period		(120,018)	(64,182)
Allocation of net Income for the period:			
Net Income for the period		-	-
Income already paid on units redeemed		-	-
Accounting income available for distribution:			
- Relating to capital gains		-	-
- Excluding capital gains		-	-
Loss per unit	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 (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	<u>September 30,</u>	
	<u>2019</u>	<u>2018</u>
	<u>----- (Rupees in '000) -----</u>	
Net Loss for the period after taxation	(120,018)	(64,182)
Other comprehensive (loss) / income for the period		
Unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through other comprehensive income' - net	-	-
Total comprehensive loss for the period	<u>(120,018)</u>	<u>(64,182)</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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30,					
	2019			2018		
	(Rupees in '000)					
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the period	3,310,085	(531,376)	2,778,709	3,440,214	109,942	3,550,156
Issue of 44,587,988 units (2018: 66,548,891 units):						
- Capital value (at net asset value per unit at the beginning of the period)	383,457	-	383,457	717,397	-	717,397
- Element of loss	(29,975)	-	(29,975)	(10,669)	-	(10,669)
Total proceeds on issuance of units	353,482	-	353,482	706,728	-	706,728
Redemption of 45,145,035 units (2018: 93,390,616 units):						
- Capital value (at net asset value per unit at the beginning of the period)	(388,247)	-	(388,247)	1,006,751	-	1,006,751
- Refund / adjustment on units as element of income	27,760	-	27,760	(17,026)	-	(17,026)
Total payments on redemption of units	(360,487)	-	(360,487)	989,725	-	989,725
Total comprehensive (loss) / income for the period	-	(120,018)	(120,018)	-	(64,182)	(64,182)
Dividend per unit	-	-	-	-	-	-
	-	(120,018)	(120,018)	-	(64,182)	(64,182)
Net assets at end of the period	3,303,080	(651,394)	2,651,686	3,157,217	45,760	3,202,977
Undistributed income brought forward						
- Realised		(18,568)			281,264	
- Unrealised		(512,808)			(249,812)	
		(531,376)			31,452	
Net Loss for the period after taxation		(120,018)			(64,182)	
Undistributed loss carried forward		(651,394)			(32,730)	
Undistributed income carried forward						
- Realised		(513,275)			40,544	
- Unrealised		(138,119)			(73,274)	
		(651,394)			(32,730)	
	----- (Rupees) -----					
Net assets value per unit at beginning of the period	8.60			10.78		
Net assets value per unit at end of the period	8.23			10.58		

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

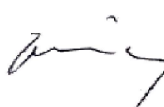
**For MCB-Arif Habib Savings and Investments Limited
(Management Company)**



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30, 2019	2018
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period before taxation	(120,018)	(64,182)
Adjustments for:		
Unrealised diminution / (appreciation) in value of investments classified as 'at fair value through profit or loss' - net	138,119	73,274
Dividend income	46,352	(39,979)
	64,453	(30,887)
(Increase) / Decrease in assets		
Investments	(182,672)	111,512
Dividend, profit and other receivable	(76,565)	570
Advances, deposits and prepayments	(39)	(356)
Receivable against sale of investments	17,856	(356)
	(241,420)	111,370
Increase / (Decrease) in liabilities		
Payable to the Management Company	(293)	(271)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(26)	(10)
Payable to Securities and Exchange Commission of Pakistan	(2,812)	(2,233)
Payable against purchase of investments	3,379	(69,158)
Unclaimed Dividend	-	-
Accrued expenses and other liabilities	589	(122)
	837	(71,794)
Dividend Received	(767)	-
Net cash used in operating activities	64,523	8,689
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	353,482	706,728
Payments on redemption of units	(360,487)	(989,725)
Net cash used in from financing activities	(7,005)	(282,997)
Net (decrease) in cash and cash equivalents during the period	(183,902)	(274,308)
Cash and cash equivalents at beginning of the period	396,625	515,013
Cash and cash equivalents at end of the period	212,723	240,705

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

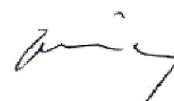
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Islamic Stock Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (AHIL) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee on May 26, 2004. Pursuant to the merger of MCB Asset Management Company Limited with and into Arif Habib Investments Limited (AHIL), the name of AHIL has been changed to MCB-Arif Habib Savings and Investments Limited.
- 1.2 Formation of the Fund as a closed-end fund was authorized by SECP on May 13, 2004, however with effect from November 11, 2010 the Fund was converted into open-end fund. 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 "Shariah Compliant Islamic Equity Scheme" and is listed on the Pakistan Stock Exchange Limited. The Fund primarily invests in listed equity securities. It also invests in cash instruments and treasury bills not exceeding 90 days maturity.
- 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 asset manager rating of 'AM2++' dated October 08, 2019 to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

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.
- 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 Fund.

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

2.2. Basis of Measurement

This condensed interim financial information have been prepared on the basis of historical cost convention except that investments have been included at fair value.

2.3. Functional and presentation currency

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

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.

	Note	(Un-Audited) September 30, 2019 ----- (Rupees in '000) -----	(Audited) June 30, 2019
6. BALANCE WITH BANKS			
- in saving accounts	6.1	202,192	382,529
- in current accounts	6.2	10,531	14,096
		212,723	396,625

6.1 These carry profit at the rates ranging between 10.5% to 14.35% (2019: 11.5% and 13.5%) per annum and include Rs. 0.018 million maintained with MCB Islamic Bank Limited, (a related party) which carries profit at the rate of 11.25% per annum and Rs. 0.217 million maintained with Silk Bank Limited (a related party) which carries profit at the rate of 14.35% per annum.

6.2 These include Rs. 3.225 million (June 30, 2019: Rs. 6.786 million) held with MCB Bank Limited (related parties).

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

(Un-Audited) September 30, 2019	(Audited) June 30, 2019
----- (Rupees in '000) -----	
Note	
7.1	2,419,066 2,374,513

7. INVESTMENTS

'At fair value through profit or loss'
Listed equity securities

7.1 Listed equity securities - 'At fair value through profit or loss'

Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise

Name of the Investee Company	As at July 01, 2019	Number of shares				Balance as at September 30, 2019			Market value	
		Purchased during the period	Bonus / right issue during the period	Sold during the period	Balance as at September 30, 2019	Carrying value	Market Value	Unrealised (loss) / gain	As a percentage of net assets	As a percentage of total investments
										----- (Rupees in '000) ----- % -----
Oil and gas exploration companies										
Mari Petroleum Company Limited	-	22,280	-	-	22,280	19,345	20,033	688	0.01	0.01
Oil & Gas Development Company Limited	2,410,700	73,700	-	-	2,484,400	326,719	305,656	(21,063)	0.12	0.13
Pakistan Oilfields Limited	415,120	304,100	-	-	719,220	292,490	273,232	(19,258)	0.10	0.11
Pakistan Petroleum Limited	1,972,840	562,500	-	150,000	2,385,340	333,878	324,478	(9,401)	0.12	0.13
					5,611,240	972,432	923,398	(49,033)		
Oil and gas marketing companies										
Attock Petroleum Limited	76,500	-	-	-	76,500	22,071	23,562	1,491	0.01	0.01
Hasecol Petroleum Limited	1,910	-	-	-	1,910	131	39	(92)	0.00	0.00
Hi-Tech Lubricants Limited	229,300	758,500	-	-	987,800	23,340	25,683	2,343	0.01	0.01
Pakistan State Oil Company Limited.	219,840	-	-	219,840	-	-	-	-	-	-
Sui Northern Gas Company Limited	1,690,200	200,000	-	-	1,890,200	129,037	116,436	(12,601)	0.04	0.05
					2,956,410	174,579	165,720	(8,859)		
Engineering										
Ittefaq Iron Industries Limited	19,040	-	-	19,040	-	-	-	-	-	-
Pharmaceuticals										
Abbott Laboratories (Pakistan) Limited	42,400	-	-	-	42,400	20,125	14,920	(5,205)	0.01	0.01
AGP Limited	705	-	-	705	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	202,700	-	-	202,700	-	-	-	-	-	-
The Searle Company Limited	522	-	-	308	214	31	30	(2)	0.00	0.00
					42,614	20,156	14,949	(5,207)		
Textile composite										
Interloop Limited	772,672	-	-	-	772,672	34,206	33,943	(263)	0.01	0.01
Kohinoor Textile Mills Limited	747,300	-	-	-	747,300	18,720	17,741	(979)	0.01	0.01
Nishat Mills Limited - a related party	3,500	-	-	3,500	-	-	-	-	-	-
					1,519,972	52,926	51,684	(1,242)		

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

Name of the Investee Company	Number of shares					Balance as at September 30, 2019			Market value	
	As at July 01, 2019	Purchased during the period	Bonus / right issue during the period	Sold during the period	Balance as at September 30, 2019	Carrying value	Market Value	Unrealised (loss) / gain	As a percentage of net assets	As a percentage of total investments
----- (Rupees in '000) ----- % -----										
Fertilizer										
Engro Fertilizer Limited	2,947,000	526,000	-	-	3,473,000	223,042	236,963	13,921	0.09	0.10
Engro Corporation Limited	711,330	239,600	-	100,000	850,930	225,159	227,105	1,946	0.09	0.09
Falima Fertilizer Company Limited - a related party	2,116,000	-	-	-	2,116,000	63,163	57,851	(5,311)	0.02	0.02
					6,439,930	511,363	521,919	10,556		
Cement										
Kohat Cement Limited	472,550	-	-	-	472,550	24,823	21,747	(3,076)	0.01	0.01
Lucky Cement Limited	58,400	-	-	58,400	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	752,500	-	-	752,500	-	-	-	-	-	-
Thatta Cement Company Limited	308,500	-	-	308,500	-	-	-	-	-	-
					472,550	24,823	21,747	(3,076)		
Chemical										
Archroma Pakistan Limited	39,650	-	-	-	39,650	18,840	18,239	(601)	0.01	0.01
Engro Polymer and Chemicals Limited	5,074,114	100,000	-	-	5,174,114	139,618	127,024	(12,594)	0.05	0.05
Lotte Chemical Pakistan Limited	3,045,500	933,000	-	-	3,978,500	61,783	54,267	(7,516)	0.02	0.02
					9,192,264	220,241	199,530	(20,710)		
Paper and board										
Century Paper & Board Mills Limited	814,400	-	-	73,500	740,900	23,079	20,375	(2,704)	0.01	0.01
Cherat Packaging Limited	33,595	-	-	33,595	-	-	-	-	-	-
Packages Limited - a related party	1,200	-	-	1,200	-	-	-	-	-	-
					740,900	23,079	20,375	(2,704)		
Food and personal care products										
Al-Shaheer Corporation Limited	1,162,000	-	-	-	1,162,000	14,641	12,654	(1,987)	0.00	0.01
National Foods Limited	152,400	-	-	-	152,400	28,066	28,630	564	0.01	0.01
					1,314,400	42,707	41,284	(1,423)		
Sugar and allied industries										
Faran Sugar Mills Limited	101,500	-	-	-	101,500	4,121	3,705	(416)	0.00	0.00
					101,500	4,121	3,705	(416)		
Technology and telecommunication										
Pakistan Telecommunication Company Limited	2,095,000	-	-	-	2,095,000	17,326	14,456	(2,870)	0.01	0.01
Systems Limited	694,100	-	-	-	694,100	66,613	57,784	(8,829)	0.02	0.02
					2,789,100	83,938	72,239	(11,699)		

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

Name of the Investee Company	Number of shares					Balance as at September 30, 2019			Market value	
	As at July 01, 2019	Purchased during the period	Bonus / right issue during the period	Sold during the period	Balance as at September 30, 2019	Carrying value	Market Value	Unrealised (loss) / gain	As a percentage of net assets	As a percentage of total investments
										%
Power generation and distribution										
Hub Power Company Limited	2,928,673	825,000	-	810,000	2,943,673	226,942	208,265	(18,678)	0.08	0.09
					<u>2,943,673</u>	<u>226,942</u>	<u>208,265</u>	<u>(18,678)</u>		
Commercial banks										
Meezan Bank Limited	1,223,858	-	-	-	1,223,858	106,671	88,167	(18,505)	0.03	0.04
					<u>1,223,858</u>	<u>106,671</u>	<u>88,167</u>	<u>(18,505)</u>		
Cable and electrical goods										
Pak Elektron Limited	1,370,000	-	-	1,370,000	-	-	-	-	-	-
					<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
Automobile parts and accessories										
Agriauto Industries Limited	125,500	-	-	-	125,500	25,095	20,080	(5,015)	0.01	0.01
					<u>125,500</u>	<u>25,095</u>	<u>20,080</u>	<u>(5,015)</u>		
Glass and ceramics										
Tariq Glass Industries Limited	702,300	-	-	-	702,300	53,817	54,955	1,138	0.02	0.02
					<u>702,300</u>	<u>53,817</u>	<u>54,955</u>	<u>1,138</u>		
Miscellaneous										
Shifa International Hospitals Limited	220	-	-	200	20	4	4	-	-	-
Synthetic Products Limited - a related party	644,000	-	-	-	644,000	14,290	11,045	(3,246)	0.00	0.00
					<u>644,020</u>	<u>14,295</u>	<u>11,049</u>	<u>(3,246)</u>		
Total as at September 30, 2019 (Unaudited)					<u>36,820,231</u>	<u>2,557,185</u>	<u>2,419,066</u>	<u>(138,119)</u>		
Total as at June 30, 2019 (Audited)						<u>2,887,321</u>	<u>2,374,513</u>	<u>(512,808)</u>		

* These have a face value of Rs.3.5 per share

** These have a face value of Rs.5 per share

*** Following shares were pledged with National Clearing Company of Pakistan Limited (NCPL) as collateral against margin:

Name of security	(Unaudited) September 30, 2019 — (Number of shares) —	(Audited) June 30, 2019	(Unaudited) September 30, 2019 — (Rupees in '000) —	(Audited) June 30, 2019
The Hub Power Company Limited	650,000	650,000	45,987	51,188
Oil & Gas Development Company Limited	700,000	700,000	86,121	92,043
	<u>1,350,000</u>	<u>1,350,000</u>	<u>132,108</u>	<u>143,231</u>

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

	Note	(Unaudited) September 30, 2019 ---- (Rupees in '000) ----	(Audited) June 30, 2019
8. PAYABLE TO MCB-ARIF HABIB SAVINGS & INVESTMENTS LIMITED - MANAGEMENT COMPANY			
Management remuneration payable		4,164	4,610
Sindh Sales Tax payable on remuneration of the Management Company		541	599
Allocated expenses including indirect taxes	8.1	208	231
Sales load payable		3	51
Marketing and Selling Payable	8.2	3,078	2,873
Shariah advisory fee Payable		152	75
		<u>8,146</u>	<u>8,439</u>

8.1 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.

8.2 SECP vide SRO 639(I)/2019 dated June 20, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds). Furthermore, maximum cap of selling and marketing expense of 0.4% per annum has also been removed. Resultantly, during the current quarter, the Management Company has charge actual expenses to the extent as it has think expedient.

	(Unaudited) September 30, 2019 ---- (Rupees in '000) ----	(Audited) June 30, 2019
9. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
Remuneration payable	290	313
Sindh Sales Tax on remuneration payable	38	41
	<u>328</u>	<u>354</u>

	(Unaudited) September 30, 2019 ---- (Rupees in '000) ----	(Audited) June 30, 2019
10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)		
Annual fee	129	2,941
	<u>129</u>	<u>2,941</u>

10.1 SECP, vide SRO no. 685 (I)/2019 dated June 28, 2019, revised the rate of annual fee at 0.02% (2019: 0.095%) 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

		(Un-Audited) September 30, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
11. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	11.1	9,948	9,948
Provision for Federal Excise Duty and related tax on	11.2		
- Management fee		5,689	5,689
- Sales load		125	125
Auditors' remuneration		401	298
Brokerage payable		305	1,102
Sale load payable MCB Bank Limited		-	-
Withholding tax payable		96	63
Charity / donation payable		3,724	2,517
Others		215	172
		20,503	19,914

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 period 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. 0.03 per unit (June 30, 2019 Re. 0.03 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 period 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. 0.02 per unit (June 30, 2019: Re. 0.02 per unit).

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding 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. Loss per unit

(Loss) 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.

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

15. TOTAL EXPENSE RATIO

SECP, vide SRO no. 639 (I)/2019 dated June 20, 2019 enhanced the Total Expense Ratio from 4% to 4.5%. The total expense ratio of the Fund from July 1, 2019 to September 30, 2019 is 0.87% (September 30, 2018: 0.86%) and this includes 0.08% (September 30, 2018: 0.09%) representing government levy, Sindh Worker's Welfare Fund, SECP fee etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorized as 'Shariah Compliant Equity Scheme'.

16. TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the holding company of the Management Company, the Trustee, directors and key management personnel, other associated undertakings and unit holders holding more than 10% units of the Fund.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations 2008 and Constitutive documents of the Fund.

The transactions with connected persons / related parties are in the normal course of business and are carried out on agreed terms at contracted rates.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

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

	For the Quarter ended September 30, 2019							
	As at July 01, 2019	Issued for cash	Redeemed	As at September 30, 2019	As at July 01, 2019	Issued for cash	Redeemed	As at September 30, 2019
	Units				(Rupees in '000)			
Group / associated companies								
Nishat Mills Limited	1,108,715	-	-	1,108,715	9,535	-	-	9,125
D.G. Khan Cement Company Limited - Employees Provident Fund	456,190	-	-	456,190	3,923	-	-	3,754
Adamjee Life Assurance Company Limited - Non-Utilised Investment Linked Fund	7,224,171	-	-	7,224,171	62,128	-	-	59,455
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	65,377,724	-	-	65,377,724	562,248	-	-	538,059
Asghari Beg Memorial Trust	423,563	-	-	423,563	3,643	-	-	3,486
Adamjee Life Assurance Company Limited - Amanat Fund	17,833,909	2,356,021	-	20,189,930	153,372	18,000	-	166,163
Adamjee Life Assurance Company Limited - MAZAAF	16,712,894	-	-	16,712,894	143,731	-	-	137,547
Alhamra Islamic Active Allocation Plan I	45,343,343	-	-	45,343,343	389,953	-	-	373,176
Alhamra Islamic Active Allocation Plan II	42,329,805	-	-	42,329,805	364,036	-	-	348,374
Key management personnel	1,746,477	737,965	931,596	1,552,846	15,020	5,623	7,293	12,780
Mandate under discretionary portfolio services	10,346,293	3,154,458	3,421,637	10,079,114	88,978	25,288	27,922	82,951

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

For the Quarter ended September 30, 2018

As at July 01, 2018	Issued for cash	Redeemed	As at September 30, 2018	As at July 01, 2018	Issued for cash	Redeemed	As at September 30, 2018
Units				(Rupees in '000)			

Group / associated companies

Nishat Mills Limited	1,108,715	-	-	1,108,715	11,948	-	-	11,741
D.G. Khan Cement Company Limited - Employees Provident Fund	456,190	-	-	456,190	4,916	-	-	4,831
Adamjee Life Assurance Company Limited - Non-Unitised Investment Linked Fund	6,355,054	-	2,327,747	4,027,307	68,482	-	25,000	42,649
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	66,136,949	-	26,536,313	39,600,636	712,694	-	285,000	419,371
Adamjee Life Assurance Company Limited - Investment Secure Fund	3,864,958	-	3,864,958	-	41,649	-	41,510	-
Adamjee Life Assurance Company Limited - Investment Amanat Fund	14,762,954	1,870,907	-	16,633,861	159,086	20,000	-	176,153
Adamjee Life Assurance Company Limited - MAZAAF	8,522,504	-	-	8,522,504	91,839	-	-	90,253
Alhamra Islamic Active Allocation Plan I	55,988,653	9,615,385	9,532,888	56,071,150	603,336	100,000	100,000	593,793
Alhamra Islamic Active Allocation Plan II	32,195,678	-	-	32,195,678	346,952	-	-	340,952
Key management personnel	1,239,107	289,124	253,067	1,275,164	13,353	3,023	2,657	13,504
Mandate under discretionary portfolio services	23,995,206	4,135,115	11,258,300	16,872,021	258,573	43,548	115,968	178,675

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.

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

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

	(Unaudited) September 30, 2019	(Unaudited) September 30, 2018
	----- (Rupees in '000) -----	
MCB Arif Habib Savings and Investments Limited - Management Company		
Remuneration (including indirect taxes)	14,523	19,671
Expenses allocated by the Management Company and related sales tax	643	983
Shariah advisory fee	227	225
Selling and marketing expenses	3,078	3,481
 Central Depository Company of Pakistan Limited - Trustee		
Remuneration including indirect taxes	1,010	1,268
Settlement charges including indirect taxes	34	88
 Group / associated companies		
Arif Habib Limited		
Brokerage expense *	69	125
 Next Capital Limited		
Brokerage expense *	18	15
 MCB Bank Limited		
Bank charges	5	8
Profit Recieved	-	
 MCB Islamic Bank Limited		
Profit on Bank Deposits	-	3
 Mughal Iron & Steel Limited		
Purchase of Nil (2018: Nil) shares	-	-
Sales of Nil (2018: Nil shares)	-	-
Dividend income	-	-
 Silkbank Emaan Islamic Limited		
Bank charges	1	-
Profit Recieved	1,366	-
 Nishat Mills Limited		
Purchase of Nil (2018: Nil) shares	-	-
Sales of 3,500 (2018: Nil) shares	225	-
Dividend income	-	-

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

	(Unaudited) September 30, 2019	(Unaudited) September 30, 2018
	----- (Rupees in '000) -----	
Synthetic Products Limited		
Dividend income	-	-
Fatima Fertilizer Limited		
Purchase of Nil (2018: 2,474,500) shares	-	83,044
Sales of Nil (2018: Nil) shares	-	-
D.G. Khan Cement Company Limited		
Purchase of Nil (2018: Nil) shares	-	-
Sales of Nil (2018: 600,000) shares	-	69,249
Pakgen Power Limited		
Purchase of Nil (2018: 1,392,500) shares	-	102,206
Sales of Nil (2018: 603,500) shares	-	42,559
Dividend income	-	-
Packages Limited		
Sales of 1,200 (2018: 1,200) shares	336	-

(Unaudited) September 30, 2019	(Audited) June 30, 2019
----- (Rupees in '000) -----	

16.3 Amount outstanding as at period end / year end

MCB Arif Habib Savings and Investments Limited - Management Company

Remuneration payable	4,164	4,610
Sales tax payable on Management remuneration	541	599
Expense allocated by the Management Company	208	231
Sales load payable	3	51
Shariah advisory fee payable	152	75
Selling and marketing expenses payable	3,078	2,873

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable (including indirect taxes)	328	313
Security deposit	300	300

Arif Habib Limited

Brokerage payable *	25	47
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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	(Unaudited) September 30, 2019	(Audited) June 30, 2019
	----- (Rupees in '000) -----	
Next Capital Limited		
Brokerage payable *	18	30
MCB Bank Limited		
Balances with bank	3,225	6,786
Sales load payable	-	-
MCB Islamic Bank Limited		
Balances with bank	18	18
Profit receivable	-	
Nishat Mills Limited		
Nil shares held (June 30, 2019: 3,500 shares)	-	327
Synthetic Products Enterprises Limited		
644,000 shares held (June 30, 2019: 644,000 shares)	11,045	14,290
Fatima Fertilizer Limited		
2,116,000 shares held (June 30, 2019: 2,116,000)	57,851	63,163
Silk Bank Limited		
Balances with bank	217	130,283
Profit receivable	109	178

* The amount disclosed represents the amount of brokerage paid / payable 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.

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized 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