

ALHAMRA ISLAMIC ASSET ALLOCATION 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 United Bank Limited Allied Bank Limited Bank Al-Habib Limited Habib Bank Limited National Bank of Pakistan Meezan Bank Limited Dubai Islamic Bank Limited Bank Islami Pakistan Limited MCB Islamic Bank Limited Habib Metropolitan Bank Limited Silk Bank Limited	
Auditors	A.F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway 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 Asset Allocation Fund** 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 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 under review, the fund delivered a return of -2.90% as against its benchmark return of -4.32%. On the equities front, the overall allocation was 72.0% at the end of the period under review. The fund was mainly invested in Oil & Gas Exploration Companies, Fertilizer and Power Generation & Distribution significantly during the period. On the fixed income side, there was no exposure towards Sukuk at the end of the period under review.

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. 2,507 million as compared to Rs. 2,973 million as at June 30, 2019 registering a decrease of 15.67%.

The Net Asset Value (NAV) per unit as at September 30, 2019 was Rs. 61.9732 as compared to opening NAV of Rs. 63.8246 per unit as at June 30, 2019 registering a decrease of Rs. 1.8514 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

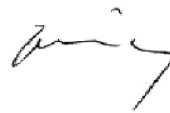
ACKNOWLEDGMENT

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

ڈائریکٹر رپورٹ

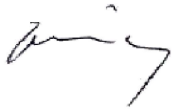
کا مظاہرہ کرنے والے سرمایہ کاروں کے لیے فوائد مضمین ہیں۔ ہم ملک کی معاشی علامات سے باخبر رہنے اور ان کے مطابق اپنے دائرہ کار میں مطلوبہ ترمیم کرنے کا سلسلہ جاری رکھے ہوئے ہیں۔

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۔ گروڈی 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، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیوں 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 لاکر اپنی مجموعی مالیاتی ضروریات پوری کر سکے گا۔ سعودی تیل کی ملتی 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 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 ماہہ 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 ٹریلین روپے (35 فیصد YoY زیادہ) ٹیکس جمع کرنے کا پُر 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 ڈویلپمنٹ 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 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

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 صرّانے 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 اسٹاکس 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 پڑہ جات، آٹوموبائل اسمبلر، 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 لاگوں کے دباؤ بڑھتے رہے (ایکسل لوڈ لمٹ)۔ ہسکول پٹرولیم کے مایوس گن نتائج نے پورے شعبے کی کارکردگی کو سست بنا دیا۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 2.90- فیصد منافع حاصل کیا جبکہ بیچ مارک منافع 4.32- فیصد تھا۔ ایکویٹیز کی جہت میں مجموعی سرمایہ کاری زیر جائزہ مدت کے اختتام پر 72.0 فیصد تھی۔ دوران مدت فنڈ کی اکثر سرمایہ کاری تیل اور گیس کی دریافت کی کمپنیوں، کھاد، اور بجلی کی پیداوار اور تقسیم کے شعبوں میں تھی۔ مقررہ آمدنی کی جہت میں زیر جائزہ مدت کے اختتام پر سسٹمک میں کوئی سرمایہ کاری نہیں تھی۔

30 ستمبر 2019ء کو فنڈ کے net اثاثہ جات 2,507 ملین روپے تھے جو 30 جون 2019ء کی سطح 2,973 ملین روپے کے مقابلے میں 15.67 فیصد کمی ہے۔

30 ستمبر 2019ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 61.9732 روپے تھی جو 30 جون 2019ء کی ابتدائی قدر 63.8246 روپے فی یونٹ کے مقابلے میں 1.8514 روپے فی یونٹ کم تھی۔

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

ڈائریکٹر رپورٹ

عزیز سرمایہ دار

الحرماء اسلامک Asset ایلوکیشن 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 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) یو این یو (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۔ 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 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 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 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 معتدل کرنے پر مانیٹری پالیسی کمیٹی کے نظریئے 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, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	6	656,000	763,340
Investments	7	1,829,669	2,179,968
Dividend, profit and other receivables		46,683	21,918
Advances, deposits and prepayments		3,297	3,403
Receivable against sale of investments		5,460	36,127
Total assets		2,541,108	3,004,756
LIABILITIES			
Payable to MCB Arif Habib Savings and Investments Limited - Management Company	9	15,174 324	9,875 377
Payable to Central Depository Company of Pakistan Limited			
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)	10	132	3,422
Accrued and other liabilities	8	18,715	17,995
Total liabilities		34,345	31,669
NET ASSETS		2,506,762	2,973,087
Unit holders' fund (as per statement attached)		2,506,762	2,973,087
Contingencies and commitments	11		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		40,449,147	46,582,144
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		61.9732	63.8246

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,	
	2019	2018
Note ----- (Rupees in '000) -----		
INCOME		
Net gain / (loss) on sale of investments	(24,344)	15,105
Dividend income	36,594	30,513
Income on term deposit	1,977	548
Profit on bank deposits	26,728	32,740
Net unrealised (loss) / gain on revaluation of investments at fair value through profit or loss'	7.1 (111,091)	(34,583)
Total Income	(70,136)	44,323
EXPENSES		
Remuneration of the Management Company	13,212	19,014
Sindh Sales tax on remuneration of the Management Company	1,717	2,472
Expenses allocated by the Management Company	661	1,074
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	912	1,203
Sindh Sales tax on trustee fee	119	156
Annual fee to Securities and Exchange Commission of Pakistan	132	903
Brokerage, settlement and bank charges	1,027	1,459
Printing and related costs	25	25
Fees and subscription	19	23
Shariah advisory fee	226	228
Auditors' remuneration	117	154
Legal and professional charges	46	55
Selling and marketing expenses	4,102	3,803
Donation	988	304
Total expenses	23,303	30,873
Net (loss) / income from operating activities	(93,439)	13,450
Provision for Sindh Worker's Welfare Fund (SWWF)	-	(269)
Net loss / Income for the period before taxation	(93,439)	13,181
Taxation	12 -	-
Net (loss) / Income for the period after taxation	(93,439)	13,181
<i>Allocation of net income for the period:</i>		
Net loss for the period after taxation	-	13,181
Income already paid on units redeemed	-	(31)
	-	13,150
<i>Accounting income available for distribution:</i>		
- Relating to capital gains	-	-
- Excluding capital gains	-	13,150
	-	13,150
Loss per unit	13	

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 COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	September 30,	
	2019	2018
	----- (Rupees in '000) -----	
Net loss / Income for the period after taxation	(93,439)	13,181
Other comprehensive (loss) / income for the period:	-	-
Total comprehensive (loss) / income for the period	<u>(93,439)</u>	<u>13,181</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 (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30, 2019			September 30, 2018			
	Capital value	Undistributed income/ (accumulated loss)	Total	Capital value	Undistributed income	Unrealised appreciation / (diminution) on available-for-sale investments	Total
	(Rupees in '000)						
Net assets at beginning of the period	3,168,189	(195,102)	2,973,087	3,513,190	97,827	22,520	3,633,537
Issuance of 475,801 units (2018: 6,599,758 units):							
- Capital value (at net asset value per unit at the beginning of the period)	30,368	-	30,368	462,308	-	-	462,308
- Element of income	(1,832)	-	(1,832)	2,336	-	-	2,336
	28,536	-	28,536	464,644	-	-	464,644
Redemption of 6,608,798 units (2018: 3,179,489 units):							
- Capital value (at net asset value per unit at the beginning of the period)	421,804	-	421,804	222,721	-	-	222,721
- Element of loss / Income	(20,382)	-	(20,382)	179	31	-	210
	401,422	-	401,422	222,899	31	-	222,930
Total comprehensive loss for the period	-	(93,439)	(93,439)	-	13,181	-	13,181
Re-designation of Equity Investment at the beginning of period Previously classified as available for sale	-	-	-	22,520	-	(22,520)	-
Net loss for the period less distribution	-	(93,439)	(93,439)	22,520	13,181	(22,520)	13,181
Net assets at end of the period	2,795,303	(288,541)	2,506,762	3,777,454	110,977	-	3,888,431
Undistributed income brought forward comprising of:							
- Realised gain	186,816			97,827			
- Unrealised gain	(381,918)			-			
	(195,102)			97,827			
Accounting income available for distribution:							
- Relating to capital gains	-			-			
- Excluding capital gains	-			13,150			
				13,150			
Net loss for the period after taxation		(93,439)					
Undistributed income carried forward		(288,541)			110,977		
Undistributed income carried forward comprising of:							
- Realised gain	(177,450)			145,560			
- Unrealised loss	(111,091)			(34,583)			
	(288,541)			110,977			
	(Rupees)			(Rupees)			
Net assets value per unit at beginning of the period	63.8246			70.0492			
Net assets value per unit at end of the period	61.9732			70.3260			

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 CASH FLOWS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	September 30,	
	2019	2018
Note	-----	-----
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period before taxation	(93,439)	13,181
Adjustments for:		
Net unrealised loss / (gain) on revaluation of investments 'at fair value through profit or loss'	111,091	34,583
	17,652	47,764
Decrease / (Increase) in assets		
Investments	239,207	(455,810)
Profit receivable	(24,765)	(37,443)
Receivable against sale of investments	30,667	-
Advances, deposits and prepayments	106	(167)
	245,215	(493,420)
Increase / (Decrease) in liabilities		
Payable to the Management Company	5,301	3,164
Payable to Central Depository Company of Pakistan Limited	(53)	31
Payable to Securities and Exchange Commission of Pakistan	(3,290)	(1,466)
Payable against purchase of investments	-	(16,382)
Accrued and other liabilities	720	81
	2,678	(14,572)
Net cash generated from / (used in) operating activities	265,545	(460,228)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	28,536	464,453
Payments on redemption of units	(401,422)	(222,739)
Net cash (used in) / generated from financing activities	(372,886)	241,714
Net (decrease) cash and cash equivalents during the period	(107,340)	(218,514)
Cash and cash equivalents at beginning of the period	763,340	1,892,537
Cash and cash equivalents at end of the period	14 <u>656,000</u>	<u>1,674,023</u>

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

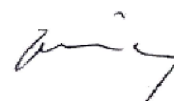
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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 Asset Allocation Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB - Arif Habib Savings and Investments Limited) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 14, 2005 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC rules).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway, Near KPT Interchange, Karachi, Pakistan.
- 1.3 The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange Limited. The principal activity of the Fund is to make investment in shariah compliant investments in securities or instruments both inside and outside Pakistan. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund has been categorised as "Shariah compliant Islamic Asset Allocation" scheme by the Board of Directors of the Asset Management Company in accordance with the requirements of Circular 7 of 2009 dated March 06, 2009 issued by the SECP.
- 1.4 The Pakistan Credit Rating Agency (PACRA) Limited has assigned an asset manager rating of AM2++ dated October 08, 2019 to the Management Company.
- 1.5 Title to the assets of the Fund is held in the name of the 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.

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

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.

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.

6 BANK BALANCES	Note	(Un-Audited) September 30, 2019	(Audited) June 30, 2019
		----- (Rupees in '000) -----	
In current accounts	6.1	11,796	14,406
In saving accounts	6.2	644,204	748,934
		<u>656,000</u>	<u>763,340</u>

6.1 These include Rs.8.8 million (June 30, 2019: Rs 12.59 million) maintained with MCB Bank Limited, a connected person / related party.

6.2 These carry profit at the rates ranging between 11.5% to 14.35% (June 30, 2019: 6% and 11.75%) per annum and include Rs. 0.014 million (June 30, 2019: 0.014 million) maintained with MCB Islamic Bank Limited, (a related party) and Rs. 1.170 million (June 30, 2019: 657.03 million) maintained with Silk Bank Limited (a related party) which carries profit at the rate of 14.35% per annum.

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) -----	
7 INVESTMENTS			
Investment by category			
'At fair value through profit or loss "			
- Quoted equity securities	7.1	1,829,669	2,004,968
- Term deposit musharika		-	175,000
		<u>1,829,669</u>	<u>2,179,968</u>

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	Number of shares					Balance as at September 30, 2019			Market value		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at July 01, 2019	Purchased during the year	Right issue/Bonus during the year	Sold during the year	As at September 30, 2019	Carrying value	Market value	Unrealised (loss)/ gain	As a percentage of total invest-ments	As a percentage of net assets	
----- (Rupees in '000) ----- % -----											
Automobile Parts & Accessories											
Agriauto Industires Limited	37,000	-	-	-	37,000	7,399	5,920	(1,479)	0.32%	0.24%	0.13%
						7,399	5,920	(1,479)	0.32%	0.24%	0.13%
Cable & Electrical Goods											
Pak Elektron Limited	1,400,000	-	-	1,400,000	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
Cement											
Kohat Cement Limited	63,700	-	-	-	63,700	3,346	2,931	(415)	0.16%	0.12%	0.03%
Lucky Cement Limited	107,550	-	-	107,550	-	-	-	-	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Limited	1,000,000	-	-	1,000,000	-	-	-	-	0.00%	0.00%	0.00%
						3,346	2,931	(415)	0.16%	0.12%	0.03%
Chemicals											
Engro Polymer and Chemicals Limited	4,161,748	-	-	-	4,161,748	112,201	102,171	(10,030)	5.58%	4.08%	0.46%
Lotte Chemical Pakistan Limited	2,150,000	1,922,000	-	-	4,072,000	64,745	55,542	(9,203)	3.04%	2.22%	0.27%
						176,946	157,713	(19,233)	8.62%	6.29%	0.73%
Commercial Banks											
Meezan Bank Limited	1,006,512	-	-	-	1,006,512	87,728	72,509	(15,218)	3.96%	2.89%	0.08%
						87,728	72,509	(15,218)	3.96%	2.89%	0.08%
Engineering											
International Industries Limited	144,600	-	14,460	-	159,060	11,144	11,028	(117)	0.60%	0.44%	0.13%
						11,144	11,028	(117)	0.60%	0.44%	0.13%
Fertilizer											
Engro Corporation Limited	726,880	29,900	-	100,000	656,780	174,110	175,288	1,178	9.58%	6.99%	0.11%
Engro Fertilizer Limited	2,332,000	298,500	-	-	2,630,500	169,293	179,479	10,186	9.81%	7.16%	0.20%
Fatima Fertilizer Company Limited	2,080,500	-	-	-	2,080,500	62,103	56,881	(5,222)	3.11%	2.27%	0.10%
						405,506	411,648	6,142	22.50%	16.42%	0.41%

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		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	As at July 01, 2019	Purchased during the year	Right issue/Bonus during the year	Sold during the year	As at September 30, 2019	Carrying value	Market value	Unrealised (loss) / gain	As a percentage of total investments	As a percentage of net assets	
----- (Rupees in '000) ----- % -----											
Food & Personal Care Products											
Frieslandcampina Engro Pakistan Limited	700	-	-	700	-	-	-	-	0.00%	0.00%	0.00%
National Foods Limited	80,400	-	-	-	80,400	14,806	15,104	297	0.83%	0.60%	0.06%
						14,806	15,104	297	0.83%	0.60%	0.06%
Glass & Ceramics											
Tariq Glass Industries	499,000	-	-	-	499,000	38,238	39,047	808	2.13%	1.56%	0.68%
						38,238	39,047	808	2.13%	1.56%	0.68%
Oil & Gas Exploration Companies											
Mari Petroleum Company Limited	6	28,680	-	6	28,680	24,964	25,788	824	1.41%	1.03%	0.02%
Oil & Gas Development Company Limited*	1,682,400	75,000	-	100,000	1,657,400	217,975	203,910	(14,065)	11.14%	8.13%	0.04%
Pakistan Oilfields Limited	450,860	164,000	-	-	614,860	246,514	233,585	(12,929)	12.77%	9.32%	0.22%
Pakistan Petroleum Limited	1,705,380	59,900	-	82,900	1,682,380	242,462	228,854	(13,608)	12.51%	9.13%	0.08%
						731,915	692,137	(39,778)	37.83%	27.61%	0.36%
Oil And Gas Marketing Companies											
Attock Petroleum Limited	10	-	-	10	-	-	-	-	0.00%	0.00%	0.00%
Hi-Tech Lubricants Limited	-	901,000	-	-	901,000	24,164	23,426	(738)	1.28%	0.93%	0.78%
Pakistan State Oil Company limited.	158,040	-	-	158,040	-	-	-	-	0.00%	0.00%	0.00%
Sui Northern Gas Company Limited	2,132,500	-	-	-	2,132,500	148,187	131,362	(16,825)	7.18%	5.24%	0.34%
						172,352	154,788	(17,564)	8.46%	6.17%	1.12%
Paper And Board											
Packages Limited	350	-	-	6	344	103	103	(1)	0.01%	0.00%	0.00%
						103	103	(1)	0.01%	0.00%	0.00%
Pharmaceuticals											
Agp Limited	32	-	-	32	-	-	-	-	0.00%	0.00%	0.00%
Ibl Healthcare Limited	4,933	-	-	4,242	691	23	17	(6)	0.00%	0.00%	0.00%
The Searle Company Limited	1,258	-	-	1,061	197	29	27	(2)	0.00%	0.00%	0.00%
						52	44	(8)	0.00%	0.00%	0.00%
Power Generation & Distribution											
Hub Power Company Limited*	3,238,242	579,500	-	1,400,000	2,417,742	187,396	171,055	(16,341)	9.35%	6.82%	0.19%
						187,396	171,055	(16,341)	9.35%	6.82%	0.19%
Sugar & Allied Industries											
Faran Sugar Mills Limited	92,000	-	-	-	92,000	3,735	3,358	(377)	0.18%	0.13%	0.37%
						3,735	3,358	(377)	0.18%	0.13%	0.37%
Technology & Communications											
Pakistan Telecommunication Company Lirr	131,500	-	-	-	131,500	1,088	907	(180)	0.05%	0.04%	0.00%
Systems Limited	553,300	-	-	-	553,300	53,100	46,062	(7,038)	2.52%	1.84%	0.45%
						54,188	46,970	(7,218)	2.57%	1.87%	0.45%
Textile Composite											
Interloop Limited	915,520	-	-	-	915,520	40,530	40,219	(311)	2.20%	1.60%	0.11%
Kohinoor Textile Mills Limited	214,650	-	-	-	214,650	5,377	5,096	(281)	0.28%	0.20%	0.07%
Nishat Mills Limited	163,600	-	-	163,600	-	-	-	-	0.00%	0.00%	0.00%
						45,907	45,315	(592)	2.48%	1.81%	0.18%
Total as at September 30, 2019						1,940,761	1,829,669	(111,091)			
Total as at June 30, 2019						2,386,886	2,004,968	(381,918)			

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

* These includes shares with market value of 24.5 million (2019:41.068 million) have been pledged with National Clearing Company of Pakistan Limited (NCCPL) security against settlement of the Fund's trades in terms of Circular No.11 dated October 23, 2007 issued by SECP:

		(Un-Audited) September 30, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
8 ACCRUED AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	7,622	7,622
Federal Excise Duty payable on management fee	8.2	5,910	5,910
Federal Excise Duty and related taxes payable on sales load		1,136	1,136
Charity / donation payable		3,092	2,104
Auditors' remuneration		441	324
Withholding tax payable		-	2
Brokerage payable		315	739
Other payables		199	158
		<u>18,715</u>	<u>17,995</u>

8.1 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, 2018. 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 by Re. 0.1884 per unit (June 30, 2019 Re. 0.16 per unit).

8.2 Federal Excise Duty and related tax payable

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the 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 by Re. 0.1461 per unit (June 30, 2019: Re. 0.15 per unit).

		(Un-Audited) September 30, 2019	(Audited) June 30, 2019
		----- (Rupees in '000) -----	
9 PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENT LIMITED - MANAGEMENT COMPANY			
Management fee payable		4,093	5,024
Sindh Sales Tax payable on remuneration of the Management Company		532	653
Allocated expenses payable	9.1	419	251
Selling and marketing expenses payable	9.2	4,102	3,144
Sales load payable		168	226
Back end load payable		5,710	502
Shariah advisory fee payable		151	75
		<u>15,174</u>	<u>9,875</u>

9.1 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

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

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.

- 9.2** 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.

		(Un-Audited) September 30, 2019 ----- (Rupees in '000) -----	(Audited) June 30, 2019 -----
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee	10.1	<u>132</u>	<u>3,422</u>

- 10.1** SECP, vide SRO no. 685 (I)/2019 dated June 28, 2019, revised the rate of annual fee at 0.02% (2018: 0.095%) of net assets on all categories of Collective Investment Schemes which is effective from July 01, 2019.

11 CONTINGENCIES AND COMMITMENTS

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

12 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.

13 (LOSS) / EARNING PER UNIT

(Loss) / Earning 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.

	(Un-Audited) September 30, 2019 ----- (Rupees in '000) -----	(Un-Audited) September 30, 2018 -----
14 CASH AND CASH EQUIVALENTS		
Balances with banks	<u>656,000</u>	1,674,023
	<u>656,000</u>	<u>1,674,023</u>

15 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.

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

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:

15.1 Unit Holders' Fund

September 30, 2019 (Un-Audited)								
	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								
D.G Khan Cement Company Limited - Employees' Provident Fund Trust	111,065	-	-	111,065	7,090	-	-	6,883
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	572,847	-	-	572,847	36,562	-	-	35,501
Adamjee Life Assurance Company Limited - (MAZAAF)	354,404	-	-	354,404	22,620	-	-	21,964
Key management personnel	12,066	247	2,705	9,609	770	15	169	595
Mandate under Discretionary Portfolio Services	297,835	21,522	5,325	314,033	19,009	1,273	330	19,462
September 30, 2018 (Un-Audited)								
	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								
D.G Khan Cement Company Limited - Employees' Provident Fund Trust	111,065	-	-	111,064	7,780	-	-	7,811
Adamjee Life Assurance Company Limited - (MAZAAF)	919,634	-	-	919,634	64,420	-	-	64,674
Key management personnel	12,157	2,450	-	14,607	852	170	-	1,027
Mandate under Discretionary Portfolio Services	1,247,261	7,680	7,257	1,247,684	87,370	530	503	87,370

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

	----- (Un-Audited) -----	
	September 30, 2019	September 30, 2018
	----- (Rupees in '000) -----	
15.2 Transactions during the period:		
MCB Arif Habib Savings and Investments Limited - Management Company		
Remuneration (including indirect taxes)	14,929	21,486
Expenses allocated by the Management Company and related taxes	661	3,803
Selling and marketing expenses	4,102	1,074
Shariah advisory fee	226	228
 Central Depository Company of Pakistan Limited - Trustee		
Remuneration including indirect taxes	1,030	1,359
Settlement charges	22	57
 Group / Associated Companies:		
MCB Bank Limited		
Bank charges	5	4
 Silk Bank Limited		
Profit on bank deposit	6,456	13,916
Bank charges	11	18
 MCB Islamic Bank Limited		
Profit on bank deposits	-	1
 Arif Habib Limited		
Brokerage expense *	57	114
 Next Capital Limited		
Brokerage expense *	8	86
 D.G. Khan Cement Company Limited		
Sale of shares Nil (2018: 623,000) shares	56,117	71,944
 Fatima Fertilizer Company Limited		
Purchase of Nil (2018: 1,680,500) shares	-	55,928
 Packages Limited		
Sale of 6 shares (2018: Nil) shares	2	-
 Nishat Mill Limited		
Sale of 163,600 (2018: Nil) shares	10,546	-

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
	-----	-----
15.3 Balances outstanding at period / year end:	(Rupees in '000)	(Rupees in '000)
MCB Arif Habib Savings and Investments Limited - Management Company		
Remuneration payable	4,093	5,024
Sindh sales tax payable on management remuneration	532	653
Expense allocated by the Management Company	419	251
Selling and marketing expenses payable	4,102	3,144
sale Load payable	168	226
Shariah advisory fee payable	151	75
Back end load payable	5,710	502
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable (including indirect taxes)	324	377
Security deposit	200	200
Group / Associated Companies:		
MCB Bank Limited		
Balance with bank	8,887	12,592
Arif Habib Limited		
Brokerage payable *	25	38
Next Capital Limited		
Brokerage payable *	8	62
Silk Bank Limited		
Balances with bank	1,170	657,026
Profit receivable on deposit account with bank	2,396	4,152
MCB Islamic Bank Limited		
Balances with bank	14	14
Nishat Mills Limited		
Nil (2019: 163,600) shares held	-	15,270
Fatima Fertilizer Company Limited		
2,080,500 (2019: 2,080,500) shares held	56,881	62,103
Packages Limited		
344 (2019: 350) shares held	103	105

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

* 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.

16 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 0.89% (September 30, 2018:0.83%) and this includes 0.08% (September 30, 2018:0.11%) 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 Asset Allocation Scheme""."

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

18.1 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