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AC/AR/044/21
03 August 2021

The Board of Directors
MCB-Arif Habib Savings and Investments
Limited (the Management Company)
2nd Floor, Adamjee House
I.I. Chundrigar Road
Karachi

Dear Sirs / Madam

DRAFT FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

We are pleased to enclose three copies of the draft financial statements of the following Funds for the above year, together with our draft audit reports thereon initialled by us only for identification purposes:

- Alhamra Islamic Active Allocation Fund (AIAAF)
- Alhamra Daily Dividend Fund (ADDF)
- MCB Pakistan Stock Market Fund (MCBPSMF)
- Alhamra Islamic Pension Fund (AIPF)
- Pakistan Pension Fund (PPF) (the Funds)

We shall be pleased to sign and issue our reports on the financial statements after:

(a) the Board has approved the financial statements;

(b) the financial statements have been signed by the Chief Executive Officer, Chief Financial Officer and at least one director of the Management Company authorized in this behalf and:

(i) we have seen the Board's resolution approving these financial statements and the items specified in Annexure A;

(ii) we have received satisfactory responses to our requests for outstanding bank, legal and tax confirmations, list of which has already been provided to the management;

(iii) we have received representation letter duly signed by the Chief Executive Officer and Chief Financial Officer of the Management Company; and

(iv) we have reviewed the financial and non-financial information that will be published along with the financial statements in the Funds' annual reports.

2. RESPONSIBILITIES OF THE MANAGEMENT AND AUDITORS IN RELATION TO THE FINANCIAL STATEMENTS

The responsibilities of the independent auditors in an audit of financial statements are provided under the Companies Act, 2017 and International Standards on Auditing as applicable in Pakistan.

While the auditors are responsible for forming and expressing their opinion on the financial statements, management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Funds' financial reporting process.

3. OTHER INFORMATION CONTAINED IN THE ANNUAL REPORT OF THE FUNDS

International Standards on Auditing 720 "Other Information in Documents Containing Audited Financial Statements" requires an auditor to review, in addition to the financial statements, other financial and non-financial information, that are included by the management in the published annual report such as financial highlights, directors' and chairman review etc. Accordingly, we would appreciate receiving such information before the issuance of our audit report for the purpose of our review of the same.

4. CONTINGENCIES AND COMMITMENTS

The Management Company has informed us that there are no contingencies and commitments outstanding as at year end other than those disclosed in the financial statements.

5. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

The Management Company has informed us that the transactions with connected persons / related parties are undertaken at contracted rates and there are no transactions and balances with related parties other than those disclosed in the financial statements.

Finally, we wish to place on record our appreciation of the cooperation and courtesy extended to us by the management and staff of the Management Company at all levels during the course of our review.

Yours faithfully

EY Ford Rhodes

SAS:AR:MA.

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Items requiring specific approval by the Board by way of board resolutions:

Alhamra Islamic Active Allocation Fund Plan-I

	Rupees in '000
- Remuneration of the Management Company	34
- Sales tax on remuneration of the Management Company	4
- Expenses allocated by the Management Company and related taxes	148
- Content related to maturity as disclosed in note 1.4 to the financial statements	
- Transactions and balances with related parties / connected persons as disclosed in note 15 to the financial statements	

Alhamra Islamic Active Allocation Fund Plan-II

	Rupees in '000
- Remuneration of the Management Company	37
- Sales tax on remuneration of the Management Company	5
- Expenses allocated by the Management Company	143
- Content related to maturity as disclosed in note 1.4 to the financial statements	
- Transactions and balances with related parties / connected persons as disclosed in note 15 to the financial statements	

Alhamra Smart Portfolio

	Rupees in '000
- Remuneration of the Management Company	3
- Sales tax on remuneration of the Management Company	-
- Expenses allocated by the Management Company	7
- Content related to maturity as disclosed in note 1.4 to the financial statements	
- Transactions and balances with related parties / connected persons as disclosed in note 15 to the financial statements	

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Alhamra Daily Dividend Fund

		Rupees in '000
-	Purchase of Investments	(310,644)
-	Remuneration of the Management Company	5,592
-	Sales tax on remuneration of the Management Company	727
-	Provision for Sindh Workers' Welfare Fund (SWWF)	2,841
-	Transactions and balances with related parties / connected persons as disclosed in note 13 to the financial statements.	

MCB Pakistan Stock Market Fund

		Rupees in '000
-	Investments - net	(165,704)
-	Remuneration of the Management Company	228,599
-	Sales tax on remuneration of the Management Company	29,718
-	Expenses allocated by the Management Company and related taxes	11,430
-	Transactions and balances with related parties / connected persons as disclosed in note 16 to the financial statements	

Alhamra Islamic Pension Fund – Equity Sub Fund

		Rupees in '000
-	Investments - net	(4,619)
-	Remuneration of the Management Company	9,831
-	Sales tax on remuneration of the Management Company	1,278
-	Provision for Sindh Workers' Welfare Fund (SWWF)	3,984
-	Transactions and balances with related parties / connected persons as disclosed in note 19 to the financial statements	

Alhamra Islamic Pension Fund – Debt Sub Fund

	Rupees in '000
- Investments - net	(98,976)
- Remuneration of the Management Company	4,713
- Sales tax on remuneration of the Management Company	613
- Provision for Sindh Workers' Welfare Fund (SWWF)	397
- Transactions and balances with related parties / connected persons as disclosed in note 19 to the financial statements	

Alhamra Islamic Pension Fund – Money Market Sub Fund

	Rupees in '000
- Investments - net	(31,018)
- Remuneration of the Management Company	3,868
- Sales tax on remuneration of the Management Company	503
- Provision for Sindh Workers' Welfare Fund (SWWF)	267
- Transactions and balances with related parties / connected persons as disclosed in note 19 to the financial statements	

Pakistan Pension Equity Sub-Fund

	Rupees in '000
- Investments - net	(41,185)
- Remuneration of the Management Company	12,702
- Sales tax on remuneration of the Management Company	1,651
- Provision for Sindh Workers' Welfare Fund (SWWF)	4,558
- Transactions and balances with related parties / connected persons as disclosed in note 19 to the financial statements	

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Pakistan Pension Debt Sub-Fund

		Rupees in '000
-	Investments - net	(206,129)
-	Remuneration of the Management Company	7,633
-	Sales tax on remuneration of the Management Company	992
-	Provision for Sindh Workers' Welfare Fund (SWWF)	604
-	Transactions and balances with related parties / connected persons as disclosed in note 19 to the financial statements	

Pakistan Pension Money Market Sub-Fund

		Rupees in '000
-	Investments - net	146,304
-	Remuneration of the Management Company	7,495
-	Sales tax on remuneration of the Management Company	974
-	Provision for Sindh Workers' Welfare Fund (SWWF)	573
-	Transactions and balances with related parties / connected persons as disclosed in note 19 to the financial statements	