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DRAFT

INDEPENDENT AUDITORS' REVIEW REPORT

To the Unit holders of Alhmara Daily Dividend Fund

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of **Alhmara Daily Dividend Fund** (the Fund) as at **31 December 2021**, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Statement of Movement in Unit Holders' Fund and condensed interim Cash Flow Statement and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.

Chartered Accountants

Date:

Karachi

ALHAMRA DAILY DIVIDEND FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2021

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		------- (Rupees in '000) -------	
ASSETS			
Balances with banks	4	**3,044,801**	2,176,906
Investments	5	**85,026**	146,650
Mark-up, advance and other receivables		**26,108**	23,988
Total assets		**3,155,935**	2,347,544
LIABILITIES			
Payable to the Management Company		**722**	434
Dividend payable		**830**	346
Accrued expenses and other liabilities	6	**1,325**	68,195
Total liabilities		**2,877**	68,975
NET ASSETS		**3,153,058**	2,278,569
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**3,153,058**	2,278,569
Contingencies and commitments	7		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		**31,530,584**	22,785,693
		----------- (Rupees) -----------	
NET ASSET VALUE PER UNIT		**100.00**	100.00

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer	**Chief Financial Officer**	**Director**

ALHAMRA DAILY DIVIDEND FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Note	Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		(Rupees in '000)			
INCOME					
Markup on:					
Balances with banks		**48,375**	73,480	**30,383**	31,655
Investments		**10,661**	19,373	**4,264**	10,294
Total income		**59,036**	92,853	**34,647**	41,949
EXPENSES					
Remuneration of the Management Company	8	**3,407**	3,421	**1,893**	1,579
Sindh sales tax on remuneration of the Management Company		**443**	445	**246**	205
Allocated expenses	9	**484**	985	**297**	248
Selling and marketing expenses	10	**-**	2,586	**-**	-
Brokerage expense on money market transaction		**4**	-	**1**	-
(Reversal) / provision of Provision for Sindh Workers' Welfare Fund (SWWF)		**(7,516)**	1,708	**-**	798
Total expenses		**(3,178)**	9,145	**2,437**	2,830
Net income for the period before taxation		**62,214**	83,708	**32,210**	39,119
Taxation	11	**-**	-	**-**	-
Net income for the period		**62,214**	83,708	**32,210**	39,119
Allocation of net income for the period:					
Net income for the period		**62,214**	83,708		
Income already paid on units redeemed		**-**	-		
		62,214	83,708		
Accounting income available for distribution:					
- Relating to capital gains		**-**	-		
- Excluding capital gains		**62,214**	83,708		
		62,214	83,708		
Earnings per unit	12				

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer **Chief Financial Officer** **Director**

ALHAMRA DAILY DIVIDEND FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended		Quarter ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	---------------------------- (Rupees in '000) ----------------------------			
Net income for the period	**62,214**	83,708	**32,210**	39,119
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**62,214**	83,708	**32,210**	39,119

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer	**Chief Financial Officer**	**Director**

ALHAMRA DAILY DIVIDEND FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	Half year ended December 31, 2021			Half year ended December 31, 2020		
		Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
		(Rupees in '000)					
Net assets at beginning of the period		2,278,569	-	2,278,569	3,236,903	-	3,236,903
Issuance of 39,272,859 (2020: 43,275,225) units							
- Capital value (at net asset value per unit at the beginning of the period)		3,927,286	-	3,927,286	4,327,523	-	4,327,523
- Element of income		-	-	-	-	-	-
		3,927,286	-	3,927,286	4,327,523	-	4,327,523
Redemption of 30,527,968 (2020: 54,724,847) units							
- Capital value (at net asset value per unit at the beginning of the period)		(3,052,797)	-	(3,052,797)	(5,472,485)	-	(5,472,485)
- Amount paid out of element of income							
- Relating to 'Net income for the period after taxation'		-	-	-	-	-	-
- Relating to 'Other comprehensive income for the period'		-	-	-	-	-	-
- Refund / (adjustment) on units as element of income		-	-	-	-	-	-
		(3,052,797)	-	(3,052,797)	(5,472,485)	-	(5,472,485)
Total comprehensive income for the period		-	62,214	62,214	-	83,708	83,708
Distribution during the period	14	-	(62,214)	(62,214)	-	(83,708)	(83,708)
Net income for the period less distribution		-	-	-	-	-	-
Net assets at end of the period		3,153,058	-	3,153,058	2,091,941	-	2,091,941
Undistributed income brought forward comprising of:							
- Realised			-			-	
- Unrealised			-			-	
			-			-	
Accounting income available for distribution:							
- Relating to capital gains			-			-	
- Excluding capital gains			62,214			83,708	
			62,214			83,708	
Distribution during the period			(62,214)			(83,708)	
Undistributed income carried forward			-			-	
Undistributed income carried forward comprising of:							
- Realised			-			-	
- Unrealised			-			-	
			-			-	
				-- (Rupees) --			-- (Rupees) --
Net assets value per unit at beginning of the period				100.00			100.00
Net assets value per unit at end of the period				100.00			100.00

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer | **Chief Financial Officer** | **Director**

ALHAMRA DAILY DIVIDEND FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR DECEMBER 31, 2021

	Note	Half year ended December 31, 2021	Half year ended December 31, 2020
		------- (Rupees in '000) -------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		**62,214**	83,708
Adjustments for non cash and other items:			
Mark-up income		**(59,036)**	(92,853)
(Reversal) / provision of Provision for Sindh Welfare Fund (SWWF)		**(7,516)**	1,708
Decrease / (increase) in assets			
Advances and other receivables		**2,003**	(164)
Investments - net		**72,285**	42,375
		74,288	42,211
(Decrease) / increase in liabilities			
Payable to Management Company		**288**	(2,658)
Accrued expenses and other liabilities		**(59,354)**	(120)
		(59,066)	(2,778)
Mark-up income received		**44,252**	84,188
Net cash generated from operating activities		**55,136**	116,184
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received on issuance of units		**3,927,286**	4,327,523
Cash paid for redemption of units		**(3,052,797)**	(5,472,485)
Cash distribution		**(61,730)**	(84,087)
Net cash generated from / (used) in financing activities		**812,759**	(1,229,049)
Net increase / (decrease) in cash and cash equivalents		**867,895**	(1,112,865)
Cash and cash equivalents at beginning of the period		**2,176,906**	2,796,317
Cash and cash equivalents at end of the period	13	**3,044,801**	1,683,452

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

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

Chief Executive Officer	Chief Financial Officer	Director

ALHAMRA DAILY DIVIDEND FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Alhamra Daily Dividend Fund (the Fund) was established through a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 07, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 30, 2017 in accordance with Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Baking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is located at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.

1.3 The Fund is an open-end mutual fund and has been categorised as "Islamic Income Scheme" by the Board of Directors of the Management Company and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund.

1.4 The Fund shall primarily invest in shariah compliant money market investment and debt securities having good credit rating and liquidity.

1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 6, 2021 to the Management Company and AA-(f) to the Fund in its rating report dated September 09, 2021.

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 These condensed interim financial statements of the Fund have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- The NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of 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 IAS 34, 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.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the period ended June 30, 2020.

2.3 In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that these interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2021.

2.4 These condensed interim financial statements are presented in Pakistani Rupee, which is the functional and presentation currency of the Fund.

2.5 As per clause 6.4 of the Offering Document, the Management Company would bear the expenses of the Fund except for brokerage / transaction costs, taxes, fees, duties applicable to the Fund, including sales tax levied on services offered by the Management Company and any amount which the Shariah Advisor may declare to be Haram and to be paid to charity. However as per clause 6.4 Note 1 the Fund may charge, fee and expenses related to registrar services, accounting, operation and valuation services related to CIS, on discretion of the Management Company which will be reimbursable to the Management Company.

3. ACCOUNTING POLICIES AND ESTIMATES

3.1 The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2021.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standards, interpretations and amendments	**Effective date**
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022

Standards, interpretations and amendments	Effective date
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 01, 2023
IFRS 17 - Insurance Contracts	January 01, 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	January 01, 2022

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 1, 2009

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

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

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		-------- (Rupees in '000) --------	
4. BALANCES WITH BANKS			
In current account	4.1	**14,381**	5,100
In saving accounts	4.2	**3,030,420**	2,171,806
		3,044,801	2,176,906

4.1 Current account is maintained with MCB Bank Limited, a related party.

4.2 These carry profit at the rates ranging from 6.60% to 11.75% (June 30, 2021: 5.50% to 7.00%) per annum. These include a balance of Rs.0.523 (June 30, 2021: Rs.2.03) million held with MCB Islamic Bank Limited, a related party.which carries profit at the rate of 7.25% (June 30, 2021: 5.50%) per annum.

5. INVESTMENTS	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		-------- (Rupees in '000) --------	
At fair value through profit or loss			
Term deposit receipt	5.1	-	-
Commercial paper	5.2	85,026	146,650
Bai Muajjal	5.3	-	-
		85,026	146,650

5.1 Term deposit receipt - at fair value through profit and loss

Name of the investee company	Rate of return per annum	Maturity	Rating	As at July 01, 2021	Face value: Purchased during the period	Matured during the period	As at December 31, 2021
					-------- (Rupees in '000) --------		
Faysal Bank Limited	7.50%	October 21, 2021	AA	-	125,000	125,000	-
Askari Bank Limited	7.30%	December 23, 2021	AA+	-	125,000	125,000	-
Total as at December 31, 2021 (Un-audited)				-	250,000	250,000	-
Total as at June 30, 2021 (Audited)				-	-	-	-

5.2 Commercial paper - at fair value through profit and loss

Name of security	Issue date	Number of certificates: As at July 01, 2021	Purchased during the period	Matured during the period	As at December 31, 2021	Market value at December 31, 2021
						(Rupees in '000)
K - Electric ICP 17	6-Apr-21	100	200	300	-	-
K - Electric ICP 18	19-Apr-21	50	74	124	-	-
K-Electric Limited - ICP 24	16-Nov-21	-	88	-	88	85,026
Total as at December 31, 2021 (Un-audited)						85,026
Total as at June 30, 2021 (Audited)						146,650

5.2.1 Significant terms and conditions of commercial papers outstanding at the year end are as follows:

Name of security	Profit rates	Issue date	Maturity date	Carrying value as a % of net assets
K-Electric Limited - ICP 24	9.57%	November 16, 2021	May 16, 2022	2.70%

5.3 Investment in Bai maujjal - at fair value through profit and loss

Name of the investee company	Face value: As at July 01, 2021	Purchased during the year	Matured during the year	As at December 31, 2021	Market value at December 31, 2021
	-------- (Rupees in '000) --------				
Pak Kuwait Investment Company (Pvt.) Limited	-	134,960	134,960	-	0.00%
Pak Brunei Investment Company Limited	-	135,164	135,164	-	0.00%
Total as at December 31, 2021 (Un-audited)				-	-
Total as at June 30, 2021 (Audited)				-	-

6. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		-------- (Rupees in '000) --------	
Provision for Sindh Workers' Welfare Fund (SWWF)	6.1	-	7,516
Withholding tax payable		825	655
Payable against redemption of units		-	60,022
Sales load payable		-	2
Other Payable		500	-
		1,325	68,195

6.1 Sindh Revenue Board (SRB) through its letter dated August 12, 2021 received on August 13, 2021 has intimated Mutual Funds Association of Pakistan's (MUFAP) that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the Sindh Workers' Welfare Fund (SWWF) contributions. This development was discussed at MUFAP level and was also been taken up with the Securities and Exchange Commission of Pakistan (SECP). All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds till August 12, 2021 on August 13, 2021.

SECP has also given its concurrence for recording reversal of provision of SWWF on the day letter was received by MUFAP. This reversal of provision has contributed towards an unusual increase in NAV of the Fund on August 13, 2021. This is one-off event and is not likely to be repeated in the future. Going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

7. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2021 (June 30, 2021: Nil).

8. REMUNERATION OF THE MANAGEMENT COMPANY

As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the Offering Document subject to the total expense ratio limit. As per the offering document, the management company charged management fees at the rate of up to 20% of the gross earnings of the scheme, calculated on a daily basis. Provided the fund is subject to a minimum fee of 0.25% of the average daily net assets of the scheme. The remuneration is payable to the Management Company monthly in arrears.

Subsequent to period end, with effect from January 07, 2022, the minimum fee of 0.25% has been removed through supplement offering document dated December 31, 2021.

9. ALLOCATED EXPENSES

In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company has charged actual expenses related to registrar services, accounting, operations and valuation services to the CIS as per SECP vide SRO 639 dated June 20, 2019.

10. SELLING AND MARKETING EXPENSES

The Management Company has charged actual expenses to the extent as it has think expedient as per SECP circular 11 dated July 05, 2019.

11. TAXATION

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the period as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. Since the management has distributed the income earned by the Fund during the period to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these condensed interim financial statements.

12. EARNINGS PER UNIT

Earnings per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company the determination of the same is not practicable.

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		-------- (Rupees in '000) --------	
13. CASH AND CASH EQUIVALENTS			
Balances with banks	4	**3,044,801**	2,176,906

14. INTERIM DISTRIBUTION

The Fund makes distribution on daily basis as per clause 12.1 of Trust Deed and 5.1 of the Offering Document. During the period, the Management Company on behalf of the Fund, have distributed net profit amounting to Rs.62.214 (December 31, 2020: Rs.83.708) million as dividend and that dividend has been re-invested after deducting applicable taxes in the form acceptable by SECP that may qualify under tax laws. The SECP has approved the above arrangement vide letter No. SCD/AMCW/MCBAHSIL/ADDF/297/2018 dated March 13, 2018.

15. TRANSACTIONS AND BALANCES OUTSTANDING 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, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration payable to the Management Company is determined in accordance with the provision of the NBFC Regulations and constitutive documents of the Fund respectively.

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	FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (Un-audited)							
	As at July 01, 2021	Issued for cash / conversion in / transferred in / Dividend	Redeemed / conversion out / transfer out	As at December 31, 2021	As at July 01, 2021	Issued for cash / conversion in / transferred in / Dividend Reinvested	Redeemed / conversion out / transfer out	Amount outstanding as at December 31, 2021
	(Units)				(Rupees in '000)			
Group / associated company								
Arif Habib Securities Limited - Employees Provident Fund Trust	77,053	10,070	77,090	10,033	7,705	1,007	7,709	1,003
Units Holders Holding 10% Or More Units	5,000,000	5,504,088	-	10,504,088	500,000	550,409	-	1,050,409
Key management personnel	25,347	221,014	167,072	79,289	2,535	22,102	16,707	7,929

	FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (Un-audited)							
	As at July 01, 2020	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	As at December 31, 2020	As at July 01, 2020	Issued for cash / conversion in / transferred in	Redeemed / conversion out / transfer out	Amount outstanding as at December 31, 2020
	(Units)				(Rupees in '000)			
MCB-Arif Habib Savings Investment Limited - Management Company	-	3,502,354	3,502,354	-	-	350,235	350,235	-
Group / associated company								
Adamjee Insurance Company Limited - Employees Provident Fund	35,455	-	-	35,455	3,546	-	-	3,546
Adamjee Life Assurance Company Limited - MAZAAF	-	-	-	-	-	-	-	-
Hyundai Nishat Motor Private Limited Employees Provident Fund	27,768	871	-	28,638	2,777	87	-	2,864
Arif Habib Securities Limited - Employees Provident Fund Trust	69,448	11	69,459	-	6,945	1	6,946	-
MCB Islamic Bank Limited	-	2,254,759	2,254,759	-	-	225,476	225,476	-
Adamjee Life Assurance Company Limited - Provident Fund	54,220	1,626	-	55,846	5,422	163	-	5,585
Units Holders Holding 10% or more units	5,020,203	131,608	125,000	5,026,811	502,020	13,161	12,500	502,681
Key management personnel	39,489	492,931	450,616	81,803	3,949	49,293	45,062	8,180

15.2 Transactions during the period:

	(Un-audited) Half year ended December 31, 2021	December 31, 2020
	---------- (Rupees in '000)	--------
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration (including indirect taxes)	**3,850**	3,866
Allocated expenses	**484**	985
Selling and marketing expenses	**-**	2,586
MCB Islamic Bank Limited - Group / associated company		
Profit on balance with bank	**7.63**	0.28

15.3 Balances outstanding at period end:

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	---------- (Rupees in '000)	--------
MCB-Arif Habib Savings and Investments Limited - Management Company		
Remuneration payable	**510**	384
Sale tax payable on remuneration payable	**66**	50
Allocated expense payable	**38**	-
Sale load payable	**108**	-
Receivable from management company	**80**	33
MCB Bank Limited - Group / associated company		
Bank balance *	**14,381**	5,101
Other receivable	**359**	10,751
MCB Islamic Bank Limited - Group / associated company		
Bank balance	**523**	2,030
Arif Habib Securities Limited Employee Provided Fund Trust		
Dividend payable	**-**	1
Key management personnel		
Dividend payable	**2**	-
Unit Holder Holding 10% or more		
Dividend payable	**276**	-

* This represents a balance held in current account.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Note	Level 1	Level 2	Level 3	Total
		(Rupees)			
December 31, 2021 (Un-audited)					
Commercial paper	16.1	-	**85,026**	-	**85,026**
June 30, 2021 (Audited)					
Commercial paper	16.1	-	146,650	-	146,650

During the period ended December 31, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

16.1 The valuation of commercial papers and term deposit receipts have been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

17. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 0.56% as on December 31, 2021 (December 31, 2020: 0.67%) and this includes 0.06% (December 31, 2020 0.15%) representing Government Levy, Sindh Workers' Welfare Fund (SWWF). This ratio is within the maximum limit of 2.50% prescribed under the NBFC Regulations 60(5) for a collective investment scheme categorised as "Islamic Income Scheme".

18. GENERAL

18.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

18.2 Certain prior period's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are material re-arrangements / re-classifications to report.

19. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on ______________________ by the Board of Directors of the Management Company.

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

Chief Executive Officer	Chief Financial Officer	Director