



MCB-ARIF HABIB  
Savings and Investments Limited

# ANNUAL REPORT 2019

Funds Under Management of  
MCB-Arif Habib Savings and Investments Limited



# **ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
<b>Board of Directors</b>	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 Director
<b>Audit Committee</b>	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mirza Qamar Beg Mr. Nasim Beg	Chairman Member Member Member
<b>Risk Management Committee</b>	Mr. Mirza Qamar Beg Mr. Ahmed Jahangir Mr. Nasim Beg	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mr. Mirza Qamar Beg Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating Officer &amp; Chief Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Amir Qadir	
<b>Trustee</b>	MCB Financial Services Limited 4th Floor, Pardesi House, Old Queens Road, Karachi - Pakistan. Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.mchfsl.com.pk	
<b>Bankers</b>	MCB Bank Limited Dubai Islamic Bank Pakistan Limited Bank Islami Pakistan Limited	
<b>Auditors</b>	<b>Ernst &amp; Young Ford Rhodes</b> Chartered Accountants Progressive Plaza, Beaumont Road P.O. Box 15541, Karachi 75530 Pakistan.	
<b>Legal Advisor</b>	<b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> 24th Floor, Center point, off Shaheed-e-Millat Express Way Near K.P.T. Interchange, Karachi.	
<b>Rating</b>	<b>AM2++</b> Asset Manager Rating assigned by PACRA	



# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2019

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**Dear Investor,**

On behalf of the Board of Directors, we are pleased to present **Alhamra Islamic Active Allocation Plan –I** accounts review for the year ended June 30, 2019 (launched on December 29, 2016).

## **ECONOMY AND MONEY MARKET OVERVIEW**

Pakistan's economy inherited myriad of challenges entering into fiscal year 2019, particularly a weak balance of payment and fiscal situation. The macroeconomic imbalances were coped with vigilant policy actions from central bank which resultantly took its toll on the economic growth. Gross Domestic Product (GDP) growth as per the preliminary estimates slowed down to 3.3% compared to 5.2% witnessed during the preceding year. All the three major sectors namely Agriculture, Industrial, and Services witnessed a slowdown posting growth of 0.9%, 1.4% and 4.7% respectively. Agricultural growth faltered as growth in major crops receded, evident from the decline in production of Sugarcane, Cotton & Rice which fell by 19.4%, 17.5% and 3.3% respectively. Industrial growth also weakened as large scale manufacturing (LSM) could not bear the brunt of contractionary policies pursued by central bank to achieve macroeconomic stabilization. LSM posted a decline of 3.7% as industries dependent on government spending and imports faced reduced demand. Among the major LSM sectors, Automobiles and Iron & Steel witnessed a demand contraction of 11.7% and 11.2% respectively. Nevertheless, Services sector provided some rescue to the economic growth, thanks to Finance and Insurance (up 5.4% YoY) and Government Services (up 8.0% YoY). Dollar denominated size of GDP stood at USD ~280 billion compared to USD ~315 billion in the last year, witnessing a contraction of 11%.

At the onset of year, Pakistan was plagued by one of the biggest balance of Payment crisis in its history. While it was facing a Current Account Deficit (CAD) north of USD 19 billion and external repayments worth USD 9 billion, the crisis was compounded by the fact that foreign exchange reserves of mere USD ~10 billion were at hand. Timely policy action by the central bank particularly adjusting the currency by 32% during the year helped in arresting the CAD. Real Effective Exchange Rate (REER) dropped from the overvalued territory in June 18 to become undervalued by 10%. Resultantly, the CAD contracted by 32.1% to USD 13.5 billion during the year. While exports growth did not materialize, improvement in CAD was driven from declining imports of Non-oil goods and services (down 11.8% YoY) and improved remittances (up 9.7% YoY). Default on loan obligations was also averted after Pakistan was successful in getting material inflows (USD ~10 billion) from its friendly allies. Although, narrowing current account deficit along with bilateral flows did provide some breathing space to the balance of payment, State Bank of Pakistan's (SBP) foreign reserves still declined by USD 2.5 billion to USD 7.5 billion due to the gravity of external crisis. At last, Pakistan also signed up for an IMF program during the month of May'19, putting all uncertainty to an end on the external front. The staff level agreement of USD 6.2 billion was reached for a period of three years.

The headline inflation as represented by Consumer Price Index (CPI) accelerated to an average of 7.3% in FY19 compared to 3.9% in the last year. Higher utility tariffs particularly a hike in gas prices (up ~64% YoY) and increased petroleum prices (up ~23% YoY) contributed to the rise in inflation. The regulator allowed for adjustments in utility tariffs as government eliminated the subsidies, while petroleum prices were adjusted after PKR depreciated by more than 30% against USD during the year. Similarly, the lagged impact of PKR depreciation resulted in more pronounced inflation in the second half which increased to an average of 8.6%, compared to 6.0% witnessed in the first half of the fiscal year. In order to control inflation and bring stability to the macroeconomic imbalances, the central bank continued its monetary tightening and increased the interest rates by 575 bps during the course of the year.

Fiscal books of the government continued to deteriorate, with the fiscal deficit reaching an unprecedented 8.9% of the GDP. Total revenue declined by 6% during the year, marred by a sharp drop in non-tax revenue of 44% during the period. Surplus profitability from SBP collapsed to nearly zero, after central bank recorded massive exchange losses due to currency devaluation. Tax collection also remained dismal as YoY collection remained flat, owing to tax exemptions announced in the last budget and a weak economy. On the other hand, total expenditures increased by 11%, despite a 25% cut in development spending. The increase in expenditures was propelled by a surge in current expenditures, particularly as the debt servicing costs escalated by 40% YoY due to increase in interest rates. Government relied on

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2019

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domestic sources to fund its deficit, as financing from external sources (Multilateral agencies) dried up since IMF program was not available during the most part of the year. Within the domestic channel, the government relied heavily on central bank borrowing as nearly 70% of the borrowing out of PKR 3 trillion was funded through SBP.

On the money market side, the yield curve shifted on upward trajectory after record monetary tightening by the central bank during the fiscal year. SBP cited rising inflation, twin deficits and declining forex reserves as the prime reasons behind the policy decisions. In the first half of fiscal year, concerns over external front along with unadjusted policy decisions kept market participants at bay from longer tenor instruments. However, by the end of the fiscal year as the policy adjustments were fully in place, market participants drew much comfort which resulted in a massive demand for longer tenor bonds. In fact, the yield curve turned inverted as 10 Year PIB's traded at much lower level compare to short term security papers.

During the year, SBP persistently tried to develop the market for floating rate bonds by conducting regular auctions. The central bank accepted a cumulative amount of PKR 714 billion at a credit spread of 70-75 bps over base rate (6M T-bill yield). On the other hand, the government matured PKR 314 billion of Ijara Sukuks causing a dearth of Shariah Compliant avenues. However, to fund the circular debt, SBP introduced Pakistan Energy SUKUK amounting to PKR 200 billion exclusively for Islamic Banks at 80 bps premium over base rate. Nevertheless, liquidity position throughout the period remained comfortable owing to regular OMOs conducted by SBP.

### EQUITIES MARKET OVERVIEW

The KSE-100 index continued its descent and lost ~19.1% during the year. Economic slowdown and a delay in policy actions vitiated the investment atmosphere and resulted in crisis of confidence. Foreign participants reduced their equity exposure for most part of the year amidst uncertainty on external front. Alongside, a weak economic environment and a rise in interest rates resulted in outflow from local equity based mutual funds. Foreigners dumped USD 362 million of equities followed by USD 146 million from mutual funds. The selling was primarily absorbed by Individuals (~USD 166 Mn), Insurance Companies (~USD 150 Mn) and Companies (~USD 111 Mn). Trading volumes remained low during the year averaging around 154 Mn shares representing a decline of ~11.5% YoY.

Amongst the major sectors; Refineries, Oil Marketing Companies, Automobiles and Cements were among the laggards losing ~57%, ~42%, ~33%, and ~32% respectively. While these sectors bore the brunt of economic slowdown, exchange losses and margin compression added fuel to the fire causing a huge slump in their earnings. On the flip side, Commercial banks outperformed the index as they lost only ~12% against market fall of ~19%. Midsized quality banks lead the pack as NIMS expansion brought in a massive growth in earnings.

KSE-100 stood at a forward Price/Earnings (P/E) ratio of 6.4 x at the end of FY19. It started with a P/E of 9.5 x at the start of year. While the earnings growth of index remained robust at 10% during the last year as the index heavy weights benefitted from the macroeconomic theme (higher interest rates and PKR depreciation); the fall in the index is explained by the massive de-rating owing to the weak appetite for risk assets during the year.

### FUND PERFORMANCE

During the period under review, the fund posted a return of -4.26% against -23.61% for the benchmark.

The fund was 62.1% invested in Alhamra Islamic Stock Fund and 34.5% invested in Alhamra Islamic Income Fund as at 30<sup>th</sup> June, 2019.

The Net Assets of the Fund as at June 30, 2019 stood at Rs. 627 million as compared to Rs. 1,404 million as at June 30, 2018 registering a decrease of 55.34%.

The Net Asset Value (NAV) per unit as at June 30, 2019 was Rs. 89.1993 as compared to opening NAV of Rs. 93.1720 per unit as at June 30, 2018 a decrease of Rs. 3.9727 per unit.

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2019

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## FUTURE OUTLOOK

Policy adjustments by the central bank will result in macroeconomic consolidation thus restricting the economic growth in low single digits. 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. The beginning for the year has been very promising as CAD for July'19 shrank to USD ~600 million, compared to USD ~2,000 million seen during the same period of last year. Our forecast at very conservative assumptions is that CAD will settle at 2.7% 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 ~13 billion (up 1.8x) by the end of the current fiscal year. With PKR aligned to its equilibrium levels (Jun'19 REER at 91) and current account deficit in a sustainable range, PKR should now depreciate nominally based on its historical average.

Inflation is expected to pick up to an average of 11.7% in FY20 compared to 7.3% witnessed during the last year. Multiple reasons are attributed for the surge in inflation. Firstly, the government is aiming to recover the full cost of utilities resulting in the price adjustment of utilities. Secondly, tax exemptions provided to multiple industries have been withdrawn causing a hike in prices. Finally, we have assumed PKR to be north of 170 against USD by the end of fiscal year, while crude oil is assumed at USD 70/BBL which will keep the overall CPI high. Nevertheless, we expect core inflation as represented by Non Food Non Energy (NFNE) to average below 10.0% for the year. We deem that current real interest rate is sufficient to cater for the expected inflation, therefore, in general we do not expect any further increase in interest rates. However, more than expected inflation and any deterioration in fiscal accounts can result in modest tightening in the monetary policy.

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 expansive 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 ~300-400 billion. As a result, the axe can fall on the development spending.

In broader terms, we believe, the last two years market performance (down approx. 45% 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.

Our overall strategy is still tilted towards defensive sectors (E&P's, Power, Fertilizers) while sector which will benefit from changing dynamics on macro front such as rising interest rates (Commercial Banks) are also 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 cyclicals, we believe there are 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 YEAR ENDED JUNE 30, 2019

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### Corporate Governance

The Fund is committed to implement the highest standards of corporate governance. With six (6) non-executive directors including two (2) independent Directors on the Board, as governing body of the Management Company, the Board is accountable to the unit holders for good corporate governance. Management is continuing to comply with the provisions of best practices set out in the code of corporate governance particularly with regard to independence of non-executive directors. The Fund remains committed to conduct business in line with listing regulations of Pakistan Stock Exchange, which clearly defined the role and responsibilities of Board of Directors and Management.

The following specific statements are being given to comply with the requirements of the Code of Corporate Governance:

- a. Financial statements present fairly its state of affairs, the results of operations, cash flows and changes in equity.
- b. Proper books of accounts of the Fund have been maintained.
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International Financial Reporting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further.
- f. There has been no material departure from the best practices of Corporate Governance.
- g. Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.
- h. The statement as to the value of investments of provident/gratuity and pension fund is not applicable on the Fund but applies to the Management Company; hence no disclosure has been made in the Directors' Report.
- i. As at June 30, 2019, the Fund is in compliance with the requirement of Directors' Training Program, as contained in Regulation No. 20 of the Code.
- j. The detailed pattern of unit holding, as required by NBFC Regulations are enclosed.
- k. The details of attendance of Board of Directors meeting is disclosed in financial statements. Below is the details of committee meetings held during the year ended June 30, 2019:

#### 1. Meeting of the Audit Committee.

During the year, nine (9) meetings of the Audit Committee were held. The attendance of each participant is as follows:

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2019

Name of Persons	Number of meetings	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mr. Haroun Rashid (Chairman)	9	9	7	2
2. Mr. Ahmed Jahangir	9	9	9	-
3. Mr. Nasim Beg	9	9	9	-
4. Mr. Mirza Qamar Beg	9	9	9	-

### 2. Meeting of the Human Resource and Remuneration Committee.

During the year, one (1) meetings of the Human Resource and Remuneration Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings	Number of meetings		
		Attendance required	Attended	Leave granted
1. Dr. Syed Salman Shah (Chairman)*	1	1	1	-
2. Mr. Nasim Beg	1	1	1	-
3. Mr. Ahmed Jahangir	1	1	1	-
4. Mr. Haroun Rashid	1	1	1	-
5. Mr. Muhammad Saqib Saleem (CEO)	1	1	1	-

\*Dr. Syed Salman Ali Shah resigned from the Board effective June 10, 2019 and Mirza Qamar Beg was included as a member and also appointed as Chairman of the Committee.

### 3. Meeting of Risk Management Committee.

During the year, one (1) meetings of the Risk Management Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mr. Mirza Qamar Beg (Chairman)	1	1	1	-
2. Mr. Nasim Beg	1	1	1	-
3. Mr. Ahmed Jahangir	1	1	1	-

- I. Nil units of the Fund were carried out during the year by Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary, and Chief Internal Auditor of the Management Company and their spouses and minor children.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2019

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### External Auditors

The fund's external auditors, **Ernst & Young Ford Rhodes Chartered Accountants**, have expressed their willingness to continue as the fund auditors for the ensuing year ending June 30, 2020. The audit committee of the Board has recommended reappointment of **Ernst & Young Ford Rhodes Chartered Accountants** as auditors of the fund for the year ending June 30, 2020.

### 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,



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**Muhammad Saqib Saleem**  
Chief Executive Officer  
September 13, 2019



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**Nasim Beg**  
Director/Vice Chairman



# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2019

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## Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Alhamra Islamic Active Allocation Plan II** accounts review for the year ended June 30, 2019.

## ECONOMY AND MONEY MARKET OVERVIEW

Pakistan's economy inherited myriad of challenges entering into fiscal year 2019, particularly a weak balance of payment and fiscal situation. The macroeconomic imbalances were coped with vigilant policy actions from central bank which resultantly took its toll on the economic growth. Gross Domestic Product (GDP) growth as per the preliminary estimates slowed down to 3.3% compared to 5.2% witnessed during the preceding year. All the three major sectors namely Agriculture, Industrial, and Services witnessed a slowdown posting growth of 0.9%, 1.4% and 4.7% respectively. Agricultural growth faltered as growth in major crops receded, evident from the decline in production of Sugarcane, Cotton & Rice which fell by 19.4%, 17.5% and 3.3% respectively. Industrial growth also weakened as large scale manufacturing (LSM) could not bear the brunt of contractionary policies pursued by central bank to achieve macroeconomic stabilization. LSM posted a decline of 3.7% as industries dependent on government spending and imports faced reduced demand. Among the major LSM sectors, Automobiles and Iron & Steel witnessed a demand contraction of 11.7% and 11.2% respectively. Nevertheless, Services sector provided some rescue to the economic growth, thanks to Finance and Insurance (up 5.4% YoY) and Government Services (up 8.0% YoY). Dollar denominated size of GDP stood at USD ~280 billion compared to USD ~315 billion in the last year, witnessing a contraction of 11%.

At the onset of year, Pakistan was plagued by one of the biggest balance of Payment crisis in its history. While it was facing a Current Account Deficit (CAD) north of USD 19 billion and external repayments worth USD 9 billion, the crisis was compounded by the fact that foreign exchange reserves of mere USD ~10 billion were at hand. Timely policy action by the central bank particularly adjusting the currency by 32% during the year helped in arresting the CAD. Real Effective Exchange Rate (REER) dropped from the overvalued territory in June 18 to become undervalued by 10%. Resultantly, the CAD contracted by 32.1% to USD 13.5 billion during the year. While exports growth did not materialize, improvement in CAD was driven from declining imports of Non-oil goods and services (down 11.8% YoY) and improved remittances (up 9.7% YoY). Default on loan obligations was also averted after Pakistan was successful in getting material inflows (USD ~10 billion) from its friendly allies. Although, narrowing current account deficit along with bilateral flows did provide some breathing space to the balance of payment, State Bank of Pakistan's (SBP) foreign reserves still declined by USD 2.5 billion to USD 7.5 billion due to the gravity of external crisis. At last, Pakistan also signed up for an IMF program during the month of May'19, putting all uncertainty to an end on the external front. The staff level agreement of USD 6.2 billion was reached for a period of three years.

The headline inflation as represented by Consumer Price Index (CPI) accelerated to an average of 7.3% in FY19 compared to 3.9% in the last year. Higher utility tariffs particularly a hike in gas prices (up ~64% YoY) and increased petroleum prices (up ~23% YoY) contributed to the rise in inflation. The regulator allowed for adjustments in utility tariffs as government eliminated the subsidies, while petroleum prices were adjusted after PKR depreciated by more than 30% against USD during the year. Similarly, the lagged impact of PKR depreciation resulted in more pronounced inflation in the second half which increased to an average of 8.6%, compared to 6.0% witnessed in the first half of the fiscal year. In order to control inflation and bring stability to the macroeconomic imbalances, the central bank continued its monetary tightening and increased the interest rates by 575 bps during the course of the year.

Fiscal books of the government continued to deteriorate, with the fiscal deficit reaching an unprecedented 8.9% of the GDP. Total revenue declined by 6% during the year, marred by a sharp drop in non-tax revenue of 44% during the period. Surplus profitability from SBP collapsed to nearly zero, after central bank recorded massive exchange losses due to currency devaluation. Tax collection also remained dismal as YoY collection remained flat, owing to tax exemptions announced in the last budget and a weak economy. On the other hand, total expenditures increased by 11%, despite a 25% cut in development spending. The increase in expenditures was propelled by a surge in current expenditures, particularly as the debt servicing costs escalated by 40% YoY due to increase in interest rates. Government relied on domestic sources to fund its deficit, as financing from external sources (Multilateral agencies) dried up since IMF program was not available during the most part of the year. Within the domestic channel, the government relied heavily on central bank borrowing as nearly 70% of the borrowing out of PKR 3 trillion was funded through SBP.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2019

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On the money market side, the yield curve shifted on upward trajectory after record monetary tightening by the central bank during the fiscal year. SBP cited rising inflation, twin deficits and declining forex reserves as the prime reasons behind the policy decisions. In the first half of fiscal year, concerns over external front along with unadjusted policy decisions kept market participants at bay from longer tenor instruments. However, by the end of the fiscal year as the policy adjustments were fully in place, market participants drew much comfort which resulted in a massive demand for longer tenor bonds. In fact, the yield curve turned inverted as 10 Year PIB's traded at much lower level compare to short term security papers.

During the year, SBP persistently tried to develop the market for floating rate bonds by conducting regular auctions. The central bank accepted a cumulative amount of PKR 714 billion at a credit spread of 70-75 bps over base rate (6M T-bill yield). On the other hand, the government matured PKR 314 billion of Ijara Sukuks causing a dearth of Shariah Compliant avenues. However, to fund the circular debt, SBP introduced Pakistan Energy SUKUK amounting to PKR 200 billion exclusively for Islamic Banks at 80 bps premium over base rate. Nevertheless, liquidity position throughout the period remained comfortable owing to regular OMOs conducted by SBP.

### EQUITIES MARKET OVERVIEW

The KSE-100 index continued its descent and lost ~19.1% during the year. Economic slowdown and a delay in policy actions vitiated the investment atmosphere and resulted in crisis of confidence. Foreign participants reduced their equity exposure for most part of the year amidst uncertainty on external front. Alongside, a weak economic environment and a rise in interest rates resulted in outflow from local equity based mutual funds. Foreigners dumped USD 362 million of equities followed by USD 146 million from mutual funds. The selling was primarily absorbed by Individuals (~USD 166 Mn), Insurance Companies (~USD 150 Mn) and Companies (~USD 111 Mn). Trading volumes remained low during the year averaging around 154 Mn shares representing a decline of ~11.5% YoY.

Amongst the major sectors; Refineries, Oil Marketing Companies, Automobiles and Cements were among the laggards losing ~57%, ~42%, ~33%, and ~32% respectively. While these sectors bore the brunt of economic slowdown, exchange losses and margin compression added fuel to the fire causing a huge slump in their earnings. On the flip side, Commercial banks outperformed the index as they lost only ~12% against market fall of ~19%. Midsized quality banks lead the pack as NIMS expansion brought in a massive growth in earnings.

KSE-100 stood at a forward Price/Earnings (P/E) ratio of 6.4 x at the end of FY19. It started with a P/E of 9.5 x at the start of year. While the earnings growth of index remained robust at 10% during the last year as the index heavy weights benefitted from the macroeconomic theme (higher interest rates and PKR depreciation); the fall in the index is explained by the massive de-rating owing to the weak appetite for risk assets during the year.

### FUND PERFORMANCE

During the period under review, the fund posted a return of -5.54% against -23.43% for the benchmark. The fund was 51.4% invested in Alhamra Islamic Stock Fund and 47.5% invested in Alhamra Islamic Income Fund as at 30<sup>th</sup> June, 2019. The Net Assets of the Fund as at June 30, 2019 stood at Rs. 708 million as compared to Rs.794 million as at June 30, 2018 registering a decrease of 10.83%. The Net Asset Value (NAV) per unit as at June 30, 2019 was Rs.93.8703 as compared to opening NAV of Rs. 99.5728 per unit as at June 30, 2018 a decrease of Rs. 5.7025 per unit.

### FUTURE OUTLOOK

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



## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2019

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Balance of Payment worries are over for now as current account deficit has adjusted to reasonable level since the policy actions taken by the central government. The beginning for the year has been very promising as CAD for July'19 shrank to USD ~600 million, compared to USD ~2,000 million seen during the same period of last year. Our forecast at very conservative assumptions is that CAD will settle at 2.7% 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 ~13 billion (up 1.8x) by the end of the current fiscal year. With PKR aligned to its equilibrium levels (Jun'19 REER at 91) and current account deficit in a sustainable range, PKR should now depreciate nominally based on its historical average. Inflation is expected to pick up to an average of 11.7% in FY20 compared to 7.3% witnessed during the last year. Multiple reasons are attributed for the surge in inflation. Firstly, the government is aiming to recover the full cost of utilities resulting in the price adjustment of utilities. Secondly, tax exemptions provided to multiple industries have been withdrawn causing a hike in prices. Finally, we have assumed PKR to be north of 170 against USD by the end of fiscal year, while crude oil is assumed at USD 70/BBL which will keep the overall CPI high. Nevertheless, we expect core inflation as represented by Non Food Non Energy (NFNE) to average below 10.0% for the year. We deem that current real interest rate is sufficient to cater for the expected inflation, therefore, in general we do not expect any further increase in interest rates. However, more than expected inflation and any deterioration in fiscal accounts can result in modest tightening in the monetary policy.

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 ~300-400 billion. As a result, the axe can fall on the development spending.

In broader terms, we believe, the last two years market performance (down approx. 45% 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.

Our overall strategy is still tilted towards defensive sectors (E&P's, Power, Fertilizers) while sector which will benefit from changing dynamics on macro front such as rising interest rates (Commercial Banks) are also 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, we believe there are distressed assets and quality companies which should be looked into as they have a tendency to provide abnormal returns.

### **Corporate Governance**

The Fund is committed to implement the highest standards of corporate governance. With six (6) non-executive directors including two (2) independent Directors on the Board, as governing body of the Management Company, the Board is accountable to the unit holders for good corporate governance. Management is continuing to comply with the provisions of best practices set out in the code of corporate governance particularly with regard to independence of non-executive directors. The Fund remains committed to conduct business in line with listing regulations of Pakistan Stock Exchange, which clearly defined the role and responsibilities of Board of Directors and Management.

## REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2019

The following specific statements are being given to comply with the requirements of the Code of Corporate Governance:

- a. Financial statements present fairly its state of affairs, the results of operations, cash flows and changes in equity.
- b. Proper books of accounts of the Fund have been maintained.
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International Financial Reporting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003, Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the respective Trust Deeds and directives issued by the Securities & Exchange Commission of Pakistan have been followed in the preparation of financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored with ongoing efforts to improve it further.
- f. There has been no material departure from the best practices of Corporate Governance.
- g. Outstanding statutory payments on account of taxes, duties, levies and charges, if any have been fully disclosed in the financial statements.
- h. The statement as to the value of investments of provident/gratuity and pension fund is not applicable on the Fund but applies to the Management Company; hence no disclosure has been made in the Directors' Report.
- i. As at June 30, 2019, the Fund is in compliance with the requirement of Directors' Training Program, as contained in Regulation No. 20 of the Code.
- j. The detailed pattern of unit holding, as required by NBFC Regulations are enclosed.
- k. The details of attendance of Board of Directors meeting is disclosed in financial statements. Below is the details of committee meetings held during the year ended June 30, 2019:

### 1. Meeting of the Audit Committee.

During the year, nine (9) meetings of the Audit Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings held	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mr. Haroun Rashid (Chairman)	9	9	7	2
2. Mr. Ahmed Jahangir	9	9	9	-
3. Mr. Nasim Beg	9	9	9	-
4. Mr. Mirza Qamar Beg	9	9	9	-

### 2. Meeting of the Human Resource and Remuneration Committee.

During the year, one (1) meetings of the Human Resource and Remuneration Committee were held. The attendance of each participant is as follows:

# REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2019

Name of Persons	Number of meetings	Number of meetings		
		Attendance required	Attended	Leave granted
1. Dr. Syed Salman Shah (Chairman)*	1	1	1	-
2. Mr. Nasim Beg	1	1	1	-
3. Mr. Ahmed Jahangir	1	1	1	-
4. Mr. Haroun Rashid	1	1	1	-
5. Mr. Muhammad Saqib Saleem (CEO)	1	1	1	-

\*Dr. Syed Salman Ali Shah resigned from the Board effective June 10, 2019 and Mirza Qamar Beg was included as a member and also appointed as Chairman of the Committee.

### 3. Meeting of Risk Management Committee.

During the year, one (1) meetings of the Risk Management Committee were held. The attendance of each participant is as follows:

Name of Persons	Number of meetings	Number of meetings		
		Attendance required	Attended	Leave granted
1. Mr. Mirza Qamar Beg (Chairman)	1	1	1	-
2. Mr. Nasim Beg	1	1	1	-
3. Mr. Ahmed Jahangir	1	1	1	-

- I. Nil units of the Fund were carried out during the year by Directors, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Company Secretary, and Chief Internal Auditor of the Management Company and their spouses and minor children.

### External Auditors

The fund's external auditors, **Ernst & Young Ford Rhodes Chartered Accountants**, have expressed their willingness to continue as the fund auditors for the ensuing year ending June 30, 2020. The audit committee of the Board has recommended reappointment of **Ernst & Young Ford Rhodes Chartered Accountants** as auditors of the fund for the year ending June 30, 2020.

### 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  
September 13, 2019



**Nasim Beg**  
Director/Vice Chairman

بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2019ء کو ختم ہونے والے سال کے لیے الحمد للہ اسلامک ایکٹو ایلوکیشن پلان - I (آغاز کردہ 29 دسمبر 2016ء) کے اکاؤنٹس کا جائزہ پیش خدمت ہے۔

### معیشت اور بازار کا مجموعی جائزہ

پاکستان کی معیشت کو مالی سال 2019ء میں داخل ہوتے ہوئے بے شمار چیلنجز روٹے میں ملے، خاص طور پر ادائیگی کے توازن اور مالیات کی کمزور صورت حال۔ گلاں معاشیات کے غیر متوازن عناصر سے نمٹنے کے لیے مرکزی بینک نے چوتھے پالیسی اقدامات کیے جن کے نتیجے میں معاشی ترقی متاثر ہوئی۔ مجموعی ملکی پیداوار (GDP) کی ترقی ابتدائی تخمینوں کے مطابق سال گزشتہ (5.2 فیصد) کے مقابلے میں کم ہو کر 3.3 فیصد رہ گئی۔ تینوں بڑے شعبہ جات یعنی زراعت، صنعت اور سروسز سٹروی کا شکار ہوئے اور ان کی ترقی کی شرح بالترتیب 0.9 فیصد، 1.4 فیصد اور 4.7 فیصد رہی۔ اہم فصلوں کی نمو میں گراؤٹ کے سبب زرعی ترقی بھی پسماندگی کا شکار ہوئی جس کا اظہار گٹے، کپاس اور چاول کی پیداوار میں بالترتیب 19.4 فیصد، 17.5 فیصد اور 3.3 فیصد کمی سے ہوتا ہے۔ صنعتی ترقی بھی کمزوری کا شکار ہوئی کیونکہ بڑے پیمانے کی پیداوار (LSM) مرکزی بینک کی گلاں معاشیاتی استحکام کے حصول کے لیے اختیار کردہ کانٹریکشنری (حکومتی خرچ یا مالیاتی توسیع کی شرح میں کمی پر مبنی) پالیسیوں کا غمیزا برداشت نہیں کر سکی۔ LSM میں 3.7 فیصد کمی ہوئی کیونکہ حکومتی خرچ اور درآمدات پر انحصار کرنے والی صنعتوں کو مانگ میں کمی کا سامنا ہوا۔ LSM کے اہم شعبہ جات میں گاڑیوں کے شعبے میں 11.7 فیصد اور لوہے اور اسٹیل کے شعبے میں 11.2 فیصد مانگ کا تضاد ہوا۔ تاہم سروسز کے شعبے نے معاشی ترقی کو کچھ حد تک ڈھال فراہم کیا جس کا سہرہ فائننس اینڈ انشورنس (5.4 فیصد YoY ترقی) اور حکومتی سروسز (8.0 فیصد YoY ترقی) کے سر جاتا ہے۔ GDP کا ڈالر کے اعتبار سے حجم 280 بلین ڈالر تھا جو سال گزشتہ (315 بلین ڈالر) کے مقابلے میں 11 فیصد تضاد ہے۔

سال کے آغاز پر ہی پاکستان اپنی تاریخ کے سب سے بڑے ادائیگی کے توازن کے بحران کا شکار ہوا۔ اگرچہ اسے 19 بلین ڈالر کرنٹ اکاؤنٹ خسارے (CAD) اور 9 بلین ڈالر خارجی ادائیگی نو کا سامنا تھا لیکن یہ بحران شدت اختیار کر گیا کیونکہ غیر ملکی زرمبادلہ کے ذخائر صرف 10 بلین ڈالر رہ گئے تھے۔ مرکزی بینک کے بروقت پالیسی اقدام، خاص طور پر دوران سال روپے میں 32 فیصد ترمیم سے CAD پر قابو پانے میں مدد ملی۔ حقیقی مؤثر شرح مبادلہ (REER) جون 2018ء کے اصل سے زائد قدر کی سطح سے نیچے آئی اور اصل سے 10 فیصد کم قدر کی حامل ہو گئی۔ نتیجتاً CAD دوران سال 32.1 فیصد سکڑ کر 13.5 بلین ڈالر ہو گیا۔ اگرچہ برآمدات میں ترقی نہیں ہو سکی لیکن CAD میں بہتری کے اسباب تیل کے علاوہ والی اشیاء اور سروسز کی درآمدات میں 11.8 فیصد YoY (یئر اوور یئر) کمی اور ترسیلات زر میں 9.7 فیصد YoY اضافہ ہے۔ پاکستان کے دوستانہ حلیفوں سے مادی درآمدات زر (10 بلین ڈالر) حاصل کرنے میں کامیابی کے بعد ادائیگی قرض میں کوتاہی بھی ٹل گئی۔ اگرچہ CAD میں کمی کے ساتھ ساتھ رقوم کی دو طرفہ آمد و رفت سے ادائیگی کے توازن کا کچھ سانس بچا ہوا لیکن خارجی بحران کی شدت کے باعث اسٹیٹ بینک آف پاکستان (SBP) کے غیر ملکی زرمبادلہ کے ذخائر 2.5 بلین ڈالر کم ہو کر 7.5 بلین ڈالر رہ گئے۔ علاوہ ازیں، ماہ مئی 2019ء کے دوران پاکستان نے بالآخر آئی ایم ایف پروگرام پر دستخط کر دیئے جس سے خارجی میدان میں تمام غیر یقینیوں کا خاتمہ ہو گیا۔ 6.2 بلین ڈالر کا اسٹاف لیول معاہدہ تین برسوں کی مدت کے لیے عمل میں آیا۔

مالی سال 2019ء میں صارفی قیمت کے انڈیکس (CPI) کے مطابق افراط زر مزید تیز رفتار ہو کر 7.3 فیصد کے اوسط تک پہنچ گئی جبکہ گزشتہ سال یہ اوسط 3.9 فیصد تھا۔ افراط زر میں اضافے میں یوٹیلٹیٹیز کے بلند ترین نرخ، خاص طور پر گیس کی قیمتوں میں (64 فیصد YoY) اضافہ اور پٹرول کی قیمتوں میں

(23 فیصد YoY) اضافہ سرگرم عمل ہیں۔ سبسڈیز کے خاتمے کے حکومتی اقدام سے یوٹیلیٹی کے نرخ میں ترمیم کا موقع ملا، جبکہ پٹرول کی قیمتوں میں ترمیم دوران سال روپے کی قدر ڈالر کے مقابلے میں 30 سے زائد فیصد گر جانے کے بعد کی گئی۔ اسی طرح، روپے کی قدر میں کمی کے سبب رفتار اثر کے نتیجے میں افراط زر مالی سال کے نصف ثانی میں شدید تر ہو کر 8.6 فیصد اوسط تک پہنچ گئی جبکہ نصف اول میں 0.6 فیصد تھی۔ افراط زر پر قابو پانے اور گلاں معاشیاتی غیر متوازن عناصر میں استحکام پیدا کرنے کے لیے مرکزی بینک نے مالیاتی سختی کا عمل جاری رکھتے ہوئے انٹریسٹ کی شرحوں میں دوران سال 575 بیسیس پوائنٹس (bps) کا اضافہ کیا۔

حکومت کے مالیاتی اعداد میں پسماندگی کا سلسلہ جاری رہا اور مالیاتی خسارہ GDP کے 8.9 فیصد تک پہنچ گیا جس کی نظیر نہیں ملتی۔ گل آمدنی میں دوران سال 6 فیصد کمی ہوئی جس کا سبب غیر ٹیکس آمدنی میں دوران مدت 44 فیصد سنگین گراؤ ہے۔ روپے کی قدر میں کمی کے باعث مرکزی بینک کو زرمبادلہ کے خطرہ خسارہ جات کا سامنا ہوا اور SBP سے اضافی منافع کے گنجائش تقریباً صفر ہو گئی۔ ٹیکس وصولی بھی مایوس کن رہی کیونکہ گزشتہ بجٹ میں اعلان کردہ ٹیکس استثنائات اور مجموعی طور پر کمزور معیشت کے باعث YoY وصولی میں کوئی اضافہ نہیں ہوا۔ دوسری جانب ترقیاتی خرچ میں 25 فیصد کمی کرنے کے باوجود گل اخراجات میں 11 فیصد اضافہ ہوا۔ اخراجات کے اضافے کو کرنٹ اخراجات میں اضافے نے مزید ہوا دی جس کا اہم سبب انٹریسٹ کی شرحوں میں اضافے کے سبب ادائیگی قرض میں 40 فیصد YoY اضافہ ہے۔ حکومت نے اپنے خسارے کی تلافی کے لیے مقامی ذرائع پر انحصار کیا کیونکہ سال کے اکثر حصے کے دوران آئی ایم ایف پروگرام کی عدم دستیابی کے باعث خارجی ذرائع (کثیر الجہتی ایجنسیاں) غیر مفید ہو گئے تھے۔ مقامی ذرائع میں حکومت نے سب سے زیادہ انحصار سینٹرل بینک پر کیا کیونکہ 3 ٹریلین روپے قرض میں سے تقریباً 70 فیصد کا انتظام SBP کے ذریعے کیا گیا۔

دوران مالی سال مرکزی بینک کی طرف سے تاحال سب سے زیادہ مالیاتی سختی کے باعث بازار زر کا پیداواری خم بلندی کی طرف مائل ہوا۔ SBP نے بڑھتی ہوئی افراط زر، جڑواں خساروں اور زرمبادلہ کے گھٹتے ہوئے ذخائر کو پالیسی سے متعلق فیصلوں کے عوامل قرار دیا۔ مالی سال کے نصف اول میں خارجی میدان کے ساتھ ساتھ پالیسی کے غیر ترمیم شدہ فیصلوں سے متعلق خدشات نے مارکیٹ کے شرکاء کو طویل تر میعاد کے انسٹرومنٹس سے دور رکھا۔ تاہم مالی سال کے اختتام کے قریب جب پالیسی کی ترمیمات پوری طرح نافذ ہو گئیں تب مارکیٹ کے شرکاء نے سکون کا سانس لیا جس کے نتیجے میں طویل تر میعاد کے بانڈز کی خطرہ مانگ پیدا ہو گئی۔ حتیٰ کہ دس سالہ پاکستان انویسٹمنٹ بانڈز کی تجارت مختصر مدت کے سیکیورٹی پیپرز کے مقابلے میں کافی پست سطح پر ہونے کے سبب پیداواری خم اوندھا ہو گیا۔

دوران سال SBP نے باقاعدہ نیلامیوں کا انعقاد کر کے فلوئنگ ریٹ بانڈز کے لیے مارکیٹ کی ترقی کی مسلسل کوشش کی۔ مرکزی بینک نے base ریٹ (6M ٹریژری بلز پیداوار) کے اوپر 70 سے 75 bps کریڈٹ اسپریڈ پر 714 بلین روپے کی مجموعی رقم قبول کی۔ دوسری جانب حکومت نے 314 بلین روپے کے اجارہ سکک میچور کیے جس کے سبب شریعت کی تعمیل پر مبنی مواقع کی کمی ہو گئی۔ تاہم گردش قرضے کے لیے رقم کی فراہمی کے لیے SBP نے خاص طور پر اسلامک بینکوں کے لیے base ریٹ کے اوپر 80 bps پر 200 بلین روپے کے پاکستان انرجی سکک متعارف کرائے۔ علاوہ ازیں، SBP کی طرف سے باقاعدہ OMOs کے انعقاد کی بدولت پوری مدت کے دوران نقدیت کی صورتحال تسلی بخش رہی۔

### ایکویٹیز مارکیٹ کا مجموعی جائزہ

کراچی اسٹاک ایکسچینج (KSE) -100 انڈیکس میں تنزلی کا سلسلہ جاری رہا اور یہ 19.1 فیصد کم ہو گیا۔ معاشی سست روی اور پالیسی اقدامات میں تاخیر سے سرمایہ کاری کا ماحول متاثر ہوا جس کے نتیجے میں اعتماد کا بحران پیدا ہو گیا۔ خارجی میدان میں غیر یقینی صورتحال کے باعث غیر ملکی فریقوں نے سال کے اکثر حصے کے دوران ایکویٹی میں سرمایہ کاری کو کم کر دیا۔ ساتھ ساتھ کمزور معاشی ماحول اور انٹریسٹ کی شرحوں میں اضافے کے نتیجے میں ایکویٹی پر مبنی مقامی فنڈز سے بھی رقم نکالی گئی۔ غیر ملکیوں نے 362 ملین ڈالر کی ایکویٹیز فروخت کر دیں جس کے بعد 146 ملین ڈالر کے میوچل فنڈز کا بھی یہی حال ہوا۔ اس فروخت کو جذب کرنے والے بنیادی طور پر افراد (166 ملین ڈالر)، انشورنس کمپنیاں (150 ملین ڈالر) اور کمپنیاں (111 ملین ڈالر) تھے۔ تجارتی حجم دوران سال پست رہے جن کا اوسط تقریباً 154 ملین شیئرز تھا جو 11.5 فیصد YoY کمی ہے۔

اہم شعبوں میں ریٹائرمنٹ، آئل مارکیٹنگ کمپنیاں، آٹو موٹیل اور سیمنٹ کے شعبے سست روی کا شکار رہے اور ان میں بالترتیب 57 فیصد، 42 فیصد، 33 فیصد اور 32 فیصد تنزلی ہوئی۔ یہ شعبے پہلے ہی معاشی سست روی کا خمیازہ بھگت رہے تھے، اور زرمبادلہ کے خساروں اور مارجن کمپریشن نے آگ میں ایندھن شامل کرتے ہوئے ان شعبوں کی آمدنیوں کو بڑی طرح گرا دیا۔ دوسری جانب کمرشل بینکوں کی کارکردگی انڈیکس پر سبقت لے گئی اور ان کا خسارہ صرف 12 فیصد تھا جبکہ مارکیٹ کا خسارہ 19 فیصد تھا۔ درمیانے حجم کے بینک صفِ اوّل میں تھے کیونکہ NIMS کی توسیع سے آمدنیوں میں خطر ترقی ہوئی۔

مالی سال 2019ء کے اختتام پر KSE-100 کا فارورڈ پرائس / انرنگز (P/E) ریشو (یعنی قیمتوں اور آمدنیوں کا تناسب)  $6.4 \times$  تھا، جبکہ سال کے آغاز میں یہ  $9.5 \times$  تھا۔ اگرچہ آمدنیوں کے اعتبار سے انڈیکس کی ترقی سال گزشتہ کے دوران 10 فیصد کی بھرپور سطح پر رہی کیونکہ انڈیکس کے بڑے ادروں کو گلاں معاشیاتی عوامل (انٹریسٹ کی بلند شرحوں اور روپے کی قدر میں کمی) سے فائدہ ہوا۔ انڈیکس میں گراوٹ کی وضاحت دوران سال خطروں کے حامل اثاثہ جات میں دلچسپی کی کمی کے باعث خطیر ڈی - ریننگ سے ہوتی ہے۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا منافع - 4.26 فیصد تھا جبکہ مقررہ معیار - 23.61 فیصد تھا۔

30 جون 2019ء کو فنڈ کی سرمایہ کاری 62.1 فیصد الحمراء اسلامک اسٹاک فنڈ میں اور 34.5 فیصد الحمراء اسلامک انکم فنڈ میں تھی۔

30 جون 2019ء کو فنڈ کے net اثاثہ جات 627 ملین روپے تھے جو 30 جون 2018ء (1,404 ملین روپے) کے مقابلے میں 55.34 فیصد کمی ہے۔

30 جون 2019ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 89.1993 روپے تھی جو 30 جون 2018ء کی ابتدائی NAV (93.1720) روپے فی یونٹ کے مقابلے میں 3.9727 روپے فی یونٹ کمی ہے۔

### مستقبل کا منظر

مرکزی بینک کی طرف سے پالیسی میں ترمیمات کے نتیجے میں گلاں معاشیاتی یکجہایت عمل میں آئے گی، چنانچہ معاشی ترقی چھوٹے اعداد تک محدود رہے گی۔



حکومت کی اختیار کردہ سختی پر مبنی پالیسیوں کے پیش نظر آئی ایم ایف نے مالی سال 2020ء میں پاکستان کی GDP کی ترقی میں 2.5 فیصد سُست روی کی پیش گوئی کی ہے۔ صنعتی ترقی، خاص طور پر درآمدات سے چلنے والے صرف پر مبنی شعبہ جات میں ترقی جمود کا شکار رہے گی۔ تاہم برآمدات سے چلنے والی صنعتی کمپنیوں سے کچھ مہلت ملے گی کیونکہ حکومت نے ان میں ترغیبات متعارف کرائی ہیں، اور توانائی کی فراہمی میں اضافے کی بدولت ان کی رکاوٹیں بھی دور ہوتی ہیں۔

ادائیگی کی توازن کی پریشانیوں فی الوقت ختم ہو گئی ہیں کیونکہ مرکزی حکومت کی طرف سے پالیسی اقدامات کے بعد CAD ترمیم سے گزر کر معقول سطح تک آ گیا ہے۔ سال کا آغاز بہت حوصلہ افزا رہا کیونکہ جولائی 2019ء کا CAD سال گزشتہ کی مماثل مدت کے CAD (2,000 ملین ڈالر) کے مقابلے میں سکوکر 600 ملین ڈالر رہ گیا تھا۔ ہمارے بہت محتاط مفروضوں پر مبنی پیشن گوئی ہے کہ CAD کی سطح GDP کے 2.7 فیصد تک پہنچ کر رک جائے گی۔ ہم نے خام تیل کی قیمتیں 70 ڈالر فی BBL کی سطح پر فرض کی ہیں جو موجودہ طور پر 60 ڈالر فی BBL کے آس پاس ہے۔ ایک آئی ایم ایف پروگرام پر دستخط کرنے کے بعد پاکستان بین الاقوامی مواقع کو استعمال کر کے اپنی مجموعی مالیات کے لیے رقم فراہم کر سکے گا۔ سعودی عرب کی طرف سے تیل کی ملٹوی شدہ سہولت بھی غیر ملکی زرمبادلہ کے ذخائر کو مختصر المیعاد مطلوبہ توقف فراہم کرے گی۔ ہمیں توقع ہے کہ موجودہ مالی سال کے اختتام تک غیر ملکی زرمبادلہ کے ذخائر بڑھ کر 13 بلین ڈالر تک پہنچ جائیں گے (1.8 ضربے زیادہ)۔ روپے کے توازن کی سطحوں (جون 2019ء REER: 91) تک ہم آہنگ ہونے اور CAD کے پائیدار حد میں ہونے کی وجہ سے روپے کی قدر میں اس کے ماضی کے اوسط کی بنیاد پر اب معمولی کمی ہونی چاہیے۔

مالی سال 2020ء میں افراط زر کا اوسط متوقع طور پر 11.7 فیصد بڑھے گا جو سال گزشتہ کے دوران 7.3 فیصد تھا۔ افراط زر میں اس اضافے کے متعدد عوامل ہیں۔ اول، حکومت یوٹیلٹی کی پوری لاگت وصول کرنے کا ارادہ کر رہی ہے جس کے نتیجے میں یوٹیلٹی کی قیمت میں ترمیمات ہوں گی۔ دوم، متعدد صنعتوں کو فراہم کردہ ٹیکس استثنائات واپس لے لی گئی ہیں جس کے نتیجے میں قیمتوں میں اضافہ ہوا ہے۔ آخری یہ کہ ہم نے مالی سال کے اختتام تک 1 ڈالر کو 170 روپے کے برابر فرض کیا ہے جبکہ خام تیل کو 70 ڈالر فی BBL فرض کیا ہے جس سے مجموعی صارفی قیمت کا انڈیکس (CPI) بلند سطح پر رہے گا۔ علاوہ ازیں، ہمیں اُمید ہے کہ اشیائے خورد و نوش اور توانائی کے علاوہ والے شعبوں (NFNE) سے ظاہر ہونے والی بنیادی افراط زر کا اوسط زرمبادلہ سال کے لیے 10.0 فیصد ہوگا۔ ہم سمجھتے ہیں کہ انٹریسٹ کی موجودہ حقیقی شرح متوقع افراط زر کی ضرورت پوری کرنے کے لیے کافی ہوگی، چنانچہ، عمومی طور پر انٹریسٹ کی شرحوں میں مزید اضافہ متوقع نہیں ہے۔ تاہم توقع سے زیادہ افراط زر یا مالیاتی گوشواروں میں کسی تنزلی کے نتیجے میں مانیٹری پالیسی میں معمولی سختی عمل میں آسکتی ہے۔

مالیاتی جہت میں حکومت مالیاتی خسارے کو GDP کے 7.4 فیصد تک محدود کرنے کا ارادہ کر رہی ہے۔ اگرچہ مالیاتی خسارے کے حتمی ہدف میں ارتقاء ہو سکتا ہے لیکن حکومت کو بنیادی خسارے کو GDP کے 0.6 فیصد پر محدود کرنے کی آئی ایم ایف کی بنیادی شرط کو پورا کرنا ہے۔ اس مقصد کے لیے فیڈرل بورڈ آف ریونیو (FBR) 5.5 ٹریلین روپے (35 فیصد YoY زیادہ) ٹیکس وصولی کا عزم بلند کیے ہوئے ہے۔ پارلیمنٹ میں پیش کردی بجٹ میں 600 سے 700 بلین روپے کے ٹیکس اقدامات کی تجویز دی گئی ہے جبکہ باقی رقم FBR کی کوششوں اور معاشی ترقی پر منحصر رکھی گئی ہے۔ اخراجات کی جہت میں حکومت کرنٹ اخراجات میں سادگی کے اقدامات کا عزم کر رہی ہے تاہم 7.1 ٹریلین روپے (40 فیصد YoY زیادہ) کے ایکسپنڈیچر (یعنی معاشی توسیع پر مبنی) پبلک سیکٹر ڈیولپمنٹ پروگرام (PSDP) کا منصوبہ بنارہی ہے۔ ہم ٹیکس وصولی کی ہدف کو بے حد مثبت خیالی پر مبنی سمجھتے ہوئے 300 سے 400 بلین روپے کی کمی کی توقع کر رہے ہیں جس کے نتیجے میں ترقیاتی خرچ پر ضرب پڑے گی۔

وسیع تر تناظر میں ہم سمجھتے ہیں کہ گزشتہ دو سال مارکیٹ کی کارکردگی سے (بلند ترین سطحوں سے تقریباً 45 فیصد تنزلی) اور سائیکلیکل اسٹاکس کی کارکردگی سے، جہاں اسٹاک کی قیمتوں میں اصلاح تیز تر ہوتی ہے، سیاسی اور معاشی سمت پر خدشات کی عکاسی ہوتی ہے۔ ہم اپنے موقف میں اعادہ جاری رکھتے ہیں کہ موجودہ سطحیں ایسے طویل المیعاد سرمایہ کاروں کے لیے بہت پرکشش سطحیں پیش کرتے ہیں جن کے ناکام ہونے کا امکان بہت کم ہوتا ہے۔ ہم سمجھتے ہیں کہ اسٹاکس میں ترقی بتدریج ہی منظر عام پر آئے گی جب اعتماد بحال ہوگا اور معاشی پالیسیاں مستقبل کی متوقع تصویر کشی کریں گی۔ چنانچہ آگے بڑھتے ہوئے ہم دیکھتے ہیں کہ اسٹاکس ایسے سرمایہ کاروں کے لیے جن کو جلدی نہیں ہے، طویل المیعاد سرمایہ کاری کا موقع بمع منافع جات پیش کرتے ہیں۔ ہم نے ملک کے معاشی اشاروں کے رجحانات پتہ کر کے اس حساب سے اپنے پورٹ فولیو میں ترمیم کا سلسلہ جاری رکھا ہوا ہے۔

مجموعی حکمت عملی اب بھی دفاعی شعبوں (ایکپلوریشن اینڈ پروڈکشن، پاور، فریڈلائزر) کی طرف جھکی ہوئی ہے جبکہ گلاں معاشیاتی میدان میں تبدیل ہوتے ہوئے عوامل مثلاً انٹریسٹ کی بڑھتی ہوئی شرحوں سے مستفید ہونے والا سیکٹر (کمرشل بینک) بھی overweight ہے۔ علاوہ ازیں، برآمدات کو بحال کرنے پر حکومت کی بھرپور توجہ کی بدولت برآمدات پر مبنی شعبوں مثلاً ٹیکسٹائلز اور انفارمیشن ٹیکنالوجی کے مستقبل کے امکانات روشن تر ہو جائیں گے۔ سائیکلیکل اسٹاکس میں منفی کارکردگی 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۔

### کارپوریٹ گورننس

فنڈ کارپوریٹ گورننس کے اعلیٰ ترین معیارات نافذ کرنے کے لئے پرعزم ہے۔ چھ (6) غیر ایگزیکٹو ڈائریکٹرز بشمول دو (2) خود مختار ڈائریکٹر پر مشتمل بورڈ، منجمنٹ کمپنی کے انتظامی ادارے کی حیثیت سے، عمدہ کارپوریٹ گورننس کے لئے یونٹ ہولڈرز کو جوابدہ ہے۔ انتظامیہ بہترین طریقوں، خاص طور پر غیر ایگزیکٹو ڈائریکٹرز کی خود مختاری کے حوالے سے کارپوریٹ گورننس کے ضابطہء اخلاق کی شقوں کی بدستور تعمیل کر رہی ہے۔ فنڈ پاکستان اسٹاک ایکسچینج کے لسٹنگ قوانین کے مطابق کاروبار جاری رکھنے کے عزم پر قائم ہے جن میں بورڈ آف ڈائریکٹرز اور انتظامیہ کے کردار اور ذمہ داریوں کی وضاحت کی گئی ہے۔

ذیل میں کارپوریٹ گورننس کے ضابطہء اخلاق کی شرائط کی تعمیل کے لئے خصوصی بیانات دیئے جا رہے ہیں:

a. مالیاتی گوشوارے فنڈ کے معاملات کی صورتحال، اس کی سرگرمیوں کے نتائج، فنڈ کی آمد و رفت اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔  
b. فنڈ کی درست بکس آف اکاؤنٹس تیار کی گئی ہیں۔

c. مالیاتی گوشواروں کی تیاری میں درست اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط اندازوں پر مبنی ہیں۔

d. مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیار (پاکستان میں اطلاق کی حد تک)، نان بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشنز) کی دفعات 2003ء، نان بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ انٹیلیجنٹ ریگولیشنز 2008ء، متعلقہ ٹرسٹ ڈیڈز کی شرائط اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ ہدایات کی تعمیل کی گئی ہے۔

e. انٹرنل کنٹرول کا نظام مستحکم خطوط پر استوار اور مؤثر انداز میں نافذ کیا گیا ہے اور اس کی مؤثر نگرانی کی جاتی ہے، اور اسے مزید بہتر بنانے کی کوششیں جاری ہیں۔



## ڈائریکٹرز رپورٹ

- f. کارپوریٹ گورننس کی بہترین روایات سے کوئی قابل ذکر انحراف نہیں ہوا ہے۔
- g. واجب الاداء ٹیکسز، ڈیویڈنڈ، محصولات اور چارجز (اگر کوئی ہیں تو) کو مالیاتی گوشواروں میں مکمل طور پر ظاہر کیا گیا ہے۔
- h. پراویڈنٹ / گریجویٹ فنڈ اور پینشن فنڈ میں سرمایہ کاریوں کی مالیت کے اسٹیٹمنٹ کا اطلاق فنڈ پر نہیں ہوتا لیکن مینجمنٹ کمپنی پر ہوتا ہے، چنانچہ ڈائریکٹرز رپورٹ میں اس حوالے سے کوئی معلومات ظاہر نہیں کی گئی ہیں۔
- i. 30 جون 2019 کے اختتام پر، ڈائریکٹرز ٹریننگ پروگرام کے حوالے سے جو مطالبات کوڈ کے regulation نمبر تیس میں درج ہیں، فنڈ اُس سے compliant ہے۔
- j. این بی ایف سی کے قواعد و ضوابط کے تحت مطلوب یونٹ ہولڈنگ کا تفصیلی خاکہ ملحق ہے۔
- k. بورڈ آف ڈائریکٹرز کی میٹنگ میں حاضری کی تفصیلات مالیاتی گوشواروں میں ظاہر کی گئی ہیں۔ 30 جون 2019ء کو ختم ہونے والے سال کے دوران ہونے والی کمیٹی میٹنگز کی تفصیلات درج ذیل ہیں:

### ۱۔ آڈٹ کمیٹی کی میٹنگ

دوران سال آڈٹ کمیٹی کی نو (9) میٹنگز منعقد ہوئیں۔ شرکاء کی حاضری درج ذیل ہے:

میٹنگز کی تعداد				نام
منعقدہ میٹنگز کی تعداد	مطلوبہ حاضری	حاضری	منظور شدہ رخصت	
۹	۹	۷	۲	۱۔ جناب ہارون رشید (چیئرمین)
۹	۹	۹	-	۲۔ جناب احمد جہانگیر
۹	۹	۹	-	۳۔ جناب نسیم بیگ
۹	۹	۹	-	۴۔ مرزا محمد قمر بیگ

### ۲۔ ہیومن ریسورس اینڈ ریمونریشن کمیٹی کی میٹنگ

دوران سال ہیومن ریسورس اینڈ ریمونریشن کمیٹی کی ایک (1) میٹنگ منعقد ہوئی۔ شرکاء کی حاضری درج ذیل ہے:

میٹنگز کی تعداد				نام
منعقدہ میٹنگز کی تعداد	مطلوبہ حاضری	حاضری	منظور شدہ رخصت	
۱	۱	۱	-	۱۔ ڈاکٹر سید سلمان شاہ (چیئرمین)*
۱	۱	۱	-	۲۔ جناب نسیم بیگ
۱	۱	۱	-	۳۔ جناب احمد جہانگیر
۱	۱	۱	-	۴۔ جناب ہارون رشید
۱	۱	۱	-	۵۔ جناب محمد ثاقب سلیم (سی ای او)

\* ڈاکٹر سید سلمان علی شاہ نے 10 جون 2019ء کو بورڈ سے استعفیٰ دیا اور مرزا قمر بیگ ممبر کے طور پر شامل کیا گیا اور کمیٹی کے چیئرمین کے طور پر بھی ان کی تقرری کی گئی۔

## ڈائریکٹرز رپورٹ

### ۳۔ رسک مینجمنٹ کمیٹی کی میٹنگ

دوران سال ہیومن ریسورس اینڈ ریمونریشن کمیٹی کی ایک (1) میٹنگ منعقد ہوئی۔ شرکاء کی حاضری درج ذیل ہے:

میٹنگز کی تعداد			منعقدہ میٹنگز کی تعداد	نام
منظور شدہ رخصت	حاضری	مطلوبہ حاضری		
-	1	1	1	۱۔ جناب مرزا قمر بیگ (چیرمین)
-	1	1	1	۲۔ جناب نسیم بیگ
-	1	1	1	۳۔ جناب احمد جہانگیر

m. دوران سال مینجمنٹ کمیٹی کے ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانسئل آفیسر، کمپنی سیکرٹری اور چیف انٹرنل آڈیٹر اور ان کے شریک حیات اور چھوٹے بچوں نے فنڈ کے نوٹس کی کوئی خرید و فروخت نہیں کی۔

### خارجی آڈیٹرز

فنڈ کے خارجی آڈیٹرز ارنسٹ اینڈ ینگ فورڈرھوڈز چارٹرڈ اکاؤنٹنٹس نے 30 جون 2020ء کو ختم ہونے والے اگلے سال کے لئے فنڈ کے آڈیٹرز کے طور پر کام جاری رکھنے پر رضامندی ظاہر کی ہے۔ بورڈ کی آڈٹ کمیٹی نے 30 جون 2020ء کو ختم ہونے والے سال کے لئے فنڈ کے آڈیٹرز کے طور پر ارنسٹ اینڈ ینگ فورڈرھوڈز چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کی ہے۔

### اظہار تشکر

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

من جانب ڈائریکٹرز،



نسیم بیگ  
ڈائریکٹر / وائس چیرمین



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
13 ستمبر 2019ء

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2019ء کو ختم ہونے والے سال کے لیے الحمد للہ اسلامک ایکٹو ایلوکیشن پلان - II کے اکاؤنٹس کا جائزہ پیش خدمت ہے۔

### معیشت اور بازار زر کا مجموعی جائزہ

پاکستان کی معیشت کو مالی سال 2019ء میں داخل ہوتے ہوئے بے شمار چیلنجز ورثے میں ملے، خاص طور پر ادائیگی کے توازن اور مالیات کی کمزور صورتحال۔ گلاں معاشیات کے غیر متوازن عناصر سے نمٹنے کے لیے مرکزی بینک نے چوکنے پالیسی اقدامات کیے جن کے نتیجے میں معاشی ترقی متاثر ہوئی۔ مجموعی ملکی پیداوار (GDP) کی ترقی ابتدائی تخمینوں کے مطابق سال گزشتہ (5.2 فیصد) کے مقابلے میں کم ہو کر 3.3 فیصد رہ گئی۔ تینوں بڑے شعبہ جات یعنی زراعت، صنعت اور سروسز سٹروی کا شکار ہوئے اور ان کی ترقی کی شرح بالترتیب 0.9 فیصد، 1.4 فیصد اور 4.7 فیصد رہی۔ اہم فصلوں کی نمو میں گراؤ کے سبب زرعی ترقی بھی پسماندگی کا شکار ہوئی جس کا اظہار گٹے، کپاس اور چاول کی پیداوار میں بالترتیب 19.4 فیصد، 17.5 فیصد اور 3.3 فیصد کمی سے ہوتا ہے۔ صنعتی ترقی بھی کمزوری کا شکار ہوئی کیونکہ بڑے پیمانے کی پیداوار (LSM) مرکزی بینک کی گلاں معاشیاتی استحکام کے حصول کے لیے اختیار کردہ کانٹریکشنری (حکومتی خرچ یا مالیاتی توسیع کی شرح میں کمی پر مبنی) پالیسیوں کا خمیازہ برداشت نہیں کر سکی۔ LSM میں 3.7 فیصد کمی ہوئی کیونکہ حکومتی خرچ اور درآمدات پر انحصار کرنے والی صنعتوں کو مانگ میں کمی کا سامنا ہوا۔ LSM کے اہم شعبہ جات میں گاڑیوں کے شعبے میں 11.7 فیصد اور لوہے اور اسٹیل کے شعبے میں 11.2 فیصد مانگ کا تضاد ہوا۔ تاہم سروسز کے شعبے نے معاشی ترقی کو کچھ حد تک ڈھال فراہم کیا جس کا سہرہ فائننس اینڈ انشورنس (5.4 فیصد YoY ترقی) اور حکومتی سروسز (8.0 فیصد YoY ترقی) کے سر جاتا ہے۔ GDP کا ڈالر کے اعتبار سے حجم 280 بلین ڈالر تھا جو سال گزشتہ (315 بلین ڈالر) کے مقابلے میں 11 فیصد تضاد ہے۔

سال کے آغاز پر ہی پاکستان اپنی تاریخ کے سب سے بڑے ادائیگی کے توازن کے بحران کا شکار ہوا۔ اگرچہ اسے 19 بلین ڈالر کرنٹ اکاؤنٹ خسارے (CAD) اور 9 بلین ڈالر خارجی ادائیگی نو کا سامنا تھا لیکن یہ بحران شدت اختیار کر گیا کیونکہ غیر ملکی زرمبادلہ کے ذخائر صرف 10 بلین ڈالر رہ گئے تھے۔ مرکزی بینک کے بروقت پالیسی اقدام، خاص طور پر دوران سال روپے میں 32 فیصد ترمیم سے CAD پر قابو پانے میں مدد ملی۔ حقیقی مؤثر شرح مبادلہ (REER) جون 2018ء کے اصل سے زائد قدر کی سطح سے نیچے آئی اور اصل سے 10 فیصد کم قدر کی حامل ہو گئی۔ نتیجتاً CAD دوران سال 32.1 فیصد سکڑ کر 13.5 بلین ڈالر ہو گیا۔ اگرچہ برآمدات میں ترقی نہیں ہو سکی لیکن CAD میں بہتری کے اسباب تیل کے علاوہ والی اشیاء اور سروسز کی درآمدات میں 11.8 فیصد YoY (یٹر اور یٹر) کمی اور ترسیلات زر میں 9.7 فیصد YoY اضافہ ہے۔ پاکستان کے دوستانہ حلیفوں سے مادی درآمدات زر (10 بلین ڈالر) حاصل کرنے میں کامیابی کے بعد ادائیگی قرض میں کوتاہی بھی مل گئی۔ اگرچہ CAD میں کمی کے ساتھ ساتھ رقوم کی دوطرفہ آمد و رفت سے ادائیگی کے توازن کا کچھ سانس بحال ہوا لیکن خارجی بحران کی شدت کے باعث اسٹیٹ بینک آف پاکستان (SBP) کے غیر ملکی زرمبادلہ کے ذخائر 2.5 بلین ڈالر کم ہو کر 7.5 بلین ڈالر رہ گئے۔ علاوہ ازیں، ماہ مئی 2019ء کے دوران پاکستان نے بالآخر آئی ایم ایف پروگرام پر دستخط کر دیئے جس سے خارجی میدان میں تمام غیر یقینیوں کا خاتمہ ہو گیا۔ 6.2 بلین ڈالر کا اسٹاف لیول معاہدہ تین برسوں کی مدت کے لیے عمل میں آیا۔

مالی سال 2019ء میں صارفی قیمت کے انڈیکس (CPI) کے مطابق افراط زر مزید تیز رفتار ہو کر 7.3 فیصد کے اوسط تک پہنچ گئی جبکہ گزشتہ سال یہ اوسط 3.9 فیصد تھا۔ افراط زر میں اضافے میں یوٹیلٹی کے بلند تر نرخ، خاص طور پر گیس کی قیمتوں میں (64 فیصد YoY) اضافہ اور پٹرول کی قیمتوں میں (23 فیصد YoY) اضافہ سرگرم عمل ہیں۔ سبسڈیز کے خاتمے کے حکومتی اقدام سے یوٹیلٹی کے نرخ میں ترمیم کا موقع ملا، جبکہ پٹرول کی قیمتوں میں ترمیم دوران سال روپے کی قدر ڈالر کے مقابلے میں 30 سے زائد فیصد گر جانے کے بعد کی گئی۔ اسی طرح، روپے کی قدر میں کمی کے سبب رفتار اثر کے نتیجے میں افراط زر مالی سال کے نصف ثانی میں شدید تر ہو کر 8.6 فیصد اوسط تک پہنچ گئی جبکہ نصف اول میں 0.6 فیصد تھی۔ افراط زر پر قابو پانے اور گلاں معاشیاتی غیر متوازن عناصر میں استحکام پیدا کرنے کے لیے مرکزی بینک نے مالیاتی سختی کا عمل جاری رکھتے ہوئے انٹریسٹ کی شرحوں میں دوران سال 575 بیسیس پوائنٹس (bps) کا اضافہ کیا۔

حکومت کے مالیاتی اعداد میں پسماندگی کا سلسلہ جاری رہا اور مالیاتی خسارہ GDP کے 8.9 فیصد تک پہنچ گیا جس کی نظیر نہیں ملتی۔ کل آمدنی میں دوران سال 6 فیصد کمی ہوئی جس کا سبب غیر ٹیکس آمدنی میں دوران مدت 44 فیصد سنگین گراؤ ہے۔ روپے کی قدر میں کمی کے باعث مرکزی بینک کو زرمبادلہ کے خطیر خسارہ جات کا سامنا ہوا اور SBP سے اضافی منافع کے گنجائش تقریباً صفر ہو گئی۔ ٹیکس وصولی بھی مایوس کن رہی کیونکہ گزشتہ بجٹ میں اعلان کردہ ٹیکس استثناءات اور مجموعی طور پر کمزور معیشت کے باعث YoY وصولی میں کوئی اضافہ نہیں ہوا۔ دوسری جانب ترقیاتی خرچ میں 25 فیصد کمی کرنے کے باوجود کل اخراجات میں 11 فیصد اضافہ ہوا۔ اخراجات کے اضافے کو کرنٹ اخراجات میں اضافے نے مزید ہوا دی جس کا اہم سبب انٹریسٹ کی شرحوں میں اضافے کے سبب ادائیگی قرض میں 40 فیصد YoY اضافہ ہے۔ حکومت نے اپنے خسارے کی تلافی کے لیے مقامی ذرائع پر انحصار کیا کیونکہ سال کے اکثر حصے کے دوران آئی ایم ایف پروگرام کی عدم دستیابی کے باعث خارجی ذرائع (کثیرالجمہتی ایجنسیاں) غیر مفید ہو گئے تھے۔ مقامی ذرائع میں حکومت نے سب سے زیادہ انحصار سینٹرل بینک پر کیا کیونکہ 3 ٹریلین روپے قرض میں سے تقریباً 70 فیصد کا انتظام SBP کے ذریعے کیا گیا۔

دوران مالی سال مرکزی بینک کی طرف سے تاحال سب سے زیادہ مالیاتی سختی کے باعث بازار زر کا پیداواری خم بلندی کی طرف مائل ہوا۔ SBP نے بڑھتی ہوئی افراط زر، جڑواں خساروں اور زرمبادلہ کے گھٹتے ہوئے ذخائر کو پالیسی سے متعلق فیصلوں کے عوامل قرار دیا۔ مالی سال کے نصف اول میں خارجی میدان کے ساتھ ساتھ پالیسی کے غیر ترمیم شدہ فیصلوں سے متعلق خدشات نے مارکیٹ کے شرکاء کو طویل تر میعاد کے انسٹرومنٹس سے دور رکھا۔ تاہم مالی سال کے اختتام کے قریب جب پالیسی کی ترمیمات پوری طرح نافذ ہو گئیں تب مارکیٹ کے شرکاء نے سکون کا سانس لیا جس کے نتیجے میں طویل تر میعاد کے بانڈز کی خطیر مانگ پیدا ہو گئی۔ حتیٰ کہ دس سالہ پاکستان انویسٹمنٹ بانڈز کی تجارت مختصر مدت کے سیکوریٹی پیپرز کے مقابلے میں کافی پست سطح پر ہونے کے سبب پیداواری خم اوندھا ہو گیا۔

دوران سال SBP نے باقاعدہ نیلامیوں کا انعقاد کر کے فلوئنگ ریٹ بانڈز کے لیے مارکیٹ کی ترقی کی مسلسل کوشش کی۔ مرکزی بینک نے base ریٹ (6M ٹریژری بلز پیداوار) کے اوپر 70 سے 75 bps کریڈٹ اسپریڈ پر 714 بلین روپے کی مجموعی رقم قبول کی۔ دوسری جانب حکومت نے 314 بلین روپے کے اجارہ سکک میچور کیے جس کے سبب شریعت کی تعمیل پر مبنی مواقع کی کمی ہو گئی۔ تاہم گردش قرضے کے لیے رقم کی فراہمی کے لیے SBP نے خاص طور پر اسلامک بینکوں کے لیے base ریٹ کے اوپر 80 bps پر 200 بلین روپے کے پاکستان انرجی سکک متعارف کرائے۔ علاوہ ازیں، SBP کی طرف سے باقاعدہ OMOs کے انعقاد کی بدولت پوری مدت کے دوران نقدیت کی صورتحال تسلی بخش رہی۔

## ایکویٹیز مارکیٹ کا مجموعی جائزہ

کراچی اسٹاک ایکسچینج (KSE) - 100 انڈیکس میں تنزلی کا سلسلہ جاری رہا اور یہ 19.1 فیصد کم ہو گیا۔ معاشی سُست روی اور پالیسی اقدامات میں تاخیر سے سرمایہ کاری کا ماحول متاثر ہوا جس کے نتیجے میں اعتماد کا بحران پیدا ہو گیا۔ خارجی میدان میں غیر یقینی صورتحال کے باعث غیر ملکی فریقوں نے سال کے اکثر حصے کے دوران ایکویٹی میں سرمایہ کاری کو کم کر دیا۔ ساتھ ساتھ کمزور معاشی ماحول اور انٹریسٹ کی شرحوں میں اضافے کے نتیجے میں ایکویٹی پر مبنی مقامی فنڈز سے بھی رقم نکالی گئی۔ غیر ملکیوں نے 362 ملین ڈالر کی ایکویٹیز فروخت کر دیں جس کے بعد 146 ملین ڈالر کے میوچل فنڈز کا بھی یہی حال ہوا۔ اس فروخت کو جذب کرنے والے بنیادی طور پر افراد (166 ملین ڈالر)، انشورنس کمپنیاں (150 ملین ڈالر) اور کمپنیاں (111 ملین ڈالر) تھے۔ تجارتی حجم دوران سال پست رہے جن کا اوسط تقریباً 154 ملین شیئرز تھا جو 11.5 فیصد YoY کمی ہے۔

اہم شعبوں میں ریٹائرمنٹ، آئل مارکیٹنگ کمپنیاں، آٹوموبیل اور سینٹ کے شعبے سُست روی کا شکار رہے اور ان میں بالترتیب 57 فیصد، 42 فیصد، 33 فیصد اور 32 فیصد تنزلی ہوئی۔ یہ شعبے پہلے ہی معاشی سُست روی کا خمیازہ بھگت رہے تھے، اور زرمبادلہ کے خساروں اور مارجن کمپریشن نے آگ میں ایندھن شامل کرتے ہوئے ان شعبوں کی آمدنیوں کو بُری طرح گرا دیا۔ دوسری جانب کمرشل بینکوں کی کارکردگی انڈیکس پر سبقت لے گئی اور ان کا خسارہ صرف 12 فیصد تھا جبکہ مارکیٹ کا خسارہ 19 فیصد تھا۔ درمیانے حجم کے بینک صفِ اوّل میں تھے کیونکہ NIMS کی توسیع سے آمدنیوں میں خطیر ترقی ہوئی۔

مالی سال 2019ء کے اختتام پر KSE-100 کا فارورڈ پرائس / ارننگز (P/E) ریشو (یعنی قیمتوں اور آمدنیوں کا تناسب)  $6.4 \times$  تھا، جبکہ سال کے آغاز میں یہ  $9.5 \times$  تھا۔ اگرچہ آمدنیوں کے اعتبار سے انڈیکس کی ترقی سال گزشتہ کے دوران 10 فیصد کی بھرپور سطح پر رہی کیونکہ انڈیکس کے بڑے ادروں کو گلاں معاشیاتی عوامل (انٹریسٹ کی بلند شرحوں اور روپے کی قدر میں کمی) سے فائدہ ہوا۔ انڈیکس میں گراوٹ کی وضاحت دوران سال خطروں کے حامل اثاثہ جات میں دلچسپی کی کمی کے باعث خطیر ڈی - ریٹنگ سے ہوتی ہے۔

## فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا منافع - 5.54 فیصد تھا جبکہ مقررہ معیار - 23.43 فیصد تھا۔

30 جون 2019ء کو فنڈ کی 51.4 فیصد سرمایہ کاری الحمراء اسلامک اسٹاک فنڈ میں اور 47.5 فیصد سرمایہ کاری الحمراء اسلامک انکم فنڈ میں تھی۔

30 جون 2019ء کو فنڈ کے net اثاثہ جات 708 ملین روپے تھے جو 30 جون 2018ء (794 ملین روپے) کے مقابلے میں 10.83 فیصد کمی ہے۔

30 جون 2019ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 93.8703 روپے تھی جو 30 جون 2018ء کی ابتدائی NAV (99.5728) روپے فی یونٹ کے مقابلے میں 5.7025 روپے فی یونٹ کمی ہے۔

## مستقبل کا منظر

مرکزی بینک کی طرف سے پالیسی میں ترمیمات کے نتیجے میں گلاس معاشیاتی یکجائی عمل میں آئے گی، چنانچہ معاشی ترقی چھوٹے اعداد تک محدود رہے گی۔ حکومت کی اختیار کردہ سختی پر مبنی پالیسیوں کے پیش نظر آئی ایم ایف نے مالی سال 2020ء میں پاکستان کی GDP کی ترقی میں 2.5 فیصد سُست روی کی پیش گوئی کی ہے۔ صنعتی ترقی، خاص طور پر درآمدات سے چلنے والے صرف پر مبنی شعبہ جات میں ترقی جمود کا شکار رہے گی۔ تاہم برآمدات سے چلنے والی صنعتی کمپنیوں سے کچھ مہلت ملے گی کیونکہ حکومت نے ان میں ترغیبات متعارف کرائی ہیں، اور توانائی کی فراہمی میں اضافے کی بدولت ان کی رکاوٹیں بھی دور ہوتی ہیں۔

ادائیگی کی توازن کی پریشانیوں فی الوقت ختم ہو گئی ہیں کیونکہ مرکزی حکومت کی طرف سے پالیسی اقدامات کے بعد CAD ترمیم سے گزر کر معقول سطح تک آ گیا ہے۔ سال کا آغاز بہت حوصلہ افزا رہا کیونکہ جولائی 2019ء کا CAD سال گزشتہ کی مماثل مدت کے CAD (2,000 ملین ڈالر) کے مقابلے میں سکوکر 600 ملین ڈالر رہ گیا تھا۔ ہمارے بہت محتاط مفروضوں پر مبنی پیش گوئی ہے کہ CAD کی سطح GDP کے 2.7 فیصد تک پہنچ کر رک جائے گی۔ ہم نے خام تیل کی قیمتیں 70 ڈالر فی BBL کی سطح پر فرض کی ہیں جو موجودہ طور پر 60 ڈالر فی BBL کے آس پاس ہے۔ ایک آئی ایم ایف پروگرام پر دستخط کرنے کے بعد پاکستان بین الاقوامی مواقع کو استعمال کر کے اپنی مجموعی مالیات کے لیے رقم فراہم کر سکے گا۔ سعودی عرب کی طرف سے تیل کی ملتی شدہ سہولت بھی غیر ملکی زرمبادلہ کے ذخائر کو مختصر المیعاد مطلوبہ توقف فراہم کرے گی۔ ہمیں توقع ہے کہ موجودہ مالی سال کے اختتام تک غیر ملکی زرمبادلہ کے ذخائر بڑھ کر 13 بلین ڈالر تک پہنچ جائیں گے (1.8 ضربے زیادہ)۔ روپے کے توازن کی سطحوں (جون 2019ء REER: 91) تک ہم آہنگ ہونے اور CAD کے پائیدار حد میں ہونے کی وجہ سے روپے کی قدر میں اس کے ماضی کے اوسط کی بنیاد پر اب معمولی کمی ہونی چاہیے۔

مالی سال 2020ء میں افراط زر کا اوسط متوقع طور پر 11.7 فیصد بڑھے گا جو سال گزشتہ کے دوران 7.3 فیصد تھا۔ افراط زر میں اس اضافے کے متعدد عوامل ہیں۔ اول، حکومت یوٹیلٹی کی پوری لاگت وصول کرنے کا ارادہ کر رہی ہے جس کے نتیجے میں یوٹیلٹی کی قیمت میں ترمیمات ہوں گی۔ دوم، متعدد صنعتوں کو فراہم کردہ ٹیکس استثنائات واپس لے لی گئی ہیں جس کے نتیجے میں قیمتوں میں اضافہ ہوا ہے۔ آخری یہ کہ ہم نے مالی سال کے اختتام تک 1 ڈالر کو 170 روپے کے برابر فرض کیا ہے جبکہ خام تیل کو 70 ڈالر فی BBL فرض کیا ہے جس سے مجموعی صارفی قیمت کا انڈیکس (CPI) بلند سطح پر رہے گا۔ علاوہ ازیں، ہمیں اُمید ہے کہ اشیائے خورد و نوش اور توانائی کے علاوہ والے شعبوں (NFNE) سے ظاہر ہونے والی بنیادی افراط زر کا اوسط زیر بحث سال کے لیے 10.0 فیصد ہوگا۔ ہم سمجھتے ہیں کہ انٹریسٹ کی موجودہ حقیقی شرح متوقع افراط زر کی ضرورت پوری کرنے کے لیے کافی ہوگی، چنانچہ عمومی طور پر انٹریسٹ کی شرحوں میں مزید اضافہ متوقع نہیں ہے۔ تاہم توقع سے زیادہ افراط زر یا مالیاتی گوشواروں میں کسی تیزی کے نتیجے میں مانیٹری پالیسی میں معمولی سختی عمل میں آسکتی ہے۔

مالیاتی جہت میں حکومت مالیاتی خسارے کو GDP کے 7.4 فیصد تک محدود کرنے کا ارادہ کر رہی ہے۔ اگرچہ مالیاتی خسارے کے حتمی ہدف میں ارتقاء ہو سکتا ہے لیکن حکومت کو بنیادی خسارے کو GDP کے 0.6 فیصد پر محدود کرنے کی آئی ایم ایف کی بنیادی شرط کو پورا کرنا ہے۔ اس مقصد کے لیے فیڈرل بورڈ آف ریونیو (FBR) 5.5 ٹریلین روپے (35 فیصد YoY زیادہ) ٹیکس وصولی کا عزم بلند کیے ہوئے ہے۔ پارلیمنٹ میں پیش کردی بجٹ میں 600 سے 700 بلین روپے کے ٹیکس اقدامات کی تجویز دی گئی ہے جبکہ باقی رقم FBR کی کوششوں اور معاشی ترقی پر منحصر رکھی گئی ہے۔ اخراجات کی



جہت میں حکومت کرنٹ اخراجات میں سادگی کے اقدامات کا عزم کر رہی ہے تاہم 1.7 ٹریلین روپے (40 فیصد YoY زیادہ) کے ایکسپینڈیچر (یعنی معاشی توسیع پر مبنی) پبلک سیکٹر ڈویلپمنٹ پروگرام (PSDP) کا منصوبہ بنا رہی ہے۔ ہم ٹیکس وصولی کی ہدف کو بے حد مثبت خیالی پر مبنی سمجھتے ہوئے 300 سے 400 بلین روپے کی کمی کی توقع کر رہے ہیں جس کے نتیجے میں ترقیاتی خرچ پر ضرب پڑے گی۔

وسیع تر تناظر میں ہم سمجھتے ہیں کہ گزشتہ دو سال مارکیٹ کی کارکردگی سے (بلند ترین سطحوں سے تقریباً 45 فیصد تنزلی) اور سائیکلیکل اسٹاکس کی کارکردگی سے، جہاں اسٹاک کی قیمتوں میں اصلاح تیز تر ہوتی ہے، سیاسی اور معاشی سمت پر خدشات کی عکاسی ہوتی ہے۔ ہم اپنے موقف میں اعادہ جاری رکھتے ہیں کہ موجودہ سطحیں ایسے طویل المیعاد سرمایہ کاروں کے لیے بہت پُرکشش سطحیں پیش کرتے ہیں جن کے ناکام ہونے کا امکان بہت کم ہوتا ہے۔ ہم سمجھتے ہیں کہ اسٹاکس میں ترقی بتدریج ہی منظر عام پر آئے گی جب اعتماد بحال ہوگا اور معاشی پالیسیاں مستقبل کی متوقع تصویر کشی کریں گی۔ چنانچہ آگے بڑھتے ہوئے ہم دیکھتے ہیں کہ اسٹاکس ایسے سرمایہ کاروں کے لیے جن کو جلدی نہیں ہے، طویل المیعاد سرمایہ کاری کا موقع بمع منافع جات پیش کرتے ہیں۔ ہم نے ملک کے معاشی اشاروں کے رجحانات پتہ کر کے اس حساب سے اپنے پورٹ فولیو میں ترمیم کا سلسلہ جاری رکھا ہوا ہے۔

مجموعی حکمت عملی اب بھی دفاعی شعبوں (ایکسپلوریشن اینڈ پروڈکشن، پاور، فریلائیزر) کی طرف جھکی ہوئی ہے جبکہ گلاں معاشیاتی میدان میں تبدیل ہوتے ہوئے عوامل مثلاً انٹریسٹ کی بڑھتی ہوئی شرحوں سے مستفید ہونے والا سیکٹر (کمرشل بینک) بھی overweight ہے۔ علاوہ ازیں، برآمدات کو بحال کرنے پر حکومت کی بھرپور توجہ کی بدولت برآمدات پر مبنی شعبوں مثلاً ٹیکسٹائلز اور انفارمیشن ٹیکنالوجی کے مستقبل کے امکانات روشن تر ہو جائیں گے۔ سائیکلیکل اسٹاکس میں منفی کارکردگی 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۔

### کارپوریٹ گورننس

فنڈ کارپوریٹ گورننس کے اعلیٰ ترین معیارات نافذ کرنے کے لئے پُر عزم ہے۔ چھ (6) غیر ایگزیکٹو ڈائریکٹرز بشمول دو (2) خود مختار ڈائریکٹر پر مشتمل بورڈ، مینجمنٹ کمپنی کے انتظامی ادارے کی حیثیت سے، عمدہ کارپوریٹ گورننس کے لئے یونٹ ہولڈرز کو جوابدہ ہے۔ انتظامیہ بہترین طریقوں، خاص طور پر غیر ایگزیکٹو ڈائریکٹرز کی خود مختاری کے حوالے سے کارپوریٹ گورننس کے ضابطہء اخلاق کی شقوں کی بدستور تعمیل کر رہی ہے۔ فنڈ پاکستان اسٹاک ایکسچینج کے لسٹنگ قوانین کے مطابق کاروبار جاری رکھنے کے عزم پر قائم ہے جن میں بورڈ آف ڈائریکٹرز اور انتظامیہ کے کردار اور ذمہ داریوں کی وضاحت کی گئی ہے۔

ذیل میں کارپوریٹ گورننس کے ضابطہء اخلاق کی شرائط کی تعمیل کے لئے خصوصی بیانات دیئے جا رہے ہیں:

- مالیاتی گوشوارے فنڈ کے معاملات کی صورتحال، اس کی سرگرمیوں کے نتائج، نقد کی آمد و رفت اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
- فنڈ کی دُرست بکس آف اکاؤنٹس تیار کی گئی ہیں۔

c. مالیاتی گوشواروں کی تیاری میں دُرست اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط اندازوں پر مبنی ہیں۔

d. مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیار (پاکستان میں اطلاق کی حد تک)، نان بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشنز) کی دفعات 2003ء، نان بینکنگ فنانس کمپنیز اینڈ ٹریڈ ریگولیشنز 2008ء، متعلقہ ٹرسٹ ڈیڈز کی شرائط اور سیکیورٹیز

## ڈائریکٹرز رپورٹ

اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ ہدایات کی تعمیل کی گئی ہے۔

e. انٹرنل کنٹرول کا نظام مستحکم خطوط پر استوار اور مؤثر انداز میں نافذ کیا گیا ہے اور اس کی مؤثر نگرانی کی جاتی ہے، اور اسے مزید بہتر بنانے کی کوششیں جاری ہیں۔

f. کارپوریٹ گورننس کی بہترین روایات سے کوئی قابل ذکر انحراف نہیں ہوا ہے۔

g. واجب الاداء ٹیکسز، ڈیوٹیز، محصولات اور چارجز (اگر کوئی ہیں تو) کو مالیاتی گوشواروں میں مکمل طور پر ظاہر کیا گیا ہے۔

h. پراویڈنٹ / گریجویٹ فنڈ اور پینشن فنڈ میں سرمایہ کاریوں کی مالیت کے اسٹیٹمنٹ کا اطلاق فنڈ پر نہیں ہوتا لیکن منجمنٹ کمپنی پر ہوتا ہے، چنانچہ ڈائریکٹرز رپورٹ میں اس حوالے سے کوئی معلومات ظاہر نہیں کی گئی ہیں۔

i 30 جون 2019 کے اختتام پر، ڈائریکٹرز ٹریننگ پروگرام کے حوالے سے جو مطالبات کوڈ کے regulation نمبر میں درج ہیں، فنڈ اس سے compliant ہے۔

j. این بی ایف سی کے قواعد و ضوابط کے تحت مطلوب یونٹ ہولڈنگ کا تفصیلی خاکہ ملحق ہے۔

k. بورڈ آف ڈائریکٹرز کی میٹنگ میں حاضری کی تفصیلات مالیاتی گوشواروں میں ظاہر کی گئی ہیں۔ 30 جون 2019 کو ختم ہونے والے سال کے دوران ہونے والی کمیٹی میٹنگز کی تفصیلات درج ذیل ہیں:

### ۱۔ آڈٹ کمیٹی کی میٹنگ

دوران سال آڈٹ کمیٹی کی نو (9) میٹنگز منعقد ہوئیں۔ شرکاء کی حاضری درج ذیل ہے:

میٹنگز کی تعداد				
نام	منعقدہ میٹنگز کی تعداد	مطلوبہ حاضری	حاضری	منظور شدہ رخصت
۱۔ جناب ہارون رشید (چیرمین)	9	9	7	2
۲۔ جناب احمد جہانگیر	9	9	9	-
۳۔ جناب نسیم بیگ	9	9	9	-
۴۔ مرزا محمد قمر بیگ	9	9	9	-

### ۲۔ ہیومن ریسورس اینڈ ریویژن کمیٹی کی میٹنگ

دوران سال ہیومن ریسورس اینڈ ریویژن کمیٹی کی ایک (1) میٹنگ منعقد ہوئی۔ شرکاء کی حاضری درج ذیل ہے:

میٹنگز کی تعداد				
نام	منعقدہ میٹنگز کی تعداد	مطلوبہ حاضری	حاضری	منظور شدہ رخصت
۱۔ ڈاکٹر سید سلمان شاہ (چیرمین)*	1	1	1	-
۲۔ جناب نسیم بیگ	1	1	1	-
۳۔ جناب احمد جہانگیر	1	1	1	-
۴۔ جناب ہارون رشید	1	1	1	-
۵۔ جناب محمد ثاقب سلیم (سی ای او)	1	1	1	-

\* ڈاکٹر سید سلمان علی شاہ نے 10 جون 2019 کو بورڈ سے استعفیٰ دیا اور مرزا قمر بیگ ممبر کے طور پر شامل کیا گیا اور کمیٹی کے چیرمین کے طور پر بھی ان کی تقرری کی گئی۔



## ڈائریکٹرز رپورٹ

### ۳۔ رسک مینجمنٹ کمیٹی کی میٹنگ

دوران سال ہیومن ریسورس اینڈ ریمونزیشن کمیٹی کی ایک (1) میٹنگ منعقد ہوئی۔ شرکاء کی حاضری درج ذیل ہے:

میٹنگز کی تعداد			نام	منعقدہ میٹنگز کی تعداد	مطلوبہ حاضری	حاضری	منظور شدہ رخصت
۱۔	جناب مرزا قمر بیگ (چیرمین)	1	1	1	1	1	-
۲۔	جناب نسیم بیگ	1	1	1	1	1	-
۳۔	جناب احمد جہانگیر	1	1	1	1	1	-

m. دوران سال مینجمنٹ کمیٹی کے ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانس انشیل آفیسر، کمپنی سیکرٹری اور چیف انٹرنل آڈیٹر اور ان کے شریک حیات اور چھوٹے بچوں نے فنڈ کے نوٹس کی کوئی خرید و فروخت نہیں کی۔

### خارجی آڈیٹرز

فنڈ کے خارجی آڈیٹرز ارنسٹ اینڈ یونگ فورڈ رھوڈز چارٹرڈ اکاؤنٹنٹس نے 30 جون 2020ء کو ختم ہونے والے اگلے سال کے لئے فنڈ کے آڈیٹرز کے طور پر کام جاری رکھنے پر رضامندی ظاہر کی ہے۔ بورڈ کی آڈٹ کمیٹی نے 30 جون 2020ء کو ختم ہونے والے سال کے لئے فنڈ کے آڈیٹرز کے طور پر ارنسٹ اینڈ یونگ فورڈ رھوڈز چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کی ہے۔

### اظہار تشکر

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

من جانب ڈائریکٹرز،



نسیم بیگ  
ڈائریکٹر /وائس چیرمین



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
13 ستمبر 2019ء

# REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2019

## Fund Type and Category

Alhamra Islamic Active Allocation Plan-I is a Shariah Compliant Islamic Asset Allocation Plan

## Fund Benchmark

The benchmark for ALHIAAP-I is KMI-30 Index and six (6) months average deposit rates of three (3) "A" rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks on the basis of actual proportion held by the scheme

## Investment Objective

Alhamra Islamic Active Allocation Plan-I is a Shari'ah Compliant Islamic Asset Allocation Plan with an objective to earn a potentially high return through active asset allocation among Shari'ah Compliant Islamic Scheme based on the Fund Manager's outlook of the asset classes.

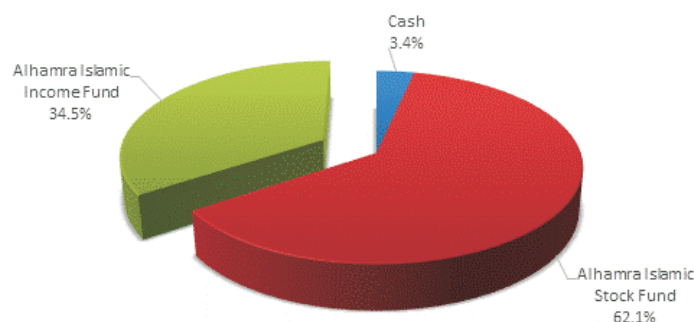
## Manager's Review

During the period under review, the fund posted a return of -4.26% against -23.61% for the benchmark. The fund was 62.1% invested in Alhamra Islamic Stock Fund and 34.5% invested in Alhamra Islamic Income Fund as at 30<sup>th</sup> June, 2019.

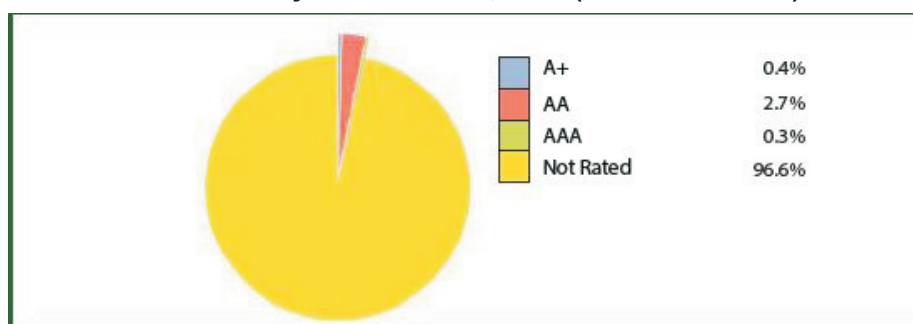
The Net Assets of the Fund as at June 30, 2019 stood at Rs. 627 million as compared to Rs. 1,404 million as at June 30, 2018 registering a decrease of 55.34%.

The Net Asset Value (NAV) per unit as at June 30, 2019 was Rs. 89.1993 as compared to opening NAV of Rs. 93.1720 per unit as at June 30, 2018 a decrease of Rs. 3.9727 per unit.

**Asset Allocation as on June 30, 2019 (% of total assets)**



**Asset Quality as on June 30, 2019 (% of total assets)**



Syed Abid Ali  
Fund Manager

# REPORT OF THE FUND MANAGER FOR THE YEAR ENDED JUNE 30, 2019

## Fund Type and Category

Alhamra Islamic Active Allocation Plan-II is a Shariah Compliant Islamic Asset Allocation Plan.

## Fund Benchmark

The benchmark for ALHIAAP-II is KMI-30 Index and six (6) months average deposit rates of three (3) "A" rated Scheduled Islamic Banks or Islamic Windows of Conventional Banks on the basis of actual proportion held by the scheme

## Investment Objective

Alhamra Islamic Active Allocation Plan-II is a Shari'ah Compliant Islamic Asset Allocation Plan with an objective to earn a potentially high return through active asset allocation among Shari'ah Compliant Islamic Scheme based on the Fund Manager's outlook of the asset classes.

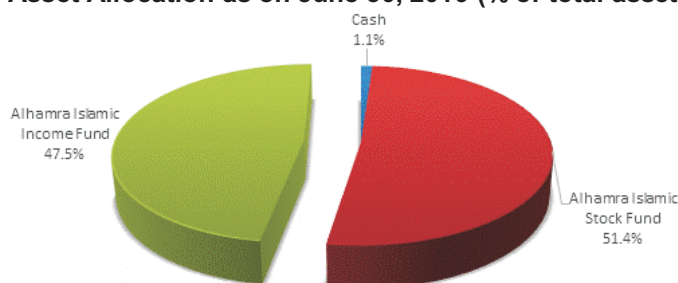
## Manager's Review

During the period under review, the fund posted a return of -5.54% against -23.43% for the benchmark. The fund was 51.4% invested in Alhamra Islamic Stock Fund and 47.5% invested in Alhamra Islamic Income Fund as at 30<sup>th</sup> June, 2019.

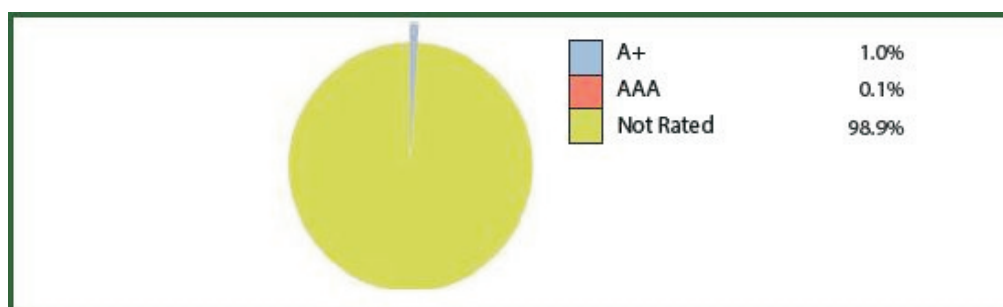
The Net Assets of the Fund as at June 30, 2019 stood at Rs. 708 million as compared to Rs.794 million as at June 30, 2018 registering a decrease of 10.83%.

The Net Asset Value (NAV) per unit as at June 30, 2019 was Rs.93.8703 as compared to opening NAV of Rs. 99.5728 per unit as at June 30, 2018 a decrease of Rs. 5.7025 per unit.

**Asset Allocation as on June 30, 2019 (% of total assets)**



**Asset Quality as on June 30, 2019 (% of total assets)**



Syed Abid Ali  
Fund Manager

# TRUSTEE REPORT TO THE UNIT HOLDERS



## MCB FINANCIAL SERVICES LIMITED

### REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

#### ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND

#### Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

Al-Hamra Islamic Active Allocation Fund, an open-end Scheme established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as Management Company and MCB Financial Services Limited as Trustee on November 25, 2016. The scheme was approved by Securities & Exchange Commission of Pakistan on December 02, 2016.

1. MCB Arif Habib Savings and Investments Limited, the Management Company of Al-Hamra Islamic Active Allocation Fund has, in all material respects, managed Al-Hamra Islamic Active Allocation Fund during the year ended June 30, 2019 in accordance with the provisions of the following:
  - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
  - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
  - (iii) the creation and cancellation of units are carried out in accordance with the deed;
  - (iv) and any regulatory requirement

A handwritten signature in black ink, appearing to read 'Anwar', is positioned above the printed name of the Chief Executive Officer.

Khawaja Anwar Hussain  
Chief Executive Officer  
MCB Financial Services Limited

Karachi: September 6, 2019

## REPORT OF THE SHARIAH ADVISORY BOARD

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### REPORT OF THE SHARIAH ADVISORY BOARD

Alhamdulillah, We the Shariah Advisory Board of Alhamra Islamic Active Allocation (the Fund), are issuing this report in accordance with the Offering document of the Fund. The scope of the report is to express an opinion on the Shariah compliance of the Fund's activities.

It is the responsibility of M/s MCB Arif Habib Savings and Investments limited (MCBAH), the management company of the fund, to establish and maintain a system of internal controls to ensure compliance with Shariah guidelines. Our responsibility is to express an opinion, based on our review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, we hereby certify that:

- We have reviewed and approved the modes of investment of ALHIAAP in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of ALHIAAP by Management Company are Shariah Compliant and in accordance with the criteria established.
- On the basis of information provided by the Management Company, all the operations of ALHIAAP for the period from July 01, 2018 to June 30, 2019 have been in compliance with Shariah principles.

May Allah bless us with Tawfeeq to accomplish these cherished tasks, make us successful in this world and in the hereafter, and forgive our mistakes.

Karachi: September 18, 2019

اعجاز سامدانی  
Dr. Ejaz Samadani

For and on behalf of Shariah Advisory Board



# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road  
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## INDEPENDENT AUDITORS' REPORT

To the Unit holders of Alhamra Islamic Active Allocation Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Alhamra Islamic Active Allocation Fund** (the Fund), which comprise the statement of assets and liabilities as at **30 June 2019**, and the income statement, comprehensive income, cash flows statement and movement in unit holders' fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Fund as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
<b>1. Existence and valuation of bank balances and investments</b>	
As disclosed in note 5 and 6 to the accompanying financial statements of the Fund for the year ended 30 June 2019, the bank balances and investments (comprised of open end mutual funds) held by the Fund represent 99% of the total assets of the Fund as at the year end.	We performed a combination of audit procedures focusing on the existence and valuation of investments. Our key procedures included the following:
In view of the significance of bank balances and investment in relation to the total assets and the Net Asset Value (NAV) of the Fund, we have considered the existence	<ul style="list-style-type: none"><li>- We tested controls over acquisition, disposals and periodic valuation of investments portfolio.</li><li>- We performed substantive audit procedures on year-end balance of portfolio including review of custodian's statement, and related</li></ul>

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# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



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Key audit matter	How our audit addressed the key audit matter
and valuation of such bank balances and investments as a key audit matter.	<p>reconciliations, re-performance of investment valuations on the basis of prices provided by the Mutual Fund Association of Pakistan (MUFAP)</p> <ul style="list-style-type: none"><li>- We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and the adequacy of disclosures as may be applicable in situations of non-compliance.</li><li>- We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and whether the Fund's disclosures in relation to the valuation of investments are compliant with the relevant accounting requirements.</li></ul>

## Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



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## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

# INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS

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From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other matter

The financial statements of the Fund for the year ended 30 June 2018, were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 September 2018.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 24 September 2019

Karachi

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# STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2019

		----- June 30, 2019 -----			----- June 30, 2018 -----			
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	
Note		----- (Rupees in '000) -----						
<b>ASSETS</b>								
	Balances with banks	5	21,062	7,530	28,592	77,940	27,395	105,335
	Investments	6	607,695	701,524	1,309,219	1,326,599	767,744	2,094,343
	Profit receivable		202	86	288	420	221	641
	Preliminary expenses and floatation costs	7	-	-	-	1,240	-	1,240
	Advance, deposits and other receivables	8	60	-	60	209	-	209
	<b>Total assets</b>		629,019	709,140	1,338,159	1,406,408	795,360	2,201,768
<b>LIABILITIES</b>								
	Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	9	75	63	138	191	105	296
	Payable to MCB Financial Services Limited - Trustee	10	54	60	114	109	68	177
	Payable to the Securities and Exchange Commission of Pakistan (SECP)	11	1,098	725	1,823	1,385	687	2,072
	Accrued expenses and other liabilities	12	460	321	781	822	408	1,230
	<b>Total liabilities</b>		1,687	1,169	2,856	2,507	1,268	3,775
<b>NET ASSETS</b>			627,332	707,971	1,335,303	1,403,901	794,092	2,197,993
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>			627,332	707,971	1,335,303	1,403,901	794,092	2,197,993
<b>Contingencies and Commitments</b>		13	--- (Number of units) ---			--- (Number of units) ---		
<b>NUMBER OF UNITS IN ISSUE</b>		14	7,032,922	7,542,008		15,067,846	7,974,996	
			----- (Rupees) -----			----- (Rupees) -----		
<b>NET ASSET VALUE PER UNIT</b>			89.1993	93.8703		93.1720	99.5728	

The annexed notes 1 to 26 form an integral part of these financial statements.

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



**Chief Executive Officer**



**Chief Financial Officer**



**Director**

# INCOME STATEMENT FOR THE YEAR ENDED JUNE 30, 2019

		June 30, 2019			June 30, 2018		
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
Note		(Rupees in '000)					
<b>INCOME</b>							
	Gain / (loss) on sale of investments - net	24,515	(8,825)	15,690	(61,042)	12,520	(48,522)
	Net unrealised (diminution) on re-measurement of investments at fair value through profit or loss	(57,151)	(45,343)	(102,494)	(45,188)	(5,235)	(50,423)
6.1	Profit on bank balances	3,702	1,278	4,980	4,844	2,507	7,351
	Dividend income	8,698	12,949	21,647	-	-	-
	Other income	738	468	1,206	2,510	1,779	4,289
	<b>Total (loss) / income</b>	<b>(19,498)</b>	<b>(39,473)</b>	<b>(58,971)</b>	<b>(98,876)</b>	<b>11,571</b>	<b>(87,305)</b>
<b>EXPENSES</b>							
	Remuneration of the Management Company	441	136	577	831	421	1,252
	Sindh sales tax on remuneration of the Management Company	57	18	75	107	55	162
9.1	Remuneration of the Trustee	981	686	1,667	1,208	665	1,873
9.2	Sindh sales tax on remuneration of the Trustee	127	89	216	157	87	244
10.1	Annual fee to Securities and Exchange Commission of Pakistan (SECP)	1,098	725	1,823	1,385	687	2,072
10.2	Allocated expenses	1,155	763	1,918	1,648	817	2,465
11	Auditors' remuneration	218	143	361	283	117	400
15	Amortisation of preliminary expenses and floatation costs	1,240	-	1,240	2,500	-	2,500
	Printing charges	28	22	50	-	27	27
	Settlement and bank charges	39	14	53	22	23	45
	Listing fee	18	10	28	26	1	27
	Legal and professional charges	105	66	171	112	41	153
12.1	Provision for Sindh Workers' Welfare Fund	-	-	-	-	173	173
	<b>Total expenses</b>	<b>5,507</b>	<b>2,672</b>	<b>8,179</b>	<b>8,279</b>	<b>3,114</b>	<b>11,393</b>
	<b>Net (loss) / income for the year before taxation</b>	<b>(25,005)</b>	<b>(42,145)</b>	<b>(67,150)</b>	<b>(107,155)</b>	<b>8,457</b>	<b>(98,698)</b>
	Taxation	-	-	-	-	-	-
16		-	-	-	-	-	-
	<b>Net (loss) / income for the year</b>	<b>(25,005)</b>	<b>(42,145)</b>	<b>(67,150)</b>	<b>(107,155)</b>	<b>8,457</b>	<b>(98,698)</b>
<b>Allocation of net income for the year</b>							
	Net income for the year after taxation	-	-	-	-	8,457	8,457
	Income already paid on units redeemed	-	-	-	-	-	-
		-	-	-	-	8,457	8,457
<b>Accounting income available for distribution</b>							
	- Relating to capital gains	-	-	-	-	7,285	7,285
	- Excluding capital gains	-	-	-	-	1,172	1,172
		-	-	-	-	8,457	8,457

The annexed notes 1 to 26 form an integral part of these financial statements.

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



**Chief Executive Officer**



**Chief Financial Officer**



**Director**

**STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2019**

	June 30, 2019			June 30, 2018		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
	----- (Rupees in '000) -----					
<b>Net (loss) / income for the year after taxation</b>	<b>(25,005)</b>	<b>(42,145)</b>	<b>(67,150)</b>	<b>(107,155)</b>	<b>8,457</b>	<b>(98,698)</b>
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive (loss) / income for the year</b>	<b>(25,005)</b>	<b>(42,145)</b>	<b>(67,150)</b>	<b>(107,155)</b>	<b>8,457</b>	<b>(98,698)</b>

The annexed notes 1 to 26 form an integral part of these financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director



# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE YEAR ENDED JUNE 30, 2019

	Alhamra Islamic Active Allocation Plan - I			Alhamra Islamic Active Allocation Plan - II			Alhamra Islamic Active Allocation Plan - I			Alhamra Islamic Active Allocation Plan - II		
	June 30, 2019						June 30, 2018					
	Capital Value	Undistri- buted loss	Total	Capital Value	Undistri- buted income / (loss)	Total	Capital Value	Undistri- buted income / (loss)	Total	Capital Value	Undistri- buted income	Total
	(Rupees in '000)											
Net Assets at the beginning of the year	1,510,798	(106,897)	1,403,901	785,630	8,462	794,092	1,583,983	258	1,584,241	87,964	5	87,969
Issuance of Nil units of Plan-I and 13,715 units of Plan-II (2018: 112,376 units of Plan-I and 13,683 units of Plan-II)												
- Capital value (at net assets value per unit at the beginning of the year)	-	-	-	1,366	-	1,366	20,464	-	20,464	769,265	-	769,265
- Element of income	-	-	-	(3)	-	(3)	(210)	-	(210)	(11,310)	-	(11,310)
	-	-	-	1,363	-	1,363	20,254	-	20,254	757,955	-	757,955
Redemption of 8,034,924 units of Plan-I and 446,703 units of Plan-II (2018: 701,025 units of Plan-I and 245,549 units of Plan-II)												
- Capital value (at net assets value per unit at the beginning of the year)	(748,630)	-	(748,630)	(44,479)	-	(44,479)	97,674	-	97,674	59,690	-	59,690
- Amount paid out of element of income												
- Relating to 'Net income for the year after taxation'	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to 'Other comprehensive income for the year'	-	-	-	-	-	-	-	-	-	-	-	-
- (Adjustment) / refund on units as element of income	(2,934)	-	(2,934)	735	-	735	(4,235)	-	(4,235)	599	-	599
	(751,564)	-	(751,564)	(43,744)	-	(43,744)	(93,439)	-	(93,439)	(60,289)	-	(60,289)
Total comprehensive (loss) / income for the year	-	(25,005)	(25,005)	-	(42,145)	(42,145)	-	(107,155)	(107,155)	-	8,457	8,457
Distribution during the year	-	-	-	-	(1,595)	(1,595)	-	-	-	-	-	-
Net (loss) / income for the year less distribution	-	(25,005)	(25,005)	-	(43,740)	(43,740)	-	(107,155)	(107,155)	-	8,457	8,457
Net assets at end of the year	759,234	(131,902)	627,332	743,249	(35,278)	707,971	1,510,798	(106,897)	1,403,901	785,630	8,462	794,092
Undistributed (loss) / income brought forward comprising of:												
- Realised		(61,709)			13,697			(6,534)			49	
- Unrealised		(45,188)			(5,235)			6,792			(44)	
		(106,897)			8,462			258			5	
Accounting income available for distribution:												
- Relating to capital gains		(25,005)			(42,145)			-			7,285	
- Excluding capital gains		-			-			-			1,172	
		(25,005)			(42,145)			-			8,457	
Net loss for the year		-			-			(107,155)			-	
Distribution during the year		-			(1,595)			-			-	
Undistributed (loss) / income carried forward		(131,902)			(35,278)			(106,897)			8,462	
Undistributed (loss) / income carried forward comprising of:												
- Realised		(74,751)			10,065			(61,709)			13,697	
- Unrealised		(57,151)			(45,343)			(45,188)			(5,235)	
		(131,902)			(35,278)			(106,897)			8,462	
	-- (Rupees) --				-- (Rupees) --			-- (Rupees) --			-- (Rupees) --	
Net assets value per unit at beginning of the year	93.1720			99.5728			100.0163			100.0057		
Net assets value per unit at end of the year	89.1993			93.8703			93.1720			99.5728		

The annexed notes 1 to 26 form an integral part of these financial statements.

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



**Chief Executive Officer**



**Chief Financial Officer**



**Director**

# CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2019

	June 30, 2019			June 30, 2018		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
----- (Rupees in '000) -----						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net (loss) / income for the year	(25,005)	(42,145)	(67,150)	(107,155)	8,457	(98,698)
<b>Adjustments for non cash and other items:</b>						
Amortisation of preliminary expenses and floatation costs	1,240	-	1,240	2,500	-	2,500
Net unrealised loss on re-measurement of investments at fair value through profit or loss	57,151	45,343	102,494	45,188	5,235	50,423
Provision against Sindh Workers' Welfare Fund	-	-	-	-	173	173
	58,391	45,343	103,734	47,688	5,408	53,096
<b>Decrease / (increase) in assets</b>						
Investments	661,753	20,877	682,630	121,044	(698,023)	(576,979)
Profit receivable	218	135	353	2,619	48	2,667
Advance, deposits and other receivables	149	-	149	(70)	-	(70)
	662,120	21,012	683,132	123,593	(697,975)	(574,382)
<b>(Decrease) / increase in liabilities</b>						
Payable to MCB Arif Habib Savings and Investments - Management Company	(116)	(42)	(158)	(5,566)	30	(5,536)
Payable to MCB Financial Services Limited - Trustee	(55)	(8)	(63)	-	-	-
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(287)	38	(249)	662	684	1,346
Payable to MCB Financial Services	-	-	-	(1)	57	56
Accrued expenses and other liabilities	(362)	(87)	(449)	8	230	238
	(820)	(99)	(919)	(4,897)	1,001	(3,896)
<b>Net cash generated from / (used in) operating activities</b>	694,686	24,111	718,797	59,229	(683,109)	(623,880)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Amount received on issuance of units	-	1,363	1,363	20,254	756,960	777,214
Amount paid on redemption of units	(751,564)	(43,744)	(795,308)	(93,439)	(59,294)	(152,733)
Dividend paid	-	(1,595)	(1,595)	(12,672)	(158)	(12,830)
<b>Net cash (used in) / generated from financing activities</b>	(751,564)	(43,976)	(795,540)	(85,857)	697,508	611,651
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>	(56,878)	(19,865)	(76,743)	(26,628)	14,399	(12,229)
Cash and cash equivalents at the beginning of the year	77,940	27,395	105,335	104,568	12,996	117,564
<b>Cash and cash equivalents at the end of the year</b>	21,062	7,530	28,592	77,940	27,395	105,335

The annexed notes 1 to 26 form an integral part of these 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Islamic Active Allocation Fund (the Fund) was established under a Trust Deed dated, November 25, 2016, executed between MCB Arif Habib Investments Limited as Management Company and MCB Financial Services Limited as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 02, 2016 under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations 2008).
- 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 commenced its operations from December 29, 2016. The Fund is an open-end Shariah Compliant Fund of Funds that shall invest in other Shariah compliant Collective Investment Schemes as specified in the Investment Policy contained in the offering document and SECP circular No. 7 of 2009, as may be amended or substituted from time to time. The units of the Fund are redeemable subject to a contingent load.
- 1.4 The duration of the Fund is perpetual. However, Allocation Plans launched may have a set time frame. The Fund commenced its operations from December 29, 2016 and on that date, had offered one type of Allocation Plan (Plan-I). On June 16, 2017, the Fund has launched Allocation Plan-II. The Fund is allowed to invest in Shariah Compliant Collective Investment Schemes or in cash and / or near cash instruments as allowed under circular no.7 of 2009 dated March 6, 2009 issued by the SECP. The maturity of Allocation Plan I was two years from the close of the initial offer period of December 29, 2016 (i.e. maturing on December 28, 2018), however, the said maturity has been extended for another one year. The maturity of Allocation Plan II was two years from the close of the initial offer period of June 16, 2017 (i.e. maturing on June 15, 2019) which has also been extended by one year.
- 1.5 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM2++' dated April 08, 2019 to the Management Company and AA-(f) to the Fund in its rating report dated June 27, 2019.
- 1.6 Title to the assets of the Fund is held in the name of MCB Financial Services Limited as Trustee of the Fund.

## 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards comprise of:

- International Financial Reporting Standards (IFRS Standards) 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;
- The NBFC rules, the Non-Banking Finance Companies, 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 IFRS Standards, 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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## 3. BASIS OF PREPARATION

### 3.1 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments which are measured at fair value.

### 3.2 Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgments made by management in the application of accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment are explained in notes 4.5.1 and 4.9 respectively.

### 3.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial years except as described in note 4.1.

### 4.1 IFRS 9 Financial Instruments

Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard prescribes accounting and reporting requirements for recognition, classification, measurement and derecognition of financial assets and financial liabilities.

The IFRS 9 has replaced current categories of financial assets (Fair Value Through Profit or Loss (FVTPL) - Held for Trading, Available For Sale (AFS), held-to-maturity and loans and receivables) by the following classifications of Financial Assets:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
- 4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Under IFRS 9, the classification is based on two criteria, (a) the entity's business model for managing the assets; and (b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the Fund's business model was made as at the date of initial application i.e. July 01, 2018.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

As a result of the above assessment, the management has concluded that all the investments in open-ended mutual funds continue to be classified at 'Fair Value through Profit or Loss' as such investments are managed on a fair value basis and are held for trading purposes.

The management has made an assessment of impairment under expected credit loss model of IFRS 9 for bank balances and other financial assets and concluded that impact is not material to the financial statements.

## 4.2 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)

IFRS 9 Financial Instruments

IFRS 15 – Revenue from Contracts with Customers

IAS 40 Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

### Improvements to Accounting Standards Issued by the IASB in December 2016

IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment - by - investment choice

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any material effect on the financial statements.

## 4.3 Standards, interpretations and amendments to approved accounting 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:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 3 Definition of a Business (Amendments)	January 01, 2020
IFRS 3 Business Combinations – Previously held interests in a joint operation	January 01, 2019
IFRS Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)	July 01, 2019
IFRS 9 Financial instruments – Prepayment Features with Negative Compensation (Amendments)	January 01, 2019

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 Joint Arrangements –Previously held interests in a joint operation	January 01, 2019
IFRS 16 - Leases	January 01, 2019
Definition of Material – Amendments to IAS 1 and IAS 8	January 01, 2019
IAS 12 Income Taxes – Income tax consequences of payments on financial instruments classified as equity	January 01, 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation	January 01, 2019
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019

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.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2019 respectively. The Fund expects that such improvements to the standards will not have any impact on the Fund's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 17 - Insurance Contracts	January 01, 2021

## 4.4 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments (if any) with original maturity of three months or less, are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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## 4.5 Financial assets

In the current period the fund has adopted IFRS 9 Financial instruments. See note 4.1 for an explanation of the impact. Comparative figures for the year ended 30 June 2018 have not been restated. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

### 4.5.1 Policy from July 01, 2018

#### Policy under IFRS 9

##### Classification

##### Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

#### Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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In contrast, contractual terms that introduce a more than the minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

### **Initial Measurement**

Investments are initially measured at their fair value except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

### **Subsequent Measurement**

#### **Debt instruments at Amortized Cost**

After initial measurement, such debt instruments are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

#### **Debt instruments at FVOCI (Policy applicable from July 01, 2018)**

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

#### **Financial assets at fair value through profit or loss**

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Dividend income from CIS units measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

### **Impairment of financial assets**

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 will be followed.

#### **4.5.2 Policy till June 30, 2018**

Before July 01, 2018, The Fund classifies its financial assets in the following categories:

##### **a) Financial assets at fair value through profit or loss**

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

##### **b) Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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### **c) Available-for-sale**

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss or (b) loans and receivables. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

### **Derivatives**

These are measured at fair value. Derivatives with positive fair values (unrealised gains) are included in fair value of derivative asset and derivatives with negative fair values (unrealised losses) are included in fair value of derivative liability in the statement of assets and liabilities. The resultant gains and losses are included in the income statement.

### **Regular way contracts**

Regular purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

### **Initial recognition and measurement**

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed out in the income statement.

### **Subsequent measurement**

#### **a) Financial assets 'at fair value through profit or loss' and 'available for sale'**

Subsequent to initial recognition, financial instruments classified as 'at fair value through profit or loss' and 'available-for-sale' are measured at fair value.

Net gains and losses arising from changes in the fair value of financial assets classified as available for sale are taken to the 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in the 'statement of comprehensive income' is transferred to the Income Statement.

#### **Basis of valuation**

- The fair value of investments in open end mutual funds is determined by reference to the quotations obtained from the NAV report on the MUFAP website at the close of year end.

#### **b) Loans and receivables**

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective yield method.

Gains or losses are recognised in the income statement when the financial assets carried at amortised cost are derecognised or impaired.

#### **Impairment**

The Fund assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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In the case of equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss previously recognised in other comprehensive income is removed therefrom and included in the Income Statement. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities are derecognised.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

### 4.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

### 4.7 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or

### 4.8 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 4.9 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

### 4.10 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

### 4.11 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

### 4.12 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

### 4.13 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

### 4.14 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Unrealised gain / loss arising on revaluation of investments classified as available for sale is included in Statement of Comprehensive Income in the period in which it arises.
- Dividend income is recognised when the right to receive the dividend is established.
- Profit / mark-up on bank balances, term deposit receipts and government securities is recognised on an accrual basis.

### 4.15 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

### 4.16 (Loss) / earnings per unit

(Loss) / earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average number of outstanding units for calculating EPU is not practicable.

### 4.17 Preliminary expenses and floatation cost

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of two years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance companies and Notified Entities Regulation, 2008.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

		June 30, 2019		
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
Note		----- (Rupees in '000) -----		
<b>5. BALANCES WITH BANKS</b>				
In current accounts	5.1	1,672	400	2,072
In saving accounts	5.2	19,390	7,130	26,520
		<u>21,062</u>	<u>7,530</u>	<u>28,592</u>

		June 30, 2018		
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
		----- (Rupees in '000) -----		
In current accounts	5.1	1,997	1,384	3,381
In saving accounts	5.2	75,943	26,011	101,954
		<u>77,940</u>	<u>27,395</u>	<u>105,335</u>

5.1 These accounts are maintained with MCB Bank Limited, a related party.

5.2 These carry profit ranging from 11.75% to 12.25% (2018: 6.50%) per annum.

		June 30, 2019		
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
Note		----- (Rupees in '000) -----		
<b>6. INVESTMENTS</b>				
<b>At fair value through profit or loss</b>				
- Units of open-end mutual funds	6.1	607,695	701,524	1,309,219

		June 30, 2018		
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
		----- (Rupees in '000) -----		
<b>At fair value through profit or loss - held for trading</b>				
- Units of open-end mutual funds		1,326,599	767,744	2,094,343



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

## 6.1 Units of open-end mutual funds

Name of the fund	Number of units			Balances as at June 30, 2019			Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 01, 2018	Purchased during the period	Redemption during the period	As at June 30, 2019	Carrying Value	Market Value (Rupees in '000)		
Alhamra Islamic Active Allocation Plan - I - with related party								
Alhamra Islamic Stock Fund	55,988,653	186,031,118	196,676,428	45,343,343	449,017	390,406	62.23%	64.24%
Alhamra Islamic Income Fund	6,816,335	20,170,680	24,839,072	2,147,943	215,829	217,289	34.64%	35.76%
Total as at June 30, 2019					664,846	607,695		
Total as at June 30, 2018					1,371,787	1,326,599		
Alhamra Islamic Active Allocation Plan - II - with related party								
Alhamra Islamic Stock Fund	32,195,678	86,261,001	76,126,874	42,329,805	411,882	337,064	47.61%	48.05%
Alhamra Islamic Income Fund	3,965,839	7,808,149	8,442,045	3,331,943	334,985	364,460	51.48%	51.95%
Total as at June 30, 2019					746,867	701,524		
Total as at June 30, 2018					772,979	767,744		

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

## 7. PRELIMINARY EXPENSES AND FLOATATION COSTS

Opening balance	1,240	-	1,240
Less: Amortisation for the year	(1,240)	-	(1,240)
Closing balance	-	-	-

June 30, 2019		
Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
----- (Rupees in '000) -----		

Opening balance	3,740	-	3,740
Less: Amortisation for the year	(2,500)	-	(2,500)
Closing balance	1,240	-	1,240

June 30, 2018		
Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
----- (Rupees in '000) -----		

**7.1** Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of two years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance companies and Notified Entities Regulation, 2008.

## 8. ADVANCE, DEPOSITS AND OTHER RECEIVABLES

Advance tax deducted at source	60	-	60
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June 30, 2019		
Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
----- (Rupees in '000) -----		

Advance tax deducted at source	60	-	60
Other receivables	149	-	149
	209	-	209

June 30, 2018		
Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
----- (Rupees in '000) -----		

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

		June 30, 2019		
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
<b>9. PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>				
	<b>Note</b>			
Management remuneration payable	9.1	19	3	22
Sindh sales tax payable on management remuneration	9.2	3	1	4
Payable against allocated expenses	9.3	53	59	112
		<b>75</b>	<b>63</b>	<b>138</b>

		June 30, 2018		
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
Management remuneration payable		66	34	100
Sindh sales tax payable on management remuneration		9	4	13
Payable against allocated expenses		116	67	183
		<b>191</b>	<b>105</b>	<b>296</b>

**9.1** The Management Company has charged remuneration at the rate of 1% of average annual net assets of the Fund till December 27, 2018 in Plan I and June 15, 2019 in Plan II, and afterwards, at the rate of 10% of accrued bank mark-up as per revision in the offering document during the year. However, no remuneration is charged on that part of the net assets which has been invested in the mutual funds managed by the Management Company.

**9.2** During the year, Sindh Sales Tax on management fee has been charged at 13% (2018: 13%).

**9.3** Up till June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide S.R.O 639 (I)/2019 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

		June 30, 2019		
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
<b>10. PAYABLE TO MCB FINANCIAL SERVICES LIMITED - TRUSTEE</b>				
	<b>Note</b>			
Trustee remuneration payable	10.1	48	53	101
Sindh sales tax payable on Trustee remuneration	10.2	6	7	13
		<b>54</b>	<b>60</b>	<b>114</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	June 30, 2018		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
Trustee remuneration payable	98	60	158
Sindh sales tax payable on Trustee remuneration	11	8	19
	109	68	177

**10.1** Under the provisions of the Trust Deed, the Trustee is entitled to a remuneration, to be paid monthly in arrears as per the following tariff structure.

Net Assets Value (NAV)	Tariff per annum
Up to Rs.1 billion	Rs.0.09% per annum of Daily Net Assets or Rs.0.25 million per annum, whichever is higher
Over Rs.1 billion	Rs.0.9 million plus 0.065% per annum of Daily Net Assets exceeding Rs.1 billion

**10.2** Sindh Sales Tax at 13% (2018: 13%) is charged on Trustee fee.

## 11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

This represents annual fee payable to SECP in accordance with the NBFC Regulations whereby the Fund is required to pay to SECP an amount equal to 0.095% (2018: 0.095%) of the average daily net assets of each plan.

	Note	June 30, 2019		
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
		(Rupees in '000)		
<b>12. ACCRUED EXPENSES AND OTHER LIABILITIES</b>				
Auditors' remuneration		130	95	225
Provision for Sindh Workers' Welfare Fund (SWWF)	12.1	264	176	440
Payable to legal advisor		44	32	76
Others		22	18	40
		460	321	781

		June 30, 2018		
		Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
		(Rupees in '000)		
Auditors' remuneration		187	93	280
Provision for Sindh Workers' Welfare Fund (SWWF)		264	176	440
Payable to legal advisor		58	27	85
Others		313	112	425
		822	408	1,230

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

**12.1** As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). However, All these plans have been launched after 2015 so provision for SWWF has been made from their respective date of launch.

Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value of Plan I and II as at June 30, 2019 would have been higher by Re.0.0375 (2018: Re.0.0175) per unit and Re.0.0233 (2018: Re.0.0221) per unit respectively.

### 13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

### 14. NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the year  
Add: Units issued during the year  
Less: Redemptions during the year  
Total units in issue as at June 30, 2019

June 30, 2019		
Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
(Number)		
15,067,846	7,974,996	23,042,842
-	13,715	13,715
(8,034,924)	(446,703)	(8,481,627)
<u>7,032,922</u>	<u>7,542,008</u>	<u>14,574,930</u>

Total units in issue at the beginning of the year  
Add: Units issued during the year  
Less: Redemptions during the year  
Total units in issue as at June 30, 2018

June 30, 2018		
Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
(Number)		
15,839,822	879,643	16,719,465
204,603	7,692,214	7,896,817
(976,579)	(596,861)	(1,573,440)
<u>15,067,846</u>	<u>7,974,996</u>	<u>23,042,842</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

## 15. AUDITORS' REMUNERATION

	June 30, 2019		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
	----- (Rupees in '000) -----		
Annual audit fee	126	82	208
Half yearly review fee	41	27	68
Sindh sales tax	13	9	22
Out of pocket expenses	38	25	63
	218	143	361

	June 30, 2018		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
	----- (Rupees in '000) -----		
Annual audit fee	108	51	159
Half yearly review fee	53	25	78
Other certifications	68	32	100
Sindh sales tax	18	9	27
Out of pocket expenses	36	-	36
	283	117	400

## 16. TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since both plans have incurred a loss during the year, no provision for taxation has been in these financial statements.

## 17. 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.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Details of transactions and balances at year end with related parties / connected persons are as follows:

## 17.1 Unit Holders' Fund

June 30, 2019									
		As at July 01, 2018	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at June 30, 2019	As at July 01, 2018	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at June 30, 2019
		----- (Number of units) -----			----- (Rupees in '000) -----				

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

## 17.2 Transactions during the year:

	June 30, 2019		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
	(Rupees in '000)		
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>			
Remuneration of the Management Company (including indirect taxes)	498	154	652
Allocated expenses	1,155	763	1,918
<b>MCB Financial Services Limited - Trustee</b>			
Remuneration of the Trustee (including indirect taxes)	1,108	775	1,883
<b>Alhamra Islamic Stock Fund</b>			
Purchase of 186,031,118 units and 86,261,001 units by the Fund	1,897,500	857,500	2,755,000
Sale of 196,676,428 units and 76,126,874 units by the Fund	2,038,940	768,301	2,807,241
<b>Alhamra Islamic Income Fund</b>			
Purchase of 20,170,680 units and 7,808,149 units by the Fund	2,089,117	2,592,500	4,681,617
Sale of 24,839,072 units and 8,442,045 units by the Fund	813,347	882,500	1,695,847
<b>MCB Bank Limited</b>			
Bank charges	9	1	10
	June 30, 2018		
	(Rupees in '000)		
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>			
Remuneration of the Management Company (including indirect taxes)	938	476	1,414
Allocated expenses	1,648	817	2,465
<b>MCB Financial Services Limited - Trustee</b>			
Remuneration of the Trustee (including indirect taxes)	1,365	752	2,117
<b>Alhamra Islamic Stock Fund</b>			
Purchase of 94,168,172 units and 66,740,666 units by the Fund	1,094,000	740,000	1,834,000
Sale of 109,282,855 units and 36,574,208 units by the Fund	1,224,000	403,000	1,627,000
<b>Alhamra Islamic Income Fund</b>			
Purchase of 18,695,068 units and 14,906,564 units by the Fund	1,946,895	1,539,090	3,485,985
Sale of 18,030,717 units and 11,436,373 units by the Fund	1,876,895	1,190,570	3,067,465

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

## 17.3 Balances outstanding at year end:

	June 30, 2019		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
	----- (Rupees in '000) -----		
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>			
Management remuneration payable	19	3	22
Sindh sales tax payable on Management Company remuneration	3	1	4
Payable against allocated expenses	53	59	112
<b>MCB Financial Services Limited - Trustee</b>			
Trustee remuneration payable	48	53	101
Sindh sales tax payable on Trustee remuneration	6	7	13
<b>MCB Bank Limited - Group / associated company</b>			
Balances with bank - current account	1,672	400	2,072
<b>Alhamra Islamic Stock Fund</b>			
Outstanding 45,343,343 and 42,329,805 units (investments made by the Fund)	390,406	337,064	727,470
<b>Alhamra Islamic Income Fund</b>			
Outstanding 2,147,943 and 3,331,943 units (investments made by the Fund)	217,289	364,460	581,749
	June 30, 2018		
	Alhamra Islamic Active Allocation Plan - I	Alhamra Islamic Active Allocation Plan - II	Total
	----- (Rupees in '000) -----		
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>			
Management remuneration payable	66	34	100
Sindh sales tax payable on Management Company remuneration	9	4	13
Payable against allocated expenses	116	67	183
<b>MCB Financial Services Limited - Trustee</b>			
Trustee remuneration payable	98	60	158
Sindh sales tax payable on Trustee remuneration	11	8	19
<b>MCB Bank Limited - Group / associated company</b>			
Balances with bank - current account	1,997	1,384	3,381
<b>Alhamra Islamic Stock Fund</b>			
Outstanding 55,988,653 and 32,195,678 units (investments made by the Fund)	603,558	347,069	950,627
<b>Alhamra Islamic Income Fund</b>			
Outstanding 6,816,335 and 3,965,839 units (investments made by the Fund)	723,041	420,675	1,143,716

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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## 18. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk. Risk of the Fund are being managed by the Management Company in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mention risks. The Board of Directors of Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Fund primarily invests in a portfolio of money market investments such as investment-grade debt securities, government securities and investments in other money market instruments.

### 18.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP and the NBFC Regulations, The NBFC Rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

#### 18.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions were carried out in Pak Rupees.

#### 18.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

##### a) Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased the income statement by Rs.0.194 million (2018: Rs.0.759 million) and Rs.0.071 million (2018: Rs.0.260 million) for Plan I and II respectively and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

##### b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instruments that may expose the Fund to any material profit rate risk.

The composition of the Fund's investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2019 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Yield rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

Alhamra Islamic Active Allocation Fund Plan I						
As at June 30, 2019						
Particulars	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%					

## On-balance sheet financial instruments

### Financial assets

Bank balances	11.75% - 12.25%	19,390	-	-	1,672	21,062
Investments		-	-	-	607,695	607,695
Profit receivable		-	-	-	202	202
Advance, deposits and other receivables		-	-	-	60	60
<b>Sub total</b>		<b>19,390</b>	<b>-</b>	<b>-</b>	<b>609,629</b>	<b>629,019</b>

### Financial liabilities

Payable to MCB-Arif Habib Savings and Investments Limited - Management Company		-	-	-	72	72
Payable to MCB Financial Services Limited - Trustee		-	-	-	48	48
Accrued expenses and other liabilities		-	-	-	196	196
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>316</b>	<b>316</b>

## On-balance sheet gap

<b>19,390</b>	<b>-</b>	<b>-</b>	<b>609,313</b>	<b>628,703</b>
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Alhamra Islamic Active Allocation Fund Plan II						
As at June 30, 2019						
Particulars	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
	%					

## On-balance sheet financial instruments

### Financial assets

Bank balances	11.75% - 12.25%	7,130	-	-	400	7,530
Investments		-	-	-	701,524	701,524
Profit receivable		-	-	-	86	86
		<b>7,130</b>	<b>-</b>	<b>-</b>	<b>702,010</b>	<b>709,140</b>

### Financial liabilities

Payable to MCB-Arif Habib Savings and Investments Limited - Management Company		-	-	-	62	62
Payable to MCB Financial Services Limited - Trustee		-	-	-	53	53
Accrued expenses and other liabilities		-	-	-	145	145
<b>Sub Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>260</b>	<b>260</b>

## On-balance sheet gap

<b>7,130</b>	<b>-</b>	<b>-</b>	<b>701,750</b>	<b>708,880</b>
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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Alhamra Islamic Active Allocation Fund Plan I						
Particulars	As at June 30, 2018					
	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	Total
		Upto three months	More than three months and up to	More than one year		
----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.50%	75,943	-	-	1,997	77,940
Investments		-	-	-	1,326,599	1,326,599
Profit receivable		-	-	-	420	420
Other receivable		-	-	-	149	149
Sub total		75,943	-	-	1,329,165	1,405,108
Financial liabilities						
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company		-	-	-	182	182
Payable to MCB Financial Services Limited - Trustee		-	-	-	98	98
Accrued expenses and other liabilities		-	-	-	558	558
Sub total		-	-	-	838	838
On-balance sheet gap						
		75,943	-	-	1,328,327	1,404,270

Alhamra Islamic Active Allocation Fund Plan II						
Particulars	As at June 30, 2018					
	Effective yield / rate	Exposed to yield risk			Not exposed to yield rate risk	Total
		Upto three months	More than three months and up to	More than one year		
	%	----- (Rupees in '000) -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.50%	26,011	-	-	1,384	27,395
Investments		-	-	-	767,744	767,744
Profit receivable		-	-	-	221	221
Sub total		26,011	-	-	769,349	795,360
Financial liabilities						
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company		-	-	-	101	101
Payable to MCB Financial Services Limited - Trustee		-	-	-	60	60
Accrued expenses and other liabilities		-	-	-	136	136
Sub Total		-	-	-	297	297
On-balance sheet gap						
		26,011	-	-	769,052	795,063

## 18.1.3 Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A reasonably possible change of 5% increase or decrease in fair values at the reporting date would have increased / decreased the income statement and statement of comprehensive income by Rs.30.385 million (2018: Rs.66.330 million) and Rs.35.076 million (2018: Rs.38.387 million) for Plan I and II respectively and consequently statement of movement in unit holders' fund would be affected by the same amount. The analysis assumes that all other variables remain constant.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

## 18.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted and arises principally from bank balances, investments, profit and other receivable.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

The Fund's maximum exposure to credit risk related to receivables at June 30, 2019 and June 30, 2018 is the carrying amounts of following financial assets.

June 30, 2019				
	Alhamra Islamic Active Allocation Plan - I		Alhamra Islamic Active Allocation Plan - II	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees in '000) -----			
Bank balances	21,062	21,062	7,530	7,530
Investments	607,695	607,695	701,524	701,524
Profit receivable	202	202	86	86
Advance, deposits and other receivables	60	60	-	-
	<u>629,019</u>	<u>629,019</u>	<u>709,140</u>	<u>709,140</u>

The maximum exposure to credit risk as at June 30, 2018 was as follows:

June 30, 2018				
	Alhamra Islamic Active Allocation Plan - I		Alhamra Islamic Active Allocation Plan - II	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- (Rupees in '000) -----			
Bank balances	77,940	77,940	27,395	27,395
Investments	1,326,599	1,326,599	767,744	767,744
Profit receivable	420	420	221	221
Advance, deposits and other receivables	149	149	-	-
	<u>1,405,108</u>	<u>1,405,108</u>	<u>795,360</u>	<u>795,360</u>

All deposits with NCCPL and CDC are highly rated and risk of default is considered minimal.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

## Bank Balances by rating category

The Fund held bank balances at June 30, 2019 with banks having following credit ratings:

Rating	June 30, 2019			
	Alhamra Islamic Active Allocation Plan - I		Alhamra Islamic Active Allocation Plan - II	
	Rupees in '000	%	Rupees in '000	%
AAA	1,672	7.93%	400	5.31%
AA	17,110	81.24%	-	-
A+	2,280	10.83%	7,130	94.69%
	<b>21,062</b>	<b>100.00%</b>	<b>7,530</b>	<b>100.00%</b>

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2019.

The Fund held bank balances at June 30, 2018 with banks having following credit ratings:

Rating	June 30, 2018			
	Alhamra Islamic Active Allocation Plan - I		Alhamra Islamic Active Allocation Plan - II	
	Rupees in '000	%	Rupees in '000	%
AAA	1,998	2.56%	1,384	5.05%
AA+	10	0.01%	10	0.04%
AA-	14	0.02%	-	-
A+	75,918	97.41%	26,001	94.91%
	<b>77,940</b>	<b>100.00%</b>	<b>27,395</b>	<b>100.00%</b>

Above rates are on the basis of available ratings assigned by PACRA and JCR-VIS as of June 30, 2018.

## 18.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short-term to ensure settlement. During the current year, the Fund did not availed any borrowing. As per the NBFC Regulations the maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund and bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

## Alhamra Islamic Active Allocation Fund Plan I

Particulars	As at June 30, 2019			
	Upto three months	More than three months and upto one year	More than one year	Total

----- (Rupees in '000) -----

### Liabilities

Payable to MCB-Arif Habib

Savings and Investments

Limited - Management Company

Payable to MCB Financial

Services Limited - Trustee

Accrued expenses and other liabilities

72	-	-	72
48	-	-	48
196	-	-	196
<b>316</b>	<b>-</b>	<b>-</b>	<b>316</b>

## Alhamra Islamic Active Allocation Fund Plan II

Particulars	As at June 30, 2019			
	Upto three months	More than three months and upto one year	More than one year	Total

----- (Rupees in '000) -----

### Liabilities

Payable to MCB-Arif Habib

Savings and Investments

Limited - Management Company

Payable to MCB Financial

Services Limited - Trustee

Accrued expenses and other liabilities

62	-	-	62
53	-	-	53
145	-	-	145
<b>260</b>	<b>-</b>	<b>-</b>	<b>260</b>

## Alhamra Islamic Active Allocation Fund Plan I

Particulars	As at June 30, 2018			
	Upto three months	More than three months and upto one year	More than one year	Total

----- (Rupees in '000) -----

### Liabilities

Payable to MCB-Arif Habib

Savings and Investments

Limited - Management Company

Payable to MCB Financial

Services Limited - Trustee

Accrued expenses and other liabilities

182	-	-	182
98	-	-	98
558	-	-	558
<b>838</b>	<b>-</b>	<b>-</b>	<b>838</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

## Alhamra Islamic Active Allocation Fund Plan II

Particulars	As at June 30, 2018			
	Upto three months	More than three months and upto one year	More than one year	Total

----- (Rupees in '000) -----

### Liabilities

Payable to MCB-Arif Habib

Savings and Investments

Limited - Management Company

Payable to MCB Financial

Services Limited - Trustee

Accrued expenses and other liabilities

101	-	-	101
60	-	-	60
136	-	-	136
297	-	-	297

## 18.4 Financial instruments by category

### Alhamra Islamic Active Allocation Fund Plan I

Particulars	As at June 30, 2019			
	At Fair value through OCI	At fair value through profit or loss	Amortised cost	Total

----- (Rupees in '000) -----

### Financial assets

Bank balances

Investments

Profit receivable

Advance, deposits and other receivables

-	-	21,062	21,062
-	607,695	-	607,695
-	-	202	202
-	-	60	60
-	607,695	21,324	629,019

Particulars	As at June 30, 2019		
	At fair value through profit or loss	Amortised cost	Total

----- (Rupees in '000) -----

### Financial liabilities

Payable to MCB-Arif Habib Savings and

Investments Limited - Management Company

Payable to MCB Financial Services - Trustee

Accrued expenses and other liabilities

-	72	72
-	48	48
-	196	196
-	316	316

### Alhamra Islamic Active Allocation Fund Plan II

Particulars	As at June 30, 2019			
	At Fair value through OCI	At fair value through profit or loss	Amortised cost	Total

----- (Rupees in '000) -----

### Financial assets

Bank balances

Investments

Profit receivable

-	-	7,530	7,530
-	701,524	-	701,524
-	-	86	86
-	701,524	7,616	709,140

Particulars	As at June 30, 2019		
	At fair value through profit or loss	Amortised cost	Total
----- (Rupees in '000) -----			
<b>Financial liabilities</b>			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	-	62	62
Payable to MCB Financial Services - Trustee	-	53	53
Accrued expenses and other liabilities	-	145	145
	<u>-</u>	<u>260</u>	<u>260</u>

Alhamra Islamic Active Allocation Fund Plan I				
Particulars	As at June 30, 2018			
	Loans and receivables	Financial assets 'at fair value through profit or loss' - HFT	Available for sale	Total
----- (Rupees in '000) -----				
<b>Financial assets</b>				
Bank balances	77,940	-	-	77,940
Investments	-	1,326,599	-	1,326,599
Profit receivable	420	-	-	420
Other receivable	149	-	-	149
	<u>78,509</u>	<u>1,326,599</u>	<u>-</u>	<u>1,405,108</u>

Particulars	As at June 30, 2018		
	Liabilities 'at fair value through profit or loss' - HFT	Financial liabilities measured at amortised cost	Total
----- (Rupees in '000) -----			
<b>Financial liabilities</b>			
Payable to MCB-Arif Habib Savings and Investments Limited Management Company	-	182	182
Payable to MCB Financial Services Limited - Trustee	-	98	98
Accrued expenses and other liabilities	-	558	558
	<u>-</u>	<u>838</u>	<u>838</u>

**714 ALHAMRA ISLAMIC ACTIVE ALLOCATION FUND**

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Alhambra Islamic Active Allocation Fund Plan II				
As at June 30, 2018				
Particulars	Loans and receivables	Financial assets 'at fair value through profit or loss' - HFT	Available for sale	Total
----- (Rupees in '000) -----				
<b>Financial assets</b>				
Bank balances	27,395	-	-	27,395
Investments	-	767,744	-	767,744
Profit receivable	221	-	-	221
	<u>27,616</u>	<u>767,744</u>	<u>-</u>	<u>795,360</u>

As at June 30, 2018			
Particulars	Liabilities 'at fair value through profit or loss' - HFT	Financial liabilities measured at amortised cost	Total
----- (Rupees in '000) -----			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	-	101	101
Payable to MCB Financial Services	-	60	60
Accrued expenses and other liabilities	-	232	232
	<u>-</u>	<u>393</u>	<u>393</u>

## 19. Unit holders' fund risk management

The Fund's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders, to maintain a strong base of assets to meet unexpected losses or opportunities and to ensure reasonable safety of capital. The Fund manages its investment portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The capital structure depends on the issuance and redemption of units.

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC Regulations, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs.100 million at all times during the life of the scheme. The Fund has maintained and complied with the requirement of minimum fund size during the current year.

In accordance with the risk management policies as stated above, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

## 20. 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).

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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).

As at June 30, 2019 and June 30, 2018, the Fund held the following instruments measured at fair values:

Note	June 30, 2019			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Alhamra Islamic Active Allocation Plan - I</b>				
At fair value through profit or loss	-	607,695	-	607,695
<b>Alhamra Islamic Active Allocation Plan - II</b>				
At fair value through profit or loss	-	701,524	-	701,524
	-	1,309,219	-	1,309,219
	June 30, 2018			
	(Rupees in '000)			
<b>Alhamra Islamic Active Allocation Plan - I</b>				
At fair value through profit or loss - HFT	-	1,326,599	-	1,326,599
<b>Alhamra Islamic Active Allocation Plan - II</b>				
At fair value through profit or loss - HFT	-	767,744	-	767,744
	-	2,094,343	-	2,094,343

**20.1** Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.

During the year ended June 30, 2019, 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.

The Fund has not disclosed the fair values of other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

## 21. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of the members of the investment committee of the Fund are as follows:

S. No.	Name	Designation	Experience in years	Qualification
1	Mr. Muhammad Saqib Saleem	Chief Executive Officer	22	FCA & FCCA
2	Mr. Muhammad Asim	Chief Investment Officer	16	MBA & CFA
3	Mr. Awais Abdul Sattar	Head of Research	8	MBA & CFA
4	Mr. Saad Ahmed	Head of Fixed Income	14	MBA
5	Mr. Muhammad Aitazaz Farooqui	Senior Analyst	6	MBA & CFA
6	Mr. Syed Abid Ali	Head of Equities	11	MBA

## 22. PATTERN OF UNIT HOLDING

### Plan-I

Category	As at June 30, 2019			
	Number of unit holders	Number of units held	Net assets value of the amount invested	Percentage of total investment
(Rupees in '000)				
Individuals	394	5,434,418	484,746	77.27%
Associated companies	1	586,520	52,317	8.34%
Insurance companies	2	693,059	61,820	9.85%
Retirement funds	3	230,105	20,525	3.27%
Others	2	88,820	7,923	1.26%
	<b>402</b>	<b>7,032,922</b>	<b>627,332</b>	<b>100.00%</b>

### Plan-II

Category	As at June 30, 2019			
	Number of unit holders	Number of units held	Net assets value of the amount invested	Percentage of total investment
(Rupees in '000)				
Individuals	344	6,006,447	563,827	79.64%
Associated companies	1	752,862	70,671	9.98%
Insurance companies	2	306,347	28,757	4.06%
Retirement funds	3	383,390	35,989	5.08%
Others	2	92,962	8,726	1.23%
	<b>352</b>	<b>7,542,008</b>	<b>707,971</b>	<b>100.00%</b>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

## Plan-I

Category	As at June 30, 2018			
	Number of unit holders	Number of units held	Net assets value of the amount invested	Percentage of total investment
(Rupees in '000)				
Individuals	679	12,676,962	1,181,138	84.14%
Associated companies	1	586,520	54,647	3.89%
Insurance companies	2	400,713	37,335	2.66%
Retirement funds	3	335,003	31,213	2.22%
Others	9	1,068,648	99,568	7.09%
	<u>694</u>	<u>15,067,846</u>	<u>1,403,901</u>	<u>100.00%</u>

## Plan-II

Category	As at June 30, 2018			
	Number of unit holders	Number of units held	Net assets value of the amount invested	Percentage of total investment
(Rupees in '000)				
Individuals	374	6,412,160	638,477	80.41%
Associated companies	1	751,350	74,814	9.42%
Insurance companies	2	305,824	30,452	3.83%
Retirement funds	3	382,818	38,118	4.80%
Others	3	122,844	12,231	1.54%
	<u>383</u>	<u>7,974,996</u>	<u>794,092</u>	<u>100.00%</u>

## 23. ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 143rd, 144th, 145th, 146th, 147th, 148th, 149th and 150th meeting of the Board of Directors were held on August 17, 2018, September 14, 2018, October 22, 2018, October 26, 2018, April 15, 2019, April 19, 2019, June 17, 2019 and June 27, 2019 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No.	Name	Number of meetings				Meetings not attended
		Held	Attendance required	Attended	Leave granted	
Directors						
1	Mr. Mian Muhammad Mansha	8	8	2	6	6
2	Mr. Nasim Beg	8	8	8	-	-
3	Mr. Muhammad Saqib Saleem	8	8	8	-	-
4	Dr. Syed Salman Ali Shah*	8	6	6	-	-
5	Mr. Haroun Rashid	8	8	5	3	3
6	Mr. Ahmed Jahangir	8	8	8	-	-
7	Mr. Mirza Qamar Beg	8	8	8	-	-
8	Mr. Samad A. Habib	8	8	6	2	2

\* Resigned on June 10, 2019

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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### 24. TOTAL EXPENSE RATIO

Total Expense Ratio of the Alhamra Islamic Active Allocation Plan I and Alhamra Islamic Active Allocation Plan II is 0.45% and 0.34% respectively as on June 30, 2019 (2018: 0.57% and 0.43% respectively) and these include 0.09% and 0.10% (2018: 0.13% and 0.15% respectively) representing Government Levy, Sindh Workers' Welfare Fund (SWWF) and SECP fee respectively. The ratio of each plan is within the maximum limit of 0.5% as prescribed under the NBFC Regulations 60(5) for a shariah compliant collective investment scheme categorised as a Shairah Compliant Fund of Fund scheme.

### 25. GENERAL

**25.1** Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

**25.2** Certain prior year's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report other than as disclosed in note 4.1.

### 26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company in the meeting held on September 13, 2019.

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



Chief Executive Officer



Chief Financial Officer



Director

**PATTERN OF UNIT HOLDING BY SIZE  
FOR THE YEAR ENDED JUNE 30, 2019**

**ALHAMRA ISLAMIC ACTIVE ALLOCATION PLAN I**

<b>No. of Unit Holders</b>	<b>Unit Holdings</b>	<b>Total Units Held</b>
274	0-10000	1,108,276
117	10001 – 100000	3,424,912
11	100001 – 1000000	2,499,734
<u>402</u>		<u><b>7,032,922</b></u>

**ALHAMRA ISLAMIC ACTIVE ALLOCATION PLAN II**

<b>No. of Unit Holders</b>	<b>Unit Holdings</b>	<b>Total Units Held</b>
227	0-10000	1,143,022
119	10001 – 100000	3,935,788
5	100001 – 1000000	1,460,130
1	1000001 onwards	1,003,068
<u>352</u>		<u><b>7,542,008</b></u>

# PERFORMANCE TABLE FOR THE YEAR ENDED JUNE 30, 2019

## ALHAMRA ISLAMIC ACTIVE ALLOCATION PLAN I

Performance Information	2019	2018	2017
Total Net Assets Value – Rs. in million	627.332	1,404	1,584
Net Assets value per unit – Rupees	89.1993	93.172	100.0163
Closing Offer Price	N/A	96.3305	103.4069
Closing Repurchase Price	N/A	93.1720	100.0163
Highest offer price per unit	N/A	N/A	106.2503
Lowest offer price per unit	N/A	N/A	100
Highest Redemption price per unit	N/A	100.8834	103.0089
Lowest Redemption price per unit	N/A	89.4505	97.0831
Distribution per unit – Rs. *	-	-	0.80
<b>Average Annual Return - %</b>			
One year (Inception Date 29-Dec-16)	(4.26)	(6.84)	0.81
Two year	(5.55)	(3.02)	N/A
Three year	(3.43)	N/A	N/A
Net (Loss) / Income for the period – Rs. in million	(25.01)	(107.16)	12.93
Distribution made during the year – Rs. in million	0	-	12.67
Accumulated Capital Growth – Rs. in million	(25.01)	(107.16)	0.26

\* Date of Distribution

2017	
Date	Rate
June 30, 2017	0.800

## ALHAMRA ISLAMIC ACTIVE ALLOCATION PLAN II

Performance Information	2019	2018	2017
Total Net Assets Value – Rs. in million	707.971	794	87.97
Net Assets value per unit – Rupees	93.8703	99.5728	100.0057
Closing Offer Price	NA	102.9483	103.3959
Closing Repurchase Price	NA	99.5728	100.0057
Highest offer price per unit	NA	108.2673	103.6315
Lowest offer price per unit	NA	100.4237	100
Highest Redemption price per unit	NA	104.7174	100.2336
Lowest Redemption price per unit	NA	97.1310	97.0282
Distribution per unit – Rs. *	0.2	-	0.18
<b>Average Annual Return - %</b>			
One year (Inception Date 16-Jun-17)	(5.54)	(0.43)	0.19
Two year	(2.99)	(0.12)	N/A
Three year	(1.93)	N/A	N/A
Net (loss) / Income for the period – Rs. in million	(42.15)	8.46	0.16
Distribution made during the year – Rs. in million	-	-	0.15
Accumulated Capital Growth – Rs. in million	(42.15)	8.46	0.01

\* Date of Distribution

2018	
Date	Rate
July 04, 2018	0.2

2017	
Date	Rate
June 30, 2017	0.18

### Disclaimer

The past performance is not necessarily indicative of future performance and unit prices and investments and returns may go down, as well as up.

## MCB-Arif Habib Savings and Investments Limited

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