

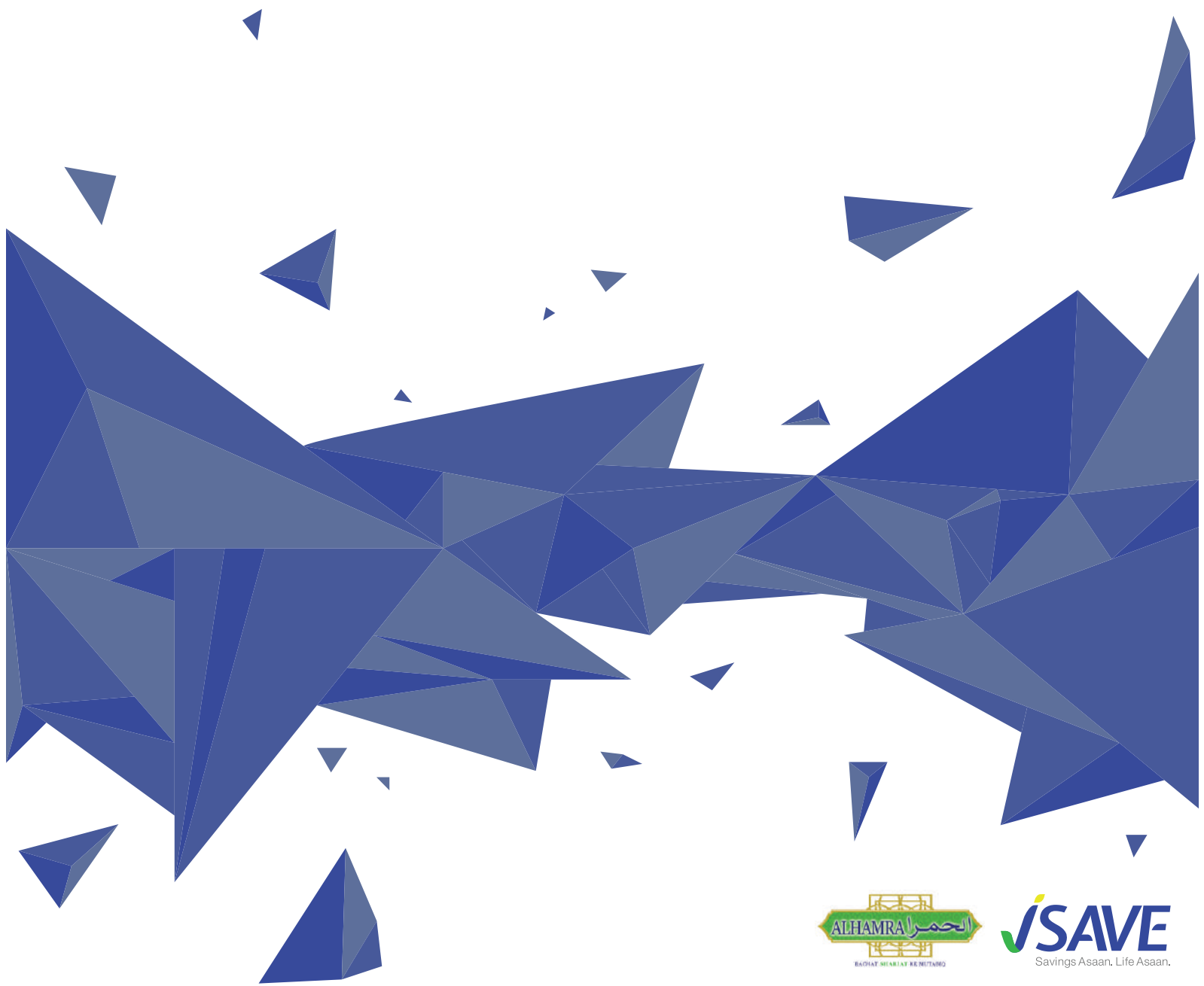


MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

SEPTEMBER
2021
(UNAUDITED)

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



ALHAMRA ISLAMIC ASSET ALLOCATION FUND

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FUND'S INFORMATION

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| Management Company | MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi. | |
| Board of Directors | Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan | Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director |
| Audit Committee | Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain | Chairman Member Member Member Member |
| Human Resource & Remuneration Committee | Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem | Chairman Member Member Member Member Member |
| Chief Executive Officer | Mr. Muhammad Saqib Saleem | |
| Chief Operating Officer & Chief Financial Officer | Mr. Muhammad Asif Mehdi Rizvi | |
| Company Secretary | Mr. Altaf Ahmad Faisal | |
| Trustee | Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcPakistan.com | |
| Bankers | MCB Bank Limited Habib Metropolitan Bank Limited Faysal Bank Limited United Bank Limited Allied Bank Limited Silk Bank Limited Bank Al-Habib Limited Habib Bank Limited National Bank of Pakistan Meezan Bank Limited Dubai Islamic Bank Pakistan Limited MCB Islamic Bank Limited Bank Islami Pakistan Limited Askari Bank Limited Soneri Bank Limited | |
| Auditors | A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi. | |
| Legal Advisor | Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi | |
| Transfer Agent | MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi. | |
| Rating | AM1 Asset Manager Rating assigned by PACRA | |

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Islamic Asset Allocation Fund** accounts review for the quarter ended September 30, 2021.

Economy and Money Market Review

The fiscal year started on a robust note as Covid-19 vaccination drive gathered paced which helped to lift lockdowns across the county. The economic recovery was higher than expected as lagged impact of monetary easing, higher remittances and government incentives such as TERF facilities provided impetus to economic growth. The GDP growth clocked at 3.94 per cent in FY21 with government expecting the economic growth to clock at 4.8 per cent for FY22.

However, the robust recovery in domestic demand, coupled with higher international commodity prices, led to a strong pick-up in imports and a rise in the current account deficit. This put pressure on the local currency as rupee depreciated by 13.1 per cent against USD during this quarter.

Current account deficit posted a deficit of USD 2,290 million in the first two months of fiscal year compared to a surplus of USD 838 million in the corresponding period of the last year. The deterioration came in primarily on the back of higher imports which grew by 67.8 per cent in the first two months compared to export growth of 35.4 per cent. Trade Deficit increased by 100.2 per cent to USD 6.8 billion compared to USD 3.4 billion last year. Foreign exchange reserves of central bank saw an increase of USD 1.6 billion as Pakistan received USD 2.75 billion from the IMF under its new SDR allocation to back economically vulnerable countries combating the coronavirus pandemic.

Inflation remained a concern for the government as rising commodities continued to create challenges for policy makers. Headline inflation represented by CPI averaged 8.58 per cent during the quarter, with food inflation averaging 9.5 per cent during the period. Inflation was also effected by increase in fuel prices on account of increase in international oil and LNG prices. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged 6.5 per cent for the period. The MPC committee conducted two monetary policies during the quarter and increased policy rate by 25bps in the Sep-21 meeting. SBP increased the interest rate to control the current account deficit and prevent the overheating of the economy as it noted the need to gradually increase the interest rates to protect the nascent economic growth.

On the fiscal side FBR Tax collection increased by 38 per cent over last year in this quarter to clock at PKR 1,395 billion compared to target of PKR 1,211 billion exceeding it by PKR 186 billion. This was on the back of higher custom duty and sales tax due to higher import.

Secondary markets yields have increased significantly in the quarter as SBP has started the monetary tightening cycle. The recent depreciation in rupee along with persistently high commodity prices will add pressure to inflation and we expect average FY22 inflation to clock above the range of 7-9 per cent forecasted by SBP. 3Y, 5Y and 10Y bonds saw a rise of 73 bps, 46 bps and 51 bps respectively during the period.

Equity Market Review

The KSE-100 index closed the first quarter down by 5.2 per cent compared to a positive return of 17.9 per cent same period last year. Weakness in macroeconomic indicators, uncertainty over Pak-Afghan relations post US exit from Afghanistan, and MSCI's decision to downgrade Pakistan from Emerging Market to Frontier Market all weighted heavily on the index. Foreigners continued to offload as they sold stocks worth of near USD 83 million, while on the local front Individuals and Banks added about USD 33/21 million respectively to their positions. During the quarter, average trading volumes saw a decline to 412 million shares compared to about 669 million shares during the preceding quarter. Similarly, average trading value during the quarter saw a drop of 35 per cent over last quarter to near USD 85 million.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2021

Cements, Oil & Gas Exploration companies, Refinery, Oil & Gas Marketing companies, & Fertilizer sectors were the major contributors to index decline posting negative returns of 20.2 per cent/6.2 per cent/35.4 per cent/10.8/2.2 per cent, respectively. In the cement sector, unprecedented surge in international coal prices amid price control measures by GoP created a weak near-term earnings outlook for the sector leading to selling pressure. Moreover, decline in E&Ps and OMCs were largely on the account of continuous accumulation of circular debt. In the case of Refineries, delay in approval of refinery policy dragged the entire sector performance.

FUND PERFORMANCE

During the period under review, the fund delivered a return of -6.13 per cent as against its benchmark return of -5.38 per cent.

On the equities front, the overall allocation was 80.8 per cent at the end of the period under review. The fund was mainly invested in Cement, Oil & Gas Exploration Companies and Commercial Banks significantly during the period.

On the fixed income side, there was no exposure towards Sukuk at the end of the period under review.

The Net Assets of the Fund as at September 30, 2021 stood at Rs. 2,300 million as compared to Rs. 2,335 million as at June 30, 2021 registering a decrease of 1.50 per cent.

The Net Asset Value (NAV) per unit as at September 30, 2021 was Rs. 73.0149 as compared to opening NAV of Rs. 77.7831 per unit as at June 30, 2021 registering a decrease of Rs. 4.7682 per unit.

Economy & Market – Future Outlook

The government has set a GDP growth target of 4.8 per cent for fiscal year 2022 (FY22). Covid-19 vaccination drive is continuing with success as over 50 million people have received the first dose of coronavirus vaccine. This has helped to lift lockdown across the country and we expect the Covid-19 situation to remain under control. Broader economy also appears to be operating close to pre-covid levels gauged by LSM growth, cement sales, auto sales, etc. However, the recent surge in commodity prices poses challenges to both to Fiscal and External Accounts. Due to the recent government steps to curtail demand we see some downside risks to government growth target. We expect GDP growth to clock higher as compared to previous year but it is likely to remain lower than the government target of 4.8 per cent.

The robust recovery in domestic demand on the back of pro-growth measures by the government, coupled with higher international commodity prices, has led to a strong pick-up in imports and a rise in the current account deficit. The current account deficit is expected to increase to USD 13.1 billion (4.0 per cent of GDP) in FY22, amid rising international crude oil prices along with general increase in international commodity prices. The Current Account deficit is likely to further weaken the local currency and we expect the exchange rate to close the year around 176 PKR/USD. Swift resumption of IMF program will be a key prerequisite to keep the financial account in positive zone. SBP has indicated that the flexible market determined exchange rate and gradual tightening of interest rates would be used in tandem to ensure sustainable current account position. The remittances along with bilateral and multilateral flows would also be crucial in managing our external position.

CPI averaged 8.9 per cent in FY21. The expected utility adjustments, currency depreciation and higher international commodities prices will lead to increase in inflation in this year. We expect Average FY22 inflation to clock at 9.7 per cent with inflation going in double digits in second half of the fiscal year. Based on our expected inflation, the real interest rates now fall into negative range thus requiring adjustments in the monetary policy during the current fiscal year. However, SBP has shown its focus to avoid any shocks to economic growth and will gradually increase interest rate to achieve mildly positive interest rate over the medium term. We expect the Policy Rate to reach 9.0 per cent by the end of the year.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2021

From capital market perspective, particularly equities, the recent correction in stock prices have opened up valuation. The market has priced in expected interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 15.9 per cent, a discount of 43 per cent from its historical average. Similarly, risk premiums are close to 5.9 per cent, compared to historical average of 1.5 per cent signifying abnormal returns for long term investors. We believe a micro view of sectors and stock will remain important and investment selection should focus on companies which trade at a deep discount to their intrinsic value. Similarly, focus should also revert back to companies that are expected to exhibit stellar earnings growth over the medium term.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds yields may continue to rise given expected increase in interest rates. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

Mutual Fund Industry Review

The Net Assets of the open end mutual fund industry increased by about 1.4 per cent during the quarter to PKR 1,032 billion at the end of 1QFY22. Total money market funds grew by about 1.1 per cent since June 2021. Within the money market sphere, the conventional funds dominated as they grew by about 8.1 per cent to PKR 308 billion while Islamic funds declined by 9.9 per cent to PKR 164 billion. In addition, the total fixed Income funds increased by about 8.5 per cent since June 2021, as the conventional income funds grew by 13.6 per cent to PKR 143 billion. Equity and related funds declined by 4.4 per cent over last quarter as market witnessed a decline in the quarter eroding AUMS and concern over macroeconomic and geopolitical factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 46 per cent, followed by Equity and Equity related funds with a share of 28 per cent and Income funds having a share of 26 per cent as at the end of 1QFY22.

Mutual Fund Industry Outlook

The recent increase in interest rates along with prospect of further monetary tightening would increase flows in the money market funds. The money markets funds by virtue of its short duration would be the ideal for investors with a short term horizon and low risk profile. However recent correction in stock prices have opened up valuations and long term investors would look to add equity exposure at these attractive levels. Our operations remained seamless and given our competitive edge due to aggressive investment in digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

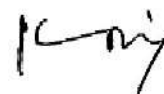
ACKNOWLEDGMENT

The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
October 22, 2021



Kashif A. Habib
Director

ڈائریکٹرز رپورٹ

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب، شروع سود میں متوقع اضافے کی بدولت حکومتی بانڈز کے منافع جات میں اضافہ جاری رہ سکتا ہے۔ ہم بانڈز کے منافع جات کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا کے نکات کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ کی صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2022ء کی پہلی سہ ماہی کے دوران تقریباً 1.4 فیصد بڑھ کر اختتام مدت پر 1,032 بلین روپے تھے۔ مجموعی money مارکیٹ فنڈز میں جون 2021ء کے مقابلے میں 1.1 فیصد اضافہ ہوا۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور 8.1 فیصد بڑھ کر 308 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 9.9 فیصد گھٹ کر 164 بلین روپے ہو گئے۔ علاوہ ازیں، مجموعی فیکسڈ انکم فنڈز میں جون 2021ء کے مقابلے میں 8.5 فیصد اضافہ ہوا اور روایتی انکم فنڈز 13.6 فیصد بڑھ کر 143 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں گزشتہ سہ ماہی کے مقابلے میں 4.4 فیصد کمی ہوئی کیونکہ دوران مدت مارکیٹ میں تنزل دیکھا گیا جس کے نتیجے میں اثاثہ جات تحت الانظامیہ (AUMs) گھٹ گئے اور کلاں معاشیاتی اور ارضی سیاسی عوامل پر خدشات نے سرمایہ کاروں کو دُور رکھا۔ شعبہ جاتی اعتبار سے مالی سال 2022ء کی پہلی سہ ماہی کے اختتام پر money مارکیٹ فنڈز تقریباً 46 فیصد شراکت کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز کی شراکت 28 فیصد اور انکم فنڈز کی 26 فیصد تھی۔

میوچل فنڈ صنعت کے مستقبل کا منظر

سود کی شرحوں میں حالیہ اضافے کے ساتھ ساتھ مزید مالیاتی سختی سے money مارکیٹ فنڈز میں آمدات میں اضافہ ہوگا۔ Money مارکیٹ فنڈز اپنی مختصر مدت کی بدولت ایسے سرمایہ کاروں کے لیے موزوں ترین ثابت ہوں گے جو محدود مدت کے لیے اور کم خطرات کے ساتھ کام کرنا چاہتے ہیں۔ تاہم اسٹاک کی قیمتوں میں حالیہ تصحیح نے valuations کو کشادہ کر دیا ہے اور سرمایہ کار ان پر کشش سطحوں پر ایکویٹی میں پیسہ لگانا چاہیں گے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکیں گے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز فنڈ کے قابل قدر سرمایہ کاروں، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کے ٹرسٹیوں کی مسلسل معاونت اور حمایت کے لیے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز انتظامیہ ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

من جانب ڈائریکٹرز



کاشف اے حبیب
ڈائریکٹر



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
22 اکتوبر 2021ء

معیشت اور بازار - مستقبل کا منظر

حکومت نے مالی سال 2022ء کے لیے جی ڈی پی میں ترقی کا ہدف 4.8 فیصد مقرر کیا ہے۔ کووڈ-19 ویکسین مہم کامیابی کے ساتھ جاری ہے اور پانچ کروڑ سے زیادہ افراد پہلی خوراک حاصل کر چکے ہیں۔ اس کی بدولت ملک بھر میں لاک ڈاؤن ختم کرنے میں مدد ملی ہے اور ہم اُمید کرتے ہیں کہ کووڈ کی صورتحال قابو میں رہے گی۔ وسیع تر معیشت قبل از کووڈ سطحوں کے قریب چلتی ہوئی نظر آرہی ہے جس کی پیمائش ایل ایس ایم میں ترقی، سیمنٹ کی فروخت، گاڑیوں کی فروخت وغیرہ سے ہوتی ہے۔ تاہم اشیاء کی قیمتوں میں حالیہ اضافہ مالیاتی اور خارجی اکاؤنٹس، دونوں کو مشکلات سے دوچار کر دے گا۔ طلب میں کمی کے حالیہ حکومتی اقدامات کے سبب ترقی کے حکومتی اہداف کی تکمیل کو خطرات لاحق ہو گئے ہیں۔ ہم توقع کرتے ہیں کہ جی ڈی پی میں سال گزشتہ کے مقابلے میں زیادہ ترقی ہوگی، لیکن زیادہ امکان اس بات کا ہے کہ یہ 4.8 فیصد کے حکومتی ہدف سے نیچے رہے گی۔

حکومتی ترقیاتی اقدامات اور بلند ترین الاقوامی اشیائی قیمتوں کے باعث مقامی طلب میں بھرپور بحالی ہوئی ہے اور اس کے نتیجے میں درآمدات اور کرنٹ اکاؤنٹ خسارے میں بھرپور اضافہ ہوا ہے۔ خام تیل کی بین الاقوامی قیمتوں اور اشیاء کی عمومی قیمتوں میں اضافے کی صورتحال میں مالی سال 2022ء میں کرنٹ اکاؤنٹ خسارہ بڑھ کر 13.1 بلین ڈالر (جی ڈی پی کے 4.0 فیصد) تک پہنچ سکتا ہے۔ خدشہ ہے کہ یہ خسارہ مقامی روپے کو مزید کمزور کرے گا، اور اختتام سال پر شرح مبادلہ تقریباً 176 ڈالر فی روپیہ ہو جانے کا امکان ہے۔ آئی ایم ایف پروگرام کی تیز رفتار بحالی مالیاتی گوشوارے کو مثبت احاطے میں رکھنے کے لیے کلیدی شرط ہوگی۔ ایس بی پی نے اشارہ دیا ہے کہ کرنٹ اکاؤنٹ کی قابل بقاء صورتحال یقینی بنانے کے لیے مارکیٹ کی متعین کردہ چکدار شرح مبادلہ اور سود کی شرحوں میں بتدریج سختی کو بھی استعمال کیا جائے گا۔ ہماری خارجی صورتحال کو سنبھالنے میں ترسیلات کے ساتھ ساتھ دوطرفہ اور کثیر الطرفہ آمدات بھی اہم کردار ادا کریں گی۔

مالی سال 2021ء میں سی پی آئی کا اوسط 8.9 فیصد تھا۔ متوقع یوٹیلٹی تریمات، روپے کی قدر میں کمی اور بلند ترین الاقوامی اشیائی قیمتوں کے نتیجے میں سال رواں کے دوران افراط زر میں اضافہ ہوگا۔ ہماری توقع کے مطابق مالی سال 2022ء کا افراط زر کا اوسط 9.7 فیصد ہوگا، اور سال کے نصف آخر میں افراط زر دو ہندسوں میں پہنچ جائے گی۔ ہماری متوقع افراط زر کی بنیاد پر حقیقی شروع سودا ب منفی حد میں آرہی ہے، چنانچہ موجودہ مالی سال کے دوران مالیاتی پالیسی میں تریمات درکار ہیں۔ تاہم ایس بی پی نے معاشی ترقی کو متوقع دھچکوں سے محفوظ رکھنے پر توجہ مرکوز کی ہے اور درمیانی مدت میں معتدل حد تک مثبت شرح سود حاصل کرنے کے لیے شروع سود میں بتدریج اضافہ کیا جائے گا۔ ہماری توقع کے مطابق پالیسی شرح اختتام سال تک 9.0 فیصد تک پہنچ جائے گی۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے تناظر میں، اسٹاک کی قیمتوں میں حالیہ تصحیح کے نتیجے میں تعیین قدر کھل گئی ہے۔ مارکیٹ نے شرح سود میں متوقع اضافے اور روپے کی قدر میں کمی کو مد نظر رکھا ہوا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 15.9 فیصد ہو گیا ہے، جو اس کے قدیم اوسط سے 43 رعایت ہے۔ اسی طرح خطرات کے پریمیم تقریباً 5.9 فیصد ہیں، اور ان کے قدیم اوسط 1.5 فیصد کے ساتھ تقابل سے طویل المیعاد سرمایہ کاروں کے لیے غیر معمولی منافعوں کا عندیہ ملتا ہے۔ ہم سمجھتے ہیں کہ شعبوں اور اسٹاک کی مجموعی تصویر اہمیت کی حامل رہے گی، اور سرمایہ کاری کے انتخاب میں ایسی کمپنیوں پر توجہ مرکوز ہونی چاہیے جو اپنی خلقی قدر سے گہری رعایت پر تجارت کرتی ہیں۔ اسی طرح ایسی کمپنیوں کی طرف بھی توجہ دوبارہ مرکوز ہونی چاہیے جن کی درمیانی مدت کی آمدنی میں زبردست ترقی متوقع ہے۔

ڈائریکٹر رپورٹ

ثانوی مارکیٹس کی پیداواروں میں دورانِ سہ ماہی قابل ذکر اضافہ ہوا ہے کیونکہ اسٹیٹ بینک آف پاکستان نے مالیاتی سختی کا دورہ شروع کر دیا ہے۔ روپے کی قدر میں حالیہ کمی کے ساتھ مسلسل بلند اشیائی قیمتوں سے افراطِ زر پر دباؤ میں اضافہ ہوگا اور مالی سال 2022ء کے لیے افراطِ زر کا اوسط متوقع طور پر اسٹیٹ بینک آف پاکستان کی پیش گوئی کردہ سطح 7 تا 9 فیصد سے بلند ہوگا۔ تین سالہ، پانچ سالہ اور دس سالہ بانڈز میں دورانِ مدت بالترتیب 73 بی پی ایس، 46 بی پی ایس اور 51 بی پی ایس اضافہ ہوا۔

ایکویٹی مارکیٹ کا جائزہ

کے ایس ای-100 انڈیکس نے پہلی سہ ماہی کا اختتام سال گزشتہ کی مماثل مدت کے 17.9 فیصد مثبت منافع کے بالمقابل 5.2 فیصد کم پر کیا۔ کلاں معاشی اشاروں میں ضعف، امریکا کے افغانستان سے انخلاء کے بعد پاک افغان تعلقات میں غیر یقینی صورتحال، اور ایم ایس سی آئی کے پاکستان کی درجہ بندی کو امر جنگ مارکیٹ سے گرا کر فرنیچر مارکیٹ کر دینے کا فیصلہ، یہ سب عوامل انڈیکس پر بہت بھاری پڑے۔ غیر ملکیوں نے سرمایہ کاری میں کمی کا سلسلہ جاری رکھا اور تقریباً 83 ملین ڈالر کے اسٹاک فروخت کیے، جبکہ مقامی سطح پر افراد اور بینکوں نے بالترتیب 33 اور 21 ملین ڈالر کا اضافہ کیا۔ دورانِ سہ ماہی اوسط تجارتی حجم میں 412 ملین حصص کی کمی ہوئی جبکہ اس کے بالمقابل گزشتہ سہ ماہی کے دوران 669 ملین حصص کی کمی ہوئی تھی۔ اسی طرح، اوسط تجارتی قدر گزشتہ سہ ماہی کے مقابلے میں 35 فیصد کم ہو کر تقریباً 85 ملین ڈالر ہو گئی۔

انڈیکس کے تنزل میں اہم ترین کردار ادا کرنے والے شعبوں میں سیمنٹ، تیل اور گیس کی دریافت کی کمپنیاں، ریفرنسری، تیل اور گیس کی مارکیٹنگ کی کمپنیاں شامل ہیں جنہوں نے بالترتیب 20.2 فیصد، 6.2 فیصد، 35.4 فیصد، 10.8 فیصد اور 2.2 فیصد منفی منافع پوسٹ کیا۔ حکومت پاکستان کے قیمتوں پر قابو پانے کے اقدامات کے پس منظر میں کونسل کی قیمتوں میں بین الاقوامی سطح پر بلا نظیر اضافے سے سیمنٹ کے شعبے میں قریب المدتی منافع کا کمزور امکان، اور اس کے نتیجے میں فروخت کا دباؤ، پیدا ہو گیا۔ اس کے علاوہ ای اینڈ پی اور او ایم سی میں تنزل کی بڑی وجہ گردش قرضے کا مسلسل جمع ہونا ہے۔ ریفرنسری پالیسی کی منظوری میں تاخیر کے باعث ریفرنسریز کے پورے شعبے کی کارکردگی سست روی کا شکار ہوئی۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے (6.13) فیصد منافع حاصل کیا جبکہ مقررہ معیار (5.38) فیصد تھا۔ ایکویٹی کی جہت میں مجموعی سرمایہ کاری زیر جائزہ مدت کے اختتام پر 80.8 فیصد تھی۔ دورانِ مدت فنڈ کی زیادہ تر سرمایہ کاری سیمنٹ کے شعبے، تیل اور گیس کی دریافت کی کمپنیوں اور کمرشل بینکوں میں تھی۔

فلکسڈ انکم کی جہت میں زیر جائزہ مدت کے اختتام پر سسٹم میں کوئی سرمایہ کاری نہیں تھی۔

30 ستمبر 2021ء کو فنڈ کے net اثاثہ جات 2,300 ملین روپے تھے، جو 30 جون 2021ء کی سطح 2,335 ملین روپے کے مقابلے میں 1.50 فیصد کمی ہے۔

30 ستمبر 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 73.0149 روپے تھی، جو 30 جون 2021ء پر ابتدائی این اے وی 77.7831 روپے کے مقابلے میں 4.7682 روپے فی یونٹ کمی ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے الحمد للہ اسلامک Asset الیکیشن فنڈ کے گوشواروں مختتمہ سہ ماہی 30 ستمبر 2021ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

مالی سال کا بھرپور آغاز ہو واجب کو وڈ۔19 ویکسین کی مہم میں تیز رفتاری سے ملک بھر میں لاک ڈاؤن ختم کرنے میں مدد ملی۔ معیشت میں بحالی متوقع سے زیادہ ہوئی کیونکہ مالیاتی تسہیل کی سست رفتار پذیر ی، ترسیلات زر میں اضافے، اور حکومتی ترغیبات مثلاً TERF سہولتوں نے معاشی ترقی کو محرک فراہم کیا۔ مالی سال 2021ء میں مجموعی ملکی پیداوار (جی ڈی پی) میں 3.94 فیصد ترقی ہوئی اور اگلے مالی سال 2022ء کے لیے حکومت کو 4.8 فیصد معاشی ترقی کی توقع ہے۔

تاہم مقامی طلب کی بھرپور بحالی، اور اس کے ساتھ بلند ترین الاقوامی اشیائی قیمتوں، کے نتیجے میں درآمدات اور کرنٹ اکاؤنٹ خسارے میں اضافہ ہوا۔ چنانچہ مقامی روپے پر دباؤ پڑا جس کی قدر میں دوران سہ ماہی امریکی ڈالر کے مقابلے میں 13.1 فیصد کمی ہوئی۔ کرنٹ اکاؤنٹ نے مالی سال کے پہلے دو ماہ میں 2,290 ملین ڈالر خسارہ پوسٹ کیا جبکہ اس کے بالمقابل سال گزشتہ مماثل مدت میں 838 ملین ڈالر فاضل تھے۔ اس ابتری کی بنیادی وجہ درآمدات میں اضافہ تھی جس میں پہلے دو ماہ کے دوران 67.8 فیصد اضافہ ہوا جبکہ اس کے بالمقابل برآمدات میں 35.4 فیصد اضافہ ہوا۔ تجارتی خسارہ 100.2 فیصد بڑھ کر 6.8 بلین ڈالر ہو گیا جبکہ اس کے بالمقابل سال گزشتہ 3.4 بلین ڈالر تھا۔ مرکزی بینک میں غیر ملکی زرمبادلہ کے ذخائر میں 1.6 بلین ڈالر کا اضافہ ہوا کیونکہ پاکستان کو آئی ایم ایف سے اس کے نئے ایس ڈی آر اختصاص کے تحت 2.75 بلین ڈالر موصول ہوئے جس کا مقصد کورونا وائرس وبا سے نبرد آزما ضرر پذیر ممالک کی معاشی معاونت ہے۔

افراط زر (مہنگائی) حکومت کے لیے مسئلہ بنی رہی اور بڑھتی ہوئی اشیائی قیمتوں نے پالیسی سازوں کو مشکلات سے دوچار رکھا۔ مجموعی افراط زر، جس کی ترجمانی صارفین قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط دوران سہ ماہی 8.58 فیصد تھا، اور اشیائے خورد و نوش کے افراط زر کا اوسط 9.5 فیصد تھا۔ بین الاقوامی سطح پر تیل اور ایل این جی کی قیمتوں میں اضافے کے نتیجے میں ایندھن کی قیمتوں میں اضافہ بھی افراط زر پر اثر انداز ہوا۔ اس کے باوجود بنیادی افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، قابو میں تھی اور اس کا اوسط برائے مدت 6.5 فیصد تھا۔ مانیٹری پالیسی کمیٹی (ایم پی سی) نے دوران سہ ماہی دو اجلاس منعقد کیے اور ستمبر 2021ء کے اجلاس میں پالیسی کی شرح میں 25 بیسیس پوائنٹس (بی پی ایس) کا اضافہ کیا۔ اسٹیٹ بینک آف پاکستان نے سود کی شرح میں اضافہ کیا تاکہ کرنٹ اکاؤنٹ خسارے اور معیشت میں بڑھتی ہوئی حرارت کو قابو میں رکھا جائے کیونکہ نوزائیدہ معاشی ترقی کی حفاظت کے لیے سود کی شرحوں میں بتدریج اضافے کی ضرورت ہوتی ہے۔

مالیاتی جانب ایف بی آر کی ٹیکس وصولی میں دوران سہ ماہی سال گزشتہ کے مقابلے میں 38 فیصد اضافہ ہوا؛ 1,395 بلین روپے، جو 1,211 بلین روپے کے ہدف سے 184 بلین روپے زیادہ ہیں۔ اس کی وجہ بلند تر درآمدات کے باعث بلند تر کسٹم ڈیوٹی اور سیلز ٹیکس ہیں۔

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2021

| | | September 30, 2021 (Unaudited) | June 30, 2021 (Audited) |
|--|------|--------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| ASSETS | | | |
| Balances with banks | 6 | 402,674 | 334,549 |
| Investments | 7 | 1,883,541 | 2,002,301 |
| Dividend, markup and other receivables | | 24,760 | 2,086 |
| Advances, deposits and prepayments | | 3,922 | 3,905 |
| Receivable against sale of investments | | 19,985 | 33,855 |
| Total assets | | 2,334,882 | 2,376,696 |
| LIABILITIES | | | |
| Payable to MCB Arif Habib Savings and Investments Limited - Management Company | 9 | 7,590 | 8,865 |
| Payable to Central Depository Company of Pakistan Limited | | 311 | 316 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP) | | 119 | 488 |
| Payable against purchase of investments | | 13,341 | - |
| Accrued and other liabilities | 8 | 13,993 | 32,139 |
| Total liabilities | | 35,354 | 41,808 |
| NET ASSETS | | 2,299,527 | 2,334,888 |
| Unit holders' fund (as per statement attached) | | 2,299,527 | 2,334,888 |
| Contingencies and commitments | 10 | | |
| | | ----- (Number of units) ----- | |
| NUMBER OF UNITS IN ISSUE | | 31,493,919 | 30,017,933 |
| | | ----- (Rupees) ----- | |
| NET ASSETS VALUE PER UNIT | | 73.0149 | 77.7831 |

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

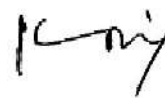
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

| | | September 30, | |
|-----------------|---|------------------------------|----------------|
| | | 2021 | 2020 |
| | | ----- (Rupees in '000) ----- | |
| Note | | | |
| INCOME | | | |
| | Net gain / (loss) on sale of investments | (10,119) | 106,355 |
| | Dividend income | 22,028 | 6,510 |
| | Income on term deposit | - | - |
| | Income on Government Securities | - | 102 |
| | Income on sukuk | - | 4,068 |
| | Profit on bank deposits | 5,452 | 6,901 |
| | Net unrealised (loss) / gain on revaluation of investments at fair value through profit or loss' | (158,003) | 146,058 |
| | Total Income | (140,642) | 269,994 |
| EXPENSES | | | |
| | Remuneration of the Management Company | 19,561 | 11,478 |
| | Sindh Sales tax on remuneration of the Management Company | 2,543 | 1,492 |
| | Expenses allocated by the Management Company | 593 | 574 |
| | Remuneration of the Central Depository Company of Pakistan Limited - Trustee | 845 | 826 |
| | Sindh Sales tax on trustee fee | 110 | 107 |
| | Annual fee to Securities and Exchange Commission of Pakistan | 119 | 115 |
| | Brokerage, settlement and bank charges | 2,601 | 4,268 |
| | Printing and related costs | 28 | 2 |
| | Fees and subscription | 7 | 7 |
| | Shariah advisory fee | 181 | 188 |
| | Auditors' remuneration | 129 | 129 |
| | Legal and professional charges | 434 | 34 |
| | Selling and marketing expenses | - | 7,460 |
| | Donation | 851 | 151 |
| | Total expenses | 28,002 | 26,831 |
| | Net income / (loss) from operating activities | (168,644) | 243,163 |
| | Sindh Worker's Welfare Fund (SWWF) | 18,922 | (4,863) |
| | Net Income / loss for the period before taxation | (149,722) | 238,300 |
| | Taxation | - | - |
| | Net (loss) / Income for the period after taxation | (149,722) | 238,300 |
| | <i>Allocation of net income for the period:</i> | | |
| | Net loss for the period after taxation | - | 238,300 |
| | Income already paid on units redeemed | - | (24,957) |
| | | - | 213,344 |
| | <i>Accounting income available for distribution:</i> | | |
| | - Relating to capital gains | - | 213,344 |
| | - Excluding capital gains | - | - |
| | | - | 213,344 |
| | Earning per unit | 12 | |

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

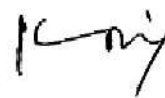
For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

| | <u>September 30,</u> | |
|---|------------------------------|-----------------------|
| | <u>2021</u> | <u>2020</u> |
| | ----- (Rupees in '000) ----- | |
| Net loss / Income for the period after taxation | (149,722) | 238,300 |
| Other comprehensive (loss) / income for the period: | - | - |
| Total comprehensive (loss) / income for the period | <u>(149,722)</u> | <u>238,300</u> |

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

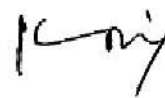
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

| | September 30, 2021 | | | September 30, 2020 | | |
|--|--------------------|---|------------------|--------------------|----------------------|------------------|
| | Capital value | Undistributed income/ (accumulated loss) | Total | Capital value | Undistributed income | Total |
| | (Rupees in '000) | | | | | |
| Net assets at beginning of the period | 2,177,116 | 157,772 | 2,334,888 | 2,157,877 | (194,298) | 1,963,579 |
| Issuance of 3,362,706 units (2020: 7,285,909 units): | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 261,563 | - | 261,563 | 455,510 | - | 455,510 |
| - Element of income | (411) | - | (411) | 39,266 | - | 39,266 |
| | 261,152 | - | 261,152 | 494,776 | - | 494,776 |
| Redemption of 1,886,721 units (2020: 4,423,238 units): | | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 146,755 | - | 146,755 | 276,537 | - | 276,537 |
| - Element of loss / Income | 36 | - | 36 | 6,720 | 24,957 | 31,677 |
| | 146,791 | - | 146,791 | 283,257 | 24,957 | 308,214 |
| Total comprehensive (loss) / Income for the period | - | (149,722) | (149,722) | - | 238,300 | 238,300 |
| Re-designation of Equity Investment at the beginning of period Previously classified as available for sale | | | | | | |
| Net loss for the period less distribution | - | (149,722) | (149,722) | - | 238,300 | 238,300 |
| Net assets at end of the period | 2,291,477 | 8,050 | 2,299,527 | 2,369,396 | 19,046 | 2,388,441 |
| Undistributed income brought forward comprising of: | | | | | | |
| - Realised gain | 14,771 | | | (117,658) | | |
| - Unrealised gain | 143,001 | | | (76,640) | | |
| | 157,772 | | | (194,298) | | |
| Accounting income available for distribution: | | | | | | |
| - Relating to capital gains | - | | | 213,344 | | |
| - Excluding capital gains | - | | | - | | |
| Net loss for the period after taxation | | (149,722) | | | - | |
| Undistributed income carried forward | | 8,050 | | | 19,046 | |
| Undistributed income carried forward comprising of: | | | | | | |
| - Realised gain | 166,053 | | | (127,013) | | |
| - Unrealised loss | (158,003) | | | 146,058 | | |
| | 8,050 | | | 19,046 | | |
| | (Rupees) | | | (Rupees) | | |
| Net assets value per unit at beginning of the period | 77.7831 | | | 62.5192 | | |
| Net assets value per unit at end of the period | 73.0149 | | | 69.6792 | | |

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

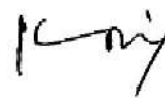
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

| | September 30, | |
|--|------------------------------|---------------------|
| | 2021 | 2020 |
| | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss for the period before taxation | (149,722) | 238,300 |
| Adjustments for: | | |
| Net unrealised loss / (gain) on revaluation of investments 'at fair value through profit or loss' | 158,003 8,281 | (146,058) 92,242 |
| Decrease / (Increase) in assets | | |
| Investments | (39,242) | (208,523) |
| Markup receivable | (22,674) | 4,026 |
| Receivable against sale of investments | 13,870 | - |
| Advances, deposits and prepayments | (17) | (44) |
| | (48,063) | (204,541) |
| Increase / (Decrease) in liabilities | | |
| Payable to the Management Company | (1,276) | 3,797 |
| Payable to Central Depository Company of Pakistan Limited | (5) | 44 |
| Payable to Securities and Exchange Commission of Pakistan | (369) | (356) |
| Payable against purchase of investments | 13,341 | 28,874 |
| Accrued and other liabilities | (18,146) | 8,123 |
| | (6,455) | 40,482 |
| Net cash generated (used in) / from operating activities | (46,237) | (71,817) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts from issuance of units | 261,152 | 494,776 |
| Payments on redemption of units | (146,791) | (308,214) |
| Net cash generated from / (used in) financing activities | 114,361 | 186,562 |
| Net Increase / (decrease) cash and cash equivalents during the period | 68,125 | 114,746 |
| Cash and cash equivalents at beginning of the period | 334,549 | 238,799 |
| Cash and cash equivalents at end of the period | 402,674 | 353,545 |

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

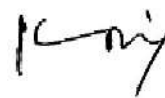
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Alhamra Islamic Asset Allocation Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB - Arif Habib Savings and Investments Limited) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 14, 2005 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC rules).
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange Limited. The principal activity of the Fund is to make investment in shariah compliant investments in securities or instruments both inside and outside Pakistan. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund has been categorised as "Shariah compliant Islamic Asset Allocation" scheme by the Board of Directors of the Asset Management Company in accordance with the requirements of Circular 7 of 2009 dated March 06, 2009 issued by the SECP.
- 1.4 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2021 to the Management Company.
- 1.5 Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund.

2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

- 2.1.1 This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of:
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
 - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (The NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) and requirement of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC rules, the NBFC Regulations and requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.1.2 This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2021.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

2.1.3 The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2021 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2021, whereas the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the quarter ended 30 September 2020.

2.1.4 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.

2.1.5 In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that this condensed interim financial statement give a true and fair view of the Fund.

2.2 Basis of Measurement

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

2.3 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Standards, amendments and interpretations to existing standards not yet effective and not applicable/ relevant to the Fund

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Fund's accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

4 Estimates and Judgements

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2021.

5 Financial Risk Management

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2021.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

| | | | (Un-Audited) September 30, 2021 | (Audited) June 30, 2021 |
|---|---------------------|------|---------------------------------------|-------------------------------|
| 6 | BANK BALANCES | Note | ----- (Rupees in '000) ----- | |
| | In current accounts | 6.1 | 9,940 | 7,161 |
| | In saving accounts | 6.2 | 392,734 | 327,388 |
| | | | <u>402,674</u> | <u>334,549</u> |

- 6.1 These include Rs.9.063 million (June 30, 2020: Rs 11.393 million) maintained with MCB Bank Limited, a connected person / related party.
- 6.2 These carry profit at the rates ranging between 5.75% to 7.05% (June 30, 2021: 5.5% to 7%) per annum and include Rs. 0.013 million (June 30, 2021: 0.013 million) maintained with MCB Islamic Bank Limited, (a related party)

| | | | (Un-Audited) September 30, 2021 | (Audited) June 30, 2021 |
|---|---|------|---------------------------------------|-------------------------------|
| 7 | INVESTMENTS | Note | ----- (Rupees in '000) ----- | |
| | Investment by category | | | |
| | 'At fair value through profit or loss " | | | |
| | - Quoted equity securities | 7.1 | 1,883,541 | 2,002,301 |
| | - 'Sukuk certificates | 7.2 | - | - |
| | | | <u>1,883,541</u> | <u>2,002,301</u> |

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

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

| Name of the investee company | Number of shares | | | | | Balance as at September 30, 2021 | | | Market value | |
|--|---------------------|-----------------------------|-----------------------------------|------------------------|--------------------------|----------------------------------|---------------|--------------------------|--------------------------------------|-------------------------------|
| | As at July 01, 2021 | Purchased during the period | Right issue/Bonus during the year | Sold during the period | As at September 30, 2021 | Carrying value | Market value | Unrealised (loss) / gain | As a percentage of total investments | As a percentage of net assets |
| ----- (Rupees in '000) ----- % ----- | | | | | | | | | | |
| Automobile | | | | | | | | | | |
| Ghandhara Nissan Limited | - | 64,300 | | 64,300 | - | - | - | - | 0.00% | 0.00% |
| Honda Atlas Cars(Pakistan) Limited | 59,000 | 96,000 | | 102,500 | 52,500 | 18,850 | 13,832 | (5,019) | 0.73% | 0.60% |
| Pak Suzuki Motors Company Limited | 60,000 | 140,300 | | - | 200,300 | 69,968 | 53,590 | (16,378) | 2.85% | 2.33% |
| | | | | | <u>252,800</u> | <u>88,819</u> | <u>67,422</u> | <u>(21,397)</u> | <u>3.58%</u> | <u>2.93%</u> |
| Automobile Parts & spare part | | | | | | | | | | |
| Agriauto Industires Limited | 80,000 | - | | 25,600 | 54,400 | 14,927 | 12,234 | (2,693) | 0.65% | 0.53% |
| Panther Tyres Limited | 481,420 | - | | 481,420 | - | - | - | - | 0.00% | 0.00% |
| Thal Limited | 100,000 | 25,000 | | - | 125,000 | 52,678 | 48,544 | (4,134) | 2.58% | 2.11% |
| | | | | | <u>179,400</u> | <u>67,605</u> | <u>60,778</u> | <u>(6,827)</u> | <u>3.23%</u> | <u>2.64%</u> |
| Cable & Electrical | | | | | | | | | | |
| Pak Elektron Limited | - | 325,000 | | 325,000 | - | - | - | - | 0.00% | 0.00% |
| | | | | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>0.00%</u> | <u>0.00%</u> |
| Cement | | | | | | | | | | |
| Cherat Cement Company Limited | - | 356,200 | | 23,300 | 332,900 | 55,932 | 47,678 | (8,254) | 2.53% | 2.07% |
| D.G. Khan Cement Company Limited** | 355,000 | - | | 155,000 | 200,000 | 23,584 | 17,684 | (5,900) | 0.94% | 0.77% |
| Fauji Cement Company Limited | 1350000 | - | | - | 1,350,000 | 31,050 | 24,233 | (6,818) | 1.29% | 1.05% |
| Gharibwal Cement Ltd | - | 574,500 | | - | 574,500 | 21,638 | 16,408 | (5,230) | 0.87% | 0.71% |
| Kohat Cement Company Limited | 350,200 | 47,000 | | 32,200 | 365,000 | 75,648 | 62,758 | (12,890) | 3.33% | 2.73% |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

| | | | | | | | | | | |
|--|-----------|-----------|---------|-----------|------------------|------------------|------------------|------------------|---------------|---------------|
| Lucky Cement Limited | 245,000 | 11,387 | | 22,000 | 234,387 | 202,594 | 169,438 | (33,156) | 9.00% | 7.37% |
| Maple Leaf Cement Factory Limited | 2,200,000 | 92,769 | | - | 2,292,769 | 107,520 | 80,705 | (26,815) | 4.28% | 3.51% |
| | | | | | 5,349,556 | 517,966 | 418,904 | (99,062) | 22.24% | 18.22% |
| Chemicals | | | | | | | | | | |
| Archroma Pakistan Limited | 21,150 | - | | - | 21,150 | 12,108 | 13,211 | 1,102 | 0.70% | 0.57% |
| Engro Polymer and Chemicals Limited | 675,248 | 125,000 | | 250,000 | 550,248 | 26,432 | 30,302 | 3,870 | 1.61% | 1.32% |
| | | | | | 571,398 | 38,541 | 43,513 | 4,972 | 2.31% | 1.89% |
| Commercial Banks | | | | | | | | | | |
| BankIslami Pakistan Limited | - | 400,000 | | - | 400,000 | 5,000 | 5,040 | 40 | 0.27% | 0.22% |
| Meezan Bank Limited | 1,252,000 | 400,000 | 165,000 | 449,622 | 1,367,378 | 152,563 | 191,337 | 38,775 | 10.16% | 8.32% |
| | | | | | 1,767,378 | 157,563 | 196,377 | 38,815 | 10.43% | 8.54% |
| Engineering | | | | | | | | | | |
| Agha Steel Ind. Ltd | 265,000 | 50,000 | | - | 315,000 | 10,586 | 8,659 | (1,927) | 0.46% | 0.38% |
| International Industries Limited | 98,000 | 10,000 | | 108,000 | - | - | - | - | 0.00% | 0.00% |
| Mughal Iron & Steel Industries Limited | 100,000 | 165,000 | | - | 265,000 | 29,200 | 25,869 | (3,331) | 1.37% | 1.12% |
| | | | | | 580,000 | 39,786 | 34,529 | (5,258) | 1.83% | 1.50% |
| Fertilizer | | | | | | | | | | |
| Engro Corporation Limited | 323,000 | - | | 25,000 | 298,000 | 87,794 | 83,366 | (4,428) | 4.43% | 3.63% |
| Fauji Fertilizer Bin Qasim Limited | 700,000 | 813,500 | | 1,025,000 | 488,500 | 10,651 | 10,991 | 340 | 0.58% | 0.48% |
| | | | | | 786,500 | 98,445 | 94,357 | (4,088) | 5.01% | 4.10% |
| Food & Personal | | | | | | | | | | |
| Al Shaheer Corporation | 575,000 | 50,000 | | 625,000 | - | - | - | - | 0.00% | 0.00% |
| The Organic Meat Company Limited | 460,000 | - | | 110,000 | 350,000 | 12,859 | 12,576 | (284) | 0.67% | 0.55% |
| Unity Foods Limited | - | 550,000 | | 180,000 | 370,000 | 11,138 | 11,551 | 414 | 0.61% | 0.50% |
| | | | | | 720,000 | 23,997 | 24,127 | 130 | 1.28% | 1.05% |
| Miscellaneous | | | | | | | | | | |
| Shifa International Hospitals | 100,000 | 100,000 | | - | 200,000 | 43,620 | 38,488 | (5,132) | 2.04% | 1.67% |
| Synthetic Products Limited | 3,200 | - | | - | 3,200 | 138 | 128 | (10) | 0.01% | 0.01% |
| | | | | | 203,200 | 43,758 | 38,616 | (5,142) | 2.05% | 1.68% |
| Oil & Gas Exploration Company | | | | | | | | | | |
| Mari Petroleum Company Limited | 95,008 | 5,000 | | - | 100,008 | 152,679 | 155,349 | 2,670 | 8.25% | 6.76% |
| Oil & Gas Development Company | 1,337,381 | 100,000 | | 237,781 | 1,200,000 | 112,782 | 100,560 | (12,222) | 5.34% | 4.37% |
| Pakistan Oilfields Limited | 216,000 | 70,000 | | 116,000 | 170,000 | 65,786 | 63,810 | (1,977) | 3.39% | 2.77% |
| Pakistan Petroleum Limited | 1,289,367 | 125,000 | | 279,367 | 1,135,000 | 96,923 | 85,023 | (11,900) | 4.51% | 3.70% |
| | | | | | 2,605,008 | 428,170 | 404,742 | (23,429) | 21.49% | 17.60% |
| Oil & Gas Marketing Company | | | | | | | | | | |
| Attock Petroleum Limited | 98,900 | 38,100 | | - | 137,000 | 44,461 | 39,730 | (4,731) | 2.11% | 1.73% |
| Hi-Tech Lubricants Limited | 250,000 | - | | 250,000 | - | - | - | - | 0.00% | 0.00% |
| Pakistan State Oil Company Limited | 283,000 | 10,000 | | 43,000 | 250,000 | 55,979 | 50,248 | (5,732) | 2.67% | 2.19% |
| Shell (Pakistan) Limited | 110,000 | - | | 110,000 | - | - | - | - | 0.00% | 0.00% |
| Sui Northern Gas Pipelines Limited | 225,000 | 703,923 | | 453,923 | 475,000 | 22,368 | 21,603 | (765) | 1.15% | 0.94% |
| | | | | | 862,000 | 122,808 | 111,581 | (11,228) | 5.92% | 4.85% |
| Paper And Board | | | | | | | | | | |
| Cherat Packaging Limited | - | 100,000 | | - | 100,000 | 19,798 | 17,920 | (1,878) | 0.95% | 0.78% |
| Packages Limited | 122,994 | - | | 40,950 | 82,044 | 44,730 | 38,508 | (6,222) | 2.04% | 1.67% |
| | | | | | 182,044 | 64,528 | 56,428 | (8,100) | 3.00% | 2.45% |
| Pharmaceuticals | | | | | | | | | | |
| Abbott Laboratories (Pakistan) | 70,000 | - | | 28,150 | 41,850 | 33,160 | 32,344 | (816) | 1.72% | 1.41% |
| Glaxosmithkline Consumer | - | 38,000 | | - | 38,000 | 10,641 | 9,693 | (948) | 0.51% | 0.42% |
| Highnoon Laboratories Limited | 37,000 | - | | 3,500 | 33,500 | 20,100 | 20,759 | 659 | 1.10% | 0.90% |
| lbi Healthcare Limited | 175,000 | - | | 167,100 | 7,900 | 878 | 713 | (165) | 0.04% | 0.03% |
| The Searle Company Limited | 84,000 | 71,000 | | 55,000 | 100,000 | 23,191 | 20,151 | (3,040) | 1.07% | 0.88% |
| | | | | | 221,250 | 87,971 | 83,660 | (4,310) | 4.44% | 3.64% |
| Power Generation & supply | | | | | | | | | | |
| Hub Power Company Limited** | 1,000,000 | 500,000 | | 75,000 | 1,425,000 | 113,267 | 104,780 | (8,487) | 5.56% | 4.56% |
| K-Electric Limited* | 4,500,000 | - | | 4,500,000 | - | - | - | - | 0.00% | 0.00% |
| | | | | | 1,425,000 | 113,267 | 104,780 | (8,487) | 5.56% | 4.56% |
| Refinery | | | | | | | | | | |
| Attock Refinery Limited | 74,000 | 60,000 | | 69,400 | 64,600 | 15,737 | 11,549 | (4,188) | 0.61% | 0.50% |
| Byco Petroleum Pakistan Limited | - | 1,200,000 | | - | 1,200,000 | 11,352 | 9,816 | (1,536) | 0.52% | 0.43% |
| | | | | | 1,264,600 | 27,089 | 21,365 | (5,724) | 1.13% | 0.93% |
| Technology & Communication | | | | | | | | | | |
| Pakistan Telecommunication Systems Limited | - | 1,350,000 | | 1,350,000 | - | - | - | - | 0.00% | 0.00% |
| TRG Pakistan Limited | 42,000 | 12,000 | | 14,000 | 40,000 | 22,895 | 29,100 | 6,205 | 1.54% | 1.27% |
| | 125,000 | 145,000 | | 150,000 | 120,000 | 19,516 | 19,400 | (115) | 1.03% | 0.84% |
| | | | | | 160,000 | 42,411 | 48,501 | 6,090 | 2.57% | 2.11% |
| Textile Composite | | | | | | | | | | |
| Interloop Limited | 450,020 | 133,000 | | 20,020 | 563,000 | 39,694 | 40,069 | 375 | 2.13% | 1.74% |
| Kohinoor Textile Mills Limited | 270,650 | 100,000 | | 115,000 | 255,650 | 19,276 | 17,755 | (1,521) | 0.94% | 0.77% |
| | | | | | 818,650 | 58,970 | 57,824 | (1,146) | 3.07% | 2.51% |
| Transport | | | | | | | | | | |
| Pakistan International Bulk Terminal | - | 1,800,000 | | - | 1,800,000 | 19,851 | 16,038 | (3,813) | 0.85% | 0.70% |
| | | | | | 1,800,000 | 19,851 | 16,038 | (3,813) | 0.85% | 0.70% |
| Total as at September 30, 2021 | | | | | | 2,041,544 | 1,883,541 | (158,003) | | |
| Total as at June 30, 2021 | | | | | | 1,859,300 | 2,002,301 | 143,001 | | |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

* These have a face of 3.5 per share

** These includes shares with market value of 67.47 million (2020: 82.34 million) have been pledged with National Clearing Company of Pakistan Limited (NCCPL) security against settlement of the Fund's trades in terms of Circular No.11 dated October 23, 2007 issued by SECP:

| | | (Un-Audited) September 30, 2021 | (Audited) June 30, 2021 |
|---|------|---------------------------------------|-------------------------------|
| | Note | ----- (Rupees in '000) ----- | |
| 8 ACCRUED AND OTHER LIABILITIES | | | |
| Provision for Sindh Workers' Welfare Fund (SWWF) | 8.1 | - | 18,922 |
| Federal Excise Duty payable on management fee | 8.2 | 5,910 | 5,910 |
| Federal Excise Duty and related taxes payable on sales load | | 1,136 | 1,136 |
| Charity / donation payable | | 3,767 | 2,916 |
| Auditors' remuneration | | 486 | 357 |
| Withholding tax payable | | 145 | 1,190 |
| Brokerage payable | | 1,473 | 1,052 |
| Other payables | | 1,076 | 656 |
| | | <u>13,993</u> | <u>32,139</u> |

8.1 Provision for Sindh Workers' Welfare Fund

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

SECP has also given its concurrence for recording reversal of provision of SWWF on the day letter was received by MUFAP. This reversal of provision has contributed towards an unusual increase in NAV of the Fund on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

Going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

8.2 Federal Excise Duty and related tax payable

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2021. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2020 would have been higher by Re. 0.22 per unit (June 30, 2021: Re. 0.20 per unit).

| | (Un-Audited) September 30, 2021 | (Audited) June 30, 2021 |
|--|---------------------------------------|-------------------------------|
| | ----- (Rupees in '000) ----- | |
| 9 PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENT LIMITED - MANAGEMENT COMPANY | | |
| Management fee payable | 6,356 | 6,537 |
| Sindh Sales Tax payable on remuneration of the Management Company | 826 | 850 |
| Allocated expenses payable | 192 | 198 |
| Selling and marketing expenses payable | - | - |
| Sales load payable | 50 | 404 |
| Back end load payable | 104 | 816 |
| Shariah advisory fee payable | 62 | 60 |
| | <u>7,590</u> | <u>8,865</u> |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2021 and June 30, 2021.

11 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The management intends to distribute at least 90% of income to be earned during current year to the unit holders, therefore, no provision for taxation has been recorded in this condensed interim financial information.

12 EARNING PER UNIT

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

13 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

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

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

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

13.1 Unit Holders' Fund

| | September 30, 2021 (Un-Audited) | | | | | | | |
|---|---------------------------------|--------------------|----------|--------------------------------|------------------------------|--------------------|----------|--------------------------------|
| | As at July 01, 2021 | Issued for cash | Redeemed | As at September 30, 2021 | As at July 01, 2021 | Issued for cash | Redeemed | As at September 30, 2021 |
| | ----- Units ----- | | | | ----- (Rupees in '000) ----- | | | |
| Group / Associated Companies | | | | | | | | |
| D.G. Khan Cement Company Ltd Employees Provident Fund Trust | 112,524 | | | 112,524 | 8,752 | | | 8,216 |
| Adamjee Life Assurance Co. Ltd. (Imf) | 580,377 | | - | 580,377 | 45,144 | - | - | 42,376 |
| Adamjee Life Assurance Co. Ltd. Aamanat Fund | 290,429 | | | 290,429 | 22,590 | | | 21,206 |
| Adamjee Life Assurance Co. Ltd -Mazaaf | 1,932,537 | | - | 1,932,537 | 150,319 | - | - | 141,104 |
| Key management personnel | 19,469 | 7,006 | 77 | 26,398 | 1,514 | 548 | 6 | 1,927 |
| Mandate under Discretionary Portfolio Services | 561,520 | 268,897 | 24,412 | 806,005 | 43,677 | 20,900 | 1,850 | 58,850 |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

| | September 30, 2020 (Un-Audited) | | | | | | | |
|--|---------------------------------|--------------------|----------|--------------------------------|------------------------------|--------------------|----------|--------------------------------|
| | As at July 01, 2020 | Issued for cash | Redeemed | As at September 30, 2020 | As at July 01, 2020 | Issued for cash | Redeemed | As at September 30, 2020 |
| | ----- Units ----- | | | | ----- (Rupees in '000) ----- | | | |
| Group / Associated Companies | | | | | | | | |
| D.G Khan Cement Company Limited - Employees' Provident Fund Trust | 112,524 | | - | 112,524 | 7,035 | - | - | 7,841 |
| Adamjee Life Assurance Company Limited - Investment Multiplier Fund | 580,377 | | - | 580,377 | 36,285 | - | - | 40,440 |
| Adamjee Life Assurance Company Limited - (MAZAAF) | 1,940,064 | - | - | 1,940,064 | 121,291 | - | - | 135,182 |
| Key management personnel | 12,694 | 3,078 | 2,197 | 13,574 | 794 | 220 | 147 | 946 |
| Mandate under Discretionary | | | | | | | | |
| Portfolio Services | 314,047 | 214,879 | 40,468 | 488,458 | 19,634 | 14,988 | 2,635 | 34,035 |

----- (Un-Audited) -----
September 30, September 30,
2021 2020
 ----- (Rupees in '000) -----

13.2 Transactions during the period:

MCB Arif Habib Savings and Investments Limited - Management Company

| | | |
|--|--------|--------|
| Remuneration (including indirect taxes) | 22,104 | 12,970 |
| Expenses allocated by the Management Company | 593 | 574 |
| Selling and marketing expenses | - | 7,460 |
| Shariah advisory fee | 181 | 188 |

Central Depository Company of Pakistan Limited - Trustee

| | | |
|---------------------------------------|-----|-----|
| Remuneration including indirect taxes | 955 | 933 |
| Settlement charges | 50 | 32 |

Group / Associated Companies:

MCB Bank Limited

| | | |
|--------------|---|---|
| Bank charges | 5 | 8 |
|--------------|---|---|

Arif Habib Limited

| | | |
|---------------------|----|-----|
| Brokerage expense * | 24 | 227 |
|---------------------|----|-----|

D.G. Khan Cement Company Limited

| | | |
|---|--------|---------|
| Purchase of shares Nil (2020: 1,095,000) shares | - | 115,227 |
| Sale of shares 155,000 (2020: 480,000) shares | 17,587 | 52,417 |

Fatima Fertilizer Company Limited

| | | |
|---|---|--------|
| Sale of shares nil (2020: 450,000) shares | - | 12,762 |
|---|---|--------|

Nishat Mills Limited

| | | |
|--|---|--------|
| Purchase of nil (2020: 620,000) shares | - | 64,226 |
|--|---|--------|

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

| | (Un-Audited) September 30, 2021 | (Audited) June 30, 2021 |
|--|---------------------------------------|-------------------------------|
| 13.3 Balances outstanding at period / year end: | ----- (Rupees in '000) ----- | |
| MCB Arif Habib Savings and Investments Limited - Management Company | | |
| Remuneration payable | 6,356 | 6,537 |
| Sindh sales tax payable on management remuneration | 826 | 850 |
| Expense allocated by the Management Company | 192 | 198 |
| Selling and marketing expenses payable | - | - |
| sale Load payable | 50 | 358 |
| Sales tax payable on sales load | | 46 |
| Shariah advisory fee payable | 62 | 60 |
| Back end load payable | 104 | 816 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration payable (including indirect taxes) | 311 | 316 |
| Security deposit | 200 | 200 |
| Group / Associated Companies: | | |
| MCB Islamic Bank Limited | | |
| Balance with bank | 13 | 13 |
| MCB Bank Limited | | |
| Balance with bank | 9,063 | 6,158 |
| Arif Habib Limited | | |
| Brokerage payable * | 12 | 53 |
| D.G. Khan Cement Company Limited | | |
| 200,000 (2020: 355,000) shares held | 17,684 | 41,862 |

* The amount disclosed represents the amount of brokerage paid / payable to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter-parties are not connected persons.

14 TOTAL EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 4.72% (September 30, 2020:5.51%) and this includes 0.47% (September 30, 2020:1.15%) representing government levy, SECP fee etc.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

15 FAIR VALUE MEASUREMENTS

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

16 COVID-19

A novel strain of coronavirus (COVID-19) was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. Measures taken to contain the spread of the virus, including lock-downs, travel bans, quarantines, social distancing, and closures of non-essential services and factories triggered significant disruptions to businesses worldwide and in Pakistan, resulting in an economic slowdown. During the lockdown that lasted from March to May 2020, the funds continued their activity, as the Pakistan Stock Exchange and the money markets continued trading. Management Company is of the view that while COVID-19 and its resulting containment measures have affected the economy, investors' confidence and adequate steps from the government and regulators have spearheaded recovery and subsequent events reflect that in due course, things would be normalised.

17 GENERAL

17.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

17.2 Corresponding figures have been reclassified and rearranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. However, no significant rearrangements or reclassifications were made in these condensed interim financial statements to report.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

18 DATE OF AUTHORISATION

- 18.1** These condensed interim financial statements were authorised for issue on October 22, 2021 by the Board of Directors of the Management Company.

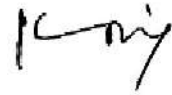
For MCB-Arif Habib Savings and Investments Limited
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

Head Office: 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi

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