

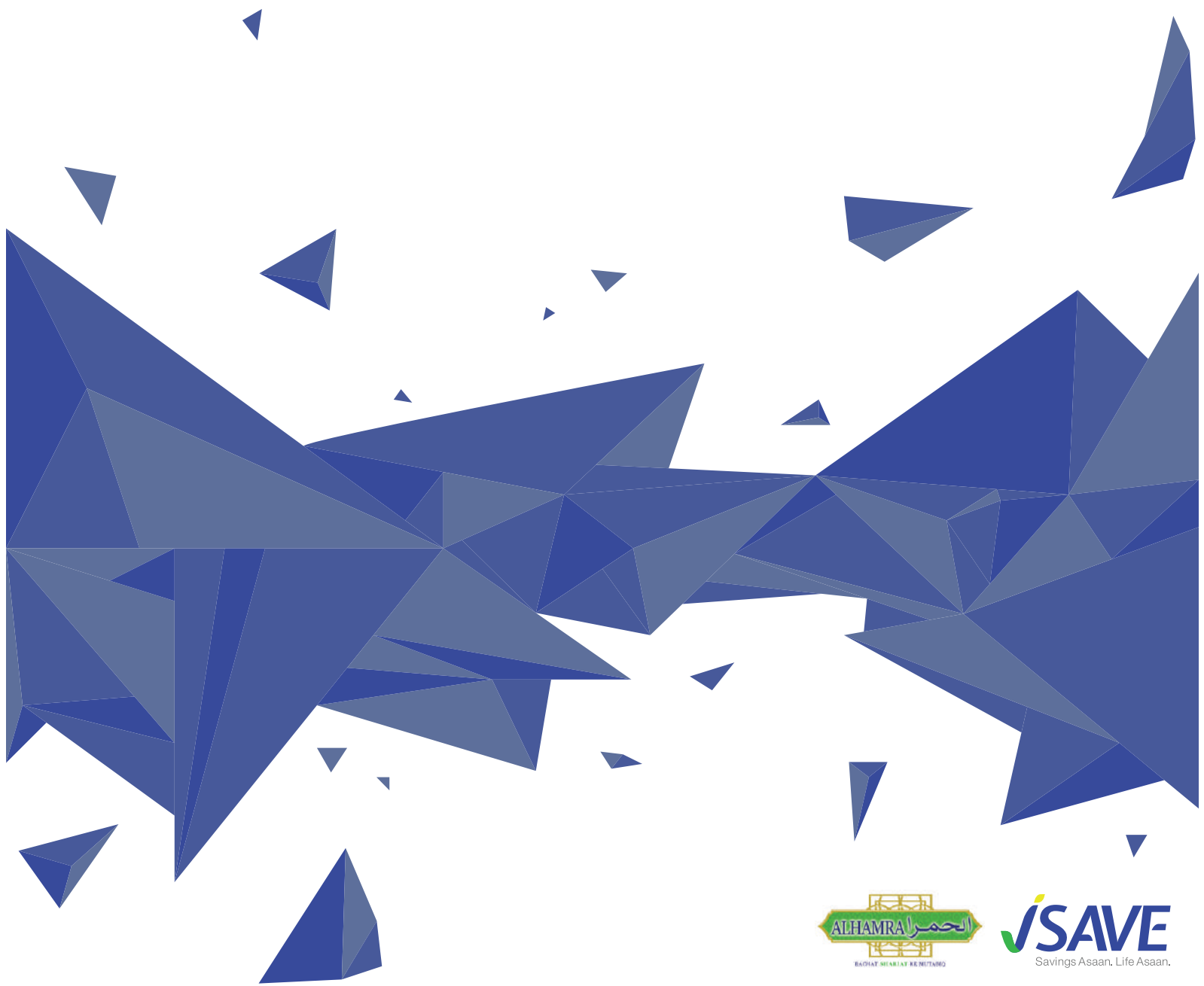


**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

SEPTEMBER  
**2021**  
(UNAUDITED)

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



# **ALHAMRA ISLAMIC INCOME FUND**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	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
<b>Audit Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	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
<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. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>Central Depository Company of Pakistan Ltd.</b> 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	
<b>Bankers</b>	MCB Bank Limited Bank Islami Pakistan Limited Habib Bank Limited United Bank Limited Dubai Islamic Bank Pakistan Limited Meezan Bank Limited Askari Bank Limited Bank Al-Habib Limited NRSP Micro Finance Bank Limited Silk Bank Limited National Bank of Pakistan Habib Metropolitan Bank Limited Faysal Bank Limited MCB Islamic Bank Limited Soneri Bank Limited	
<b>Auditors</b>	<b>Yousuf Adil</b> Chartered Accountants Cavish Court, A-35, Block-7 & 8 KCHSU, Shahrah-e-Faisal, Karachi-753550.	
<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> Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	

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

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**Dear Investor,**

On behalf of the Board of Directors, I am pleased to present **Alhamra Islamic Income 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 country. 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 6.8bn compared to USD 3.4bn last year. Foreign exchange reserves of central bank saw an increase of USD 1.6bn 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 1,395bn compared to target of PKR 1,211 bn. exceeding it by PKR 186bn. 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.

### **FUND PERFORMANCE**

During the period under review, the fund generated an annualized return of 7.97 per cent as against its benchmark return of 3.13 per cent.

The fund was 8.1 per cent invested in Corporate Sukuks while significant exposure was in Cash.

The Net Assets of the Fund as at September 30, 2021 stood at Rs. 7,573 million as compared to Rs. 5,575 million as at June 30, 2021 registering an increase of 35.84 per cent.

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

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The Net Asset Value (NAV) per unit as at September 30, 2021 was Rs. 104.0096 as compared to opening NAV of Rs. 101.9608 per unit as at June 30, 2021 registering an increase of Rs. 2.0488 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.

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 1,032bn 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 308bn while Islamic funds declined by 9.9 per cent to PKR 164bn. 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 143bn. Equity and related funds declined by 4.4 per cent over last quarter as

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

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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

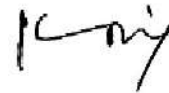
The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



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**Muhammad Saqib Saleem**  
Chief Executive Officer  
October 22, 2021



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**Kashif A. Habib**  
Director

### میوچل فنڈز 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 پُرکشش سطحوں پر ایکوٹی 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 سکے۔

### اظہار تشکر

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

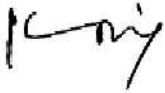
من جانب ڈائریکٹرز



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

22 اکتوبر 2021ء



کاشف اے حبیب

ڈائریکٹر



## ڈائریکٹر رپورٹ

مالی سال 2021ء میں سی پی آئی کا اوسط 8.9 فیصد تھا۔ متوقع یوٹیلٹی تریمیات، 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 تریمیات 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 پرمیئم 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۔

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 ڈور 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۔

## ڈائریکٹر ز رپورٹ

ثانوی مارکیٹس کی پیداواروں میں دوران 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 افراط زر پر دباؤ میں اضافہ ہوگا اور مالی سال 2022ء کے لیے افراط 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 دوران مدت بالترتیب 73 بی پی ایس، 46 بی پی ایس اور 51 بی پی ایس اضافہ ہوا۔

### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ کا ایک سال پر محیط منافع 7.97 فیصد تھا جبکہ مقررہ معیار 3.13 فیصد تھا۔ فنڈ کی سرمایہ کاری کارپوریٹ سسٹم میں 8.1 فیصد تھی جبکہ قابل ذکر سرمایہ کاری نقد میں تھی۔ 30 ستمبر 2021ء کو فنڈ کے net اثاثہ جات 7,573 ملین روپے تھے، جو 30 جون 2021ء کی سطح 5,575 ملین روپے کے مقابلے میں 35.84 فیصد اضافہ ہے۔ 30 ستمبر 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 104.0096 روپے تھی، جو 30 جون 2021ء پر ابتدائی این اے وی 101.9608 روپے کے مقابلے میں 2.0488 روپے فی یونٹ اضافہ ہے۔

### 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 بین 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۔



بورڈ آف ڈائریکٹرز کی جانب سے الحمد للہ اسلامک انکم 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 اثر پذیری، 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 صارفی 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

		(Un-audited) September 30, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Balance with banks	6	1,900,508	2,722,889
Investments	7	5,616,952	3,460,077
Markup receivable		66,910	40,771
Advances, deposits and other receivables		14,687	16,409
<b>Total assets</b>		<b>7,599,056</b>	<b>6,240,146</b>
<b>LIABILITIES</b>			
Payable to the Management Company	8	10,658	2,783
Payable to the Central Depository Company of Pakistan Limited - Trustee		538	515
Payable to the Securities and Exchange Commission of Pakistan		360	1,341
Payable against purchase of investments		-	605,180
Accrued expenses and other liabilities	9	14,587	55,211
<b>Total liabilities</b>		<b>26,143</b>	<b>665,030</b>
<b>NET ASSETS</b>		<b>7,572,913</b>	<b>5,575,116</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>7,572,913</b>	<b>5,575,116</b>
<b>Contingencies and commitments</b>	10.		
		(Number of units)	
<b>Number of units in issue</b>		<b>72,809,728</b>	<b>54,679,036</b>
		(Rupees)	
<b>NET ASSET VALUE PER UNIT</b>		<b>104.0096</b>	<b>101.9608</b>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

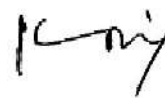
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30 2021	September 30 2020
Note	----- (Rupees in '000) -----	
<b>INCOME</b>		
Income from government securities	10,876	20,819
Gain/loss on sale of investments - net	127	(3,789)
Income from term finance certificates	31,558	40,811
Profit on bank deposits	44,672	42,339
Income on term deposit receipt and Bai Muajjal	31,611	-
Income on commercial paper	11,628	10,345
Income on nccpl deposit against exposure margin	8	-
Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss' - net	8,662	10,185
<b>Total income</b>	<b>139,142</b>	<b>120,710</b>
<b>EXPENSES</b>		
Remuneration of the Management Company	6,396	5,783
Sindh Sales Tax and Federal Excise Duty on remuneration of the Management Company	832	752
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	1,355	1,174
Sindh Sales Tax on remuneration of Trustee	176	153
Securities and Exchange Commission of Pakistan - annual fee	360	312
Allocated expense	1,808	1,555
Marketing And Selling Expense	6,458	3,120
Brokerage expenses	57	215
Settlement and bank charges	147	39
Fees and subscriptions	338	108
Legal and professional charges	392	34
Shariah advisory fee	182	204
Auditors' remuneration	153	153
Printing and related costs	25	1
<b>Total expenses</b>	<b>18,679</b>	<b>13,602</b>
	<b>120,462</b>	<b>107,108</b>
Sindh Workers' Welfare Fund	9.1 24,787	(2,142)
<b>Net income for the period before taxation</b>	<b>145,250</b>	<b>104,966</b>
Taxation	11. -	-
<b>Net income for the period</b>	<b>145,250</b>	<b>104,966</b>
<b>Allocation of net income for the period:</b>		
Net income for the period	145,250	104,966
Income already paid on units redeemed	(18,528)	(15,304)
	<b>126,721</b>	<b>89,662</b>
<b>Accounting income available for distribution</b>		
- Relating to capital gains	8,124	5,920
- Excluding capital gains	118,597	83,742
	<b>126,721</b>	<b>89,662</b>
<b>Earnings per unit</b>	12.	

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

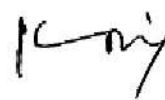
For MCB-Arif Habib Savings and Investments Limited  
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

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

	September 30	
	2021	2020
	----- (Rupees in '000) -----	
<b>Net income for the period after taxation</b>	<b>145,250</b>	104,966
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>145,250</b>	104,966

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

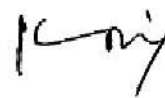
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



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			2020		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	5,542,585	32,531	5,575,116	4,412,266	29,934	4,442,200
Issue of 42,785,445 units (2020: 38,828,637 units)						
- Capital value (at net asset value per unit at the beginning of the period)	4,362,438	-	4,362,438	6,359,301	-	6,359,301
- Element of income	33,019	-	33,019	47,040	-	47,040
Total proceeds on issuance of units	4,395,457	-	4,395,457	6,406,341	-	6,406,341
Redemption of 24,654,752 units (2020: 20,856,518 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(2,513,818)	-	(2,513,818)	(3,665,571)	-	(3,665,571)
- Element of Income	(10,563)	(18,528)	(29,091)	(14,232)	(15,304)	(29,536)
Total payments on redemption of units	(2,524,381)	(18,528)	(2,542,909)	(3,679,803)	(15,304)	(3,695,107)
Total comprehensive income for the period	-	145,250	145,250	-	104,966	104,966
	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	145,250	145,250	-	104,966	104,966
Net assets at end of the period	7,413,661	159,252	7,572,913	7,138,805	119,596	7,258,400
Undistributed income brought forward						
- Realised		17,785			27,041	
- Unrealised		14,747			2,893	
		32,532			29,934	
Accounting income available for distribution						
- Relating to capital gains		8,124			5,920	
- Excluding capital gains		118,597			83,742	
		126,721			89,662	
Cash distribution during the period		-			-	
Undistributed income carried forward		159,252			119,596	
Undistributed income carried forward						
- Realised		150,591			109,411	
- Unrealised		8,662			10,185	
		159,252			119,596	
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the period	101.9608			101.8452		
Net assets value per unit at end of the period	104.0096			103.5931		

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

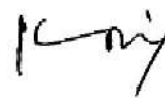
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



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) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	145,250	104,966
<b>Adjustments for non cash and other items:</b>		
Unrealised diminution in value of investments classified as 'at fair value through profit or loss' - net	(8,662)	(10,185)
	136,588	94,781
<b>(Increase) / Decrease in assets</b>		
Investments	(2,148,213)	(534,176)
Profit receivable	(26,139)	(31,945)
Receivable Against Sale of Investments	-	(103,299)
Advances, deposit and prepayments	1,722	(5,340)
	(2,172,630)	(674,759)
<b>Increase / (Decrease) in liabilities</b>		
Payable to the Management Company	7,875	1,885
Payable to the Central Depository Company of Pakistan Limited - Trustee	23	130
Payable to the Securities and Exchange Commission of Pakistan	(981)	312
Payable against purchase of investments	(605,180)	(117,690)
Payable against redemption of units	-	14,944
Accrued expenses and other liabilities	(40,624)	115
	(638,887)	(100,304)
<b>Net cash generated / (used) in operating activities</b>	(2,674,928)	(680,282)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units excluding additional units	4,395,457	6,406,341
Payments on redemption of units	(2,542,909)	(3,695,107)
<b>Net cash (used in) / generated from financing activities</b>	1,852,548	2,711,234
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	(822,381)	2,030,953
Cash and cash equivalents at beginning of the period	2,722,889	1,760,297
<b>Cash and cash equivalents at end of the period</b>	1,900,508	3,791,250

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

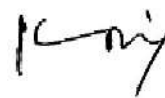
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



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 Income Fund (the Fund) was established under a trust deed executed between MCB Asset Management Company Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. Pursuant to the merger of MCB Asset Management Limited and Arif Habib Investments Limited, the name of the Management Company has been changed from MCB Asset Management Company Limited to MCB-Arif Habib Savings and Investments Limited with effect from June 27, 2011. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 25, 2011 and was executed on March 7, 2011. According to the Trust Deed, the first accounting period of the Fund commenced from May 1, 2011 i.e. the date on which the trust property was first paid or transferred to the Trustee. The SECP has approved Supplemental Trust Deed, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), vide its letter No. SCD/AMCW/MCBAHSIL/MCBIF/396/2017 dated January 25, 2017 to modify and restate the previous Trust Deed to effectuate renaming of the Fund to Alhamra Islamic Income Fund.
- 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 Regulation) Rules, 2003 (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. Chundrigarh Road, Karachi, Pakistan.
- 1.3 The Fund is an open-end collective investment scheme categorised as a "Shariah Compliant (Islamic) Income" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. The units of the Fund were initially offered for public subscription at a par value of Rs 100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4 The objective of the Fund is to seek to generate superior risk adjusted returns by investing in short, medium and long-term high quality Shariah Compliant fixed income instruments.
- 1.5 The Pakistan Credit Rating Agency Limited (PACRA) has maintained asset manager rating of AM1 dated October 06, 2021 to the Management Company and AA-(f) as stability rating dated September 09, 2021 to the Fund.
- 1.6 Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the 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.

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

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- 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.
- 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** Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant and does not have any significant impact on the Fund's operations or a change in accounting policies of the Fund, therefore, have not been 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 2021 ---- (Rupees in '000) ----	(Audited) June 2021
<b>6</b>	<b>BALANCE WITH BANKS</b>		
	- in saving accounts	6.1 1,873,499	2,709,693
	- in current accounts	6.2 27,009	13,196
		<u>1,900,508</u>	<u>2,722,889</u>

**6.1** These carry profit at the rates ranging between 6.55% to 7.05% (2021: 5.75% and 6.75%) per annum and include Rs. 4.688 million (2021: 1.8 million) maintained with MCB Islamic Bank Limited, (a related party).

**6.2** These include Rs.27.009 million (2021: Rs 14.456 million) maintained with MCB Bank Limited, a connected person / related party.

		(Un-audited) September 2021 ---- (Rupees in '000) ----	(Audited) June 2021
	<b>Note</b>		

**7. INVESTMENTS**

***At fair value through profit or loss***

Sukuk certificates- Unlisted	7.1	<u>1,536,669</u>	<u>1,583,985</u>
		1,536,669	1,583,985
Government securities	7.2	<u>602,748</u>	<u>601,558</u>
Commercial papers	7.3	<u>852,028</u>	<u>374,534</u>
Term Deposit Receipts	7.4	<u>1,600,000</u>	<u>900,000</u>
Bai Maujjal	7.5	<u>1,025,508</u>	<u>-</u>
		<u>4,080,283</u>	<u>1,876,092</u>
		<u>5,616,952</u>	<u>3,460,077</u>

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

**7.1 Sukuk certificates - Unlisted**

Certificates have a face value of Rs 100,000 each unless stated otherwise

Name of investee company	Number of certificates				As at September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 1, 2021	Purchased during the period	Matured during the period	Disposed off during the period	As at Sep 30, 2021	Carrying value	Market value	Appreciation / (diminution)	
									----- % -----
									----- (Rupees in '000) -----
<b>Chemical</b>									
Ghani Gases Limited (02-Feb-17 issue)	1,000	-	-	-	1,000	36,297	38,333	2,036	0.51
<b>Pharmaceutical</b>									
Aspin Pharma (Pvt) Ltd (30-Nov-17 issue)	1,853	180	-	-	2,033	90,721	90,616	(105)	1.20
<b>Miscellaneous</b>									
International Brands Limited (15-Nov-17 issue)	3,450	730	-	-	4,180	121,155	120,324	(831)	1.59
<b>Commercial Banks</b>									
Meezan Bank Limited (09-Jan-20 issue)	355	-	-	-	355	368,313	368,313	-	4.86
<b>Energy</b>									
Pakistan Energy Sukuk (21-MAY-2020)	200,000	60,000	-	78,900	181,100	912,744	919,083	6,338	12.14
<b>As at September 30, 2021</b>						<b>1,529,230</b>	<b>1,536,669</b>	<b>7,437</b>	
<b>As at June 30, 2021</b>						<b>1,568,991</b>	<b>1,583,985</b>	<b>14,994</b>	

\* Face value of the investment is Rs. 5,000

**7.2**

**Government securities**

**- Government of Pakistan (GoP) Ijarah sukuk**

Name of investee company	Issue Date	Face Value				As at September 30, 2021			Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 1, 2021	Purchased during the year	Matured / Sold during the year	Disposed off during the year	As at September 30, 2021	Carrying value	Market value		
										----- % -----
										----- (Rupees in '000) -----
GoP Ijarah Sukuk	29-JUL-20	63,000,000	-	-	-	63,000,000	63,295	63,384	0.84%	1.13%
GoP Ijarah Sukuk	29-MAY-20	110,000,000	-	-	-	110,000,000	110,649	110,836	1.46%	1.98%
GoP Ijarah Sukuk	24-JUN-20	425,000,000	700,000,000	700,000,000	-	425,000,000	427,580	428,528	5.66%	7.64%
<b>As at September 30, 2021</b>							<b>601,524</b>	<b>602,748</b>		
<b>As at June 30, 2021</b>							<b>601,805</b>	<b>601,558</b>		

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

## 7.3 Commercial papers

Particulars	Profit / mark-up rates	Issue date	Maturity date	Face Value	Carrying Value	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
				---- (Rupees in '000) ----		----- % -----	
Mughal Iron & Steel Industries Limited	9.44%	26-Jul-21	26-Jul-22	228,436	232,394	3.02	4.07
K Electric ICP 18	8.15%	19-Apr-21	19-Oct-21	329,847	333,675	4.36	5.87
K Electric ICP 21	8.21%	22-Sep-21	22-Mar-22	285,381	285,959	3.77	5.08
<b>As at September 30, 2021</b>				<b>843,664</b>	<b>852,028</b>		
Total as at June 30, 2021				383,000	374,534		

## 7.4 Term Deposit Receipt

Particulars	Profit rate	Issue Date	Maturity Date	Face Value	Carrying Value	Carrying value as a percentage of net assets	Carrying value as a percentage of total investments
				---- (Rupees in '000) ----		----- % -----	
MCB Islamic Bank Limited	6.75%	31-Aug-21	30-Nov-21	700,000	700,000	9.24	12.46
Faysal Bank Limited Islamic Banking	7.25%	13-Sep-21	13-Oct-21	350,000	350,000	4.62	6.23
Faysal Bank Limited Islamic Banking	7.25%	13-Sep-21	13-Oct-21	350,000	350,000	4.62	6.23
Askari Bank Limited - Islamic Banking	7.30%	23-Sep-21	23-Dec-21	200,000	200,000	2.64	3.56
<b>As at September 30, 2021</b>				<b>1,600,000</b>	<b>1,600,000</b>		
Total as at June 30, 2021				900,000	900,000		

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

	September 30, 2021	June 30, 2021
	----- (Rupees in '000) -----	
Opening Balance	-	-
Transaction Executed During the period	1,014,775	-
Profit Accrued during the period	10,733	-
Matured during the period	-	-
Closing balance	<b>1,025,508</b>	-

Name of the Counter Party	Maturity Date	Profit Rate	Total Transaction	Deferred Income	Accrued Profit	Carrying Value
Pak Kuwait Investment Company (Pvt.)	04-OCT-21	7.10%	333,327	3,972	3,780	333,135
Bank Of Punjab	23-SEP-21	7.00%	333,836	3,989	3,345	333,192
Pak Brunei Investment Company Limited	11-OCT-21	7.12%	359,872	4,300	3,607	359,179

**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 (Rupees in '000)	(Audited) 30 June 2021
<b>8</b>	<b>PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>		
	Management remuneration payable	2,629	1,587
	Sindh sales tax payable on management remuneration	342	206
	Sales load payable	534	325
	Payable against Shariah advisory fee	60	59
	Payable against allocated expenses	634	606
	Marketing and Selling Expense	6,458	-
		<u>10,658</u>	<u>2,783</u>
		(Un-audited) September 30, 2021 (Rupees in '000)	(Audited) 30 June 2021
<b>9</b>	<b>ACCRUED AND OTHER LIABILITIES</b>		
	Provision for Sindh Workers' Welfare Fund	9.1 -	24,787
	Provision for Federal Excise Duty and related tax on	9.2	
	- Management fee	8,639	8,639
	- Sales load	3,028	3,028
	Capital gain tax	558	17,003
	Auditors' remuneration	573	420
	Printing and related expenditure	65	40
	Other	1,723	1,294
		<u>14,587</u>	<u>55,211</u>

**9.1 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.

**9.2 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, 2021 would have been higher by Re. 0.16 per unit (June 30, 2021: Re.0.21 per unit).

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

## 10. CONTINGENCIES AND COMMITMENTS

During the year, an ex-parte income tax order was passed for tax year 2018 through which a tax demand of Rs. 40,769,666 was raised by the concerned Additional Commissioner Inland Revenue (ACIR) of Federal Board of Revenue (FBR) by rejecting the Fund's claim for income tax exemption under clause (99) contained in Part I of the Second Schedule to the Income Tax Ordinance, 2001. The order was passed by misconstruing that the Fund allegedly distributed less than 90% of its income to its unitholders which is the sole criterion for income tax exemption claim under clause (99). Whilst reaching this conclusion, the Additional ACIR neither considered the subsequent payment of cash dividend which was approved by the Board of Directors on July 4, 2018 nor considered the distributions made during the year to outgoing unitholders on redemption of units.

The Fund has already obtained stay from the Hon'ble Sindh High Court against recovery of impugned tax demand and the appeal filed with the Commissioner Inland Revenue – Appeals against the order is presently pending. Based on the views of tax consultants and due to the fact that the respectable Chairman of FBR has also passed orders dated February 25, 2021 under section 7 of the FBR Act, 2007 holding that redemption payments are to be construed as 'distribution' for purposes of clause (99); the Management is confident that the ultimate outcome of appeal will be in favor of the Fund and therefore, no provisioning in this regard is made in the financial statements.

### 10.1 Commitments

There were no 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. EARNINGS PER UNIT

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

## 13. 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 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:

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

## 13.1 Details of transactions with the connected persons / related parties during the period are as follow s:

	(Unaudited) September 30,	
	2021	2020
	----- (Rupees in '000) -----	
<b>MCB-Arif Habib Savings and Investments Limited - Management Company</b>		
Remuneration of management company	7,228	6,535
Allocated expenses including indirect taxes	1,808	1,555
Shariah advisory fee	182	204
Marketing and Selling Expense	6,458	3,120
<b>Central Depository Company of Pakistan Limited</b>		
Remuneration of the trustee	1,531	1,327
CDC settlement charges	2	1
<b>MCB Bank Limited - Parent of the Management Company</b>		
Bank charges	38	25
<b>Arif Habib Limited</b>		
Brokerage	-	25

## 13.2 Amount outstanding as at period end / year end

	(Unaudited) September 30, 2021	(Audited) June 30, 2021
	----- (Rupees in '000) -----	
<b>MCB - Arif Habib Savings &amp; Investment Limited - Management Company</b>		
Management remuneration payable	2,629	1587
Sindh sales tax payable on management remuneration	342	206
Front-end load payable	534	325
Sales tax on front end load	-	-
Payable against Shariah advisory fee	60	59
Payable against allocated expenses	634	606
Marketing and Selling Payable	6,458	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	476	456
Sindh Sales tax payable on remuneration of Trustee	62	59
Security deposits	100	100
<b>MCB Bank Limited</b>		
Bank deposit held	27,009	11,699
Load payable	33	-
<b>MCB Islamic Bank Limited</b>		
Bank balances	4,688	1803

\* The amount disclosed represents the amount of brokerage paid 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 EXPENSE RATIO

The annualized total expense ratio of the Fund based on the current period results is 1.03% (September 30, 2020:0.99%) and this includes 0.08% (September 30, 2020:0.2%) representing government levy, SECP fee etc.



## 15

For the quarter ended September 30, 2021

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

Adamjee Life Assurance Company Limited - Tameen	-	2,636,348	721,343	1,915,005	-	270,000	75,000	199,179
Hyundai Nishat Motor Private Limited Employees Provident Fund	177,940	-	164,165	13,775	18,143	-	16,820	1,433
Arif Habib Securities Limited Employees Provident Fund Trust	-	80,417	-	80,417	-	8,209	-	8,364
Adamjee Insurance Company Limited Window Takaful Operations	508,711	-	-	508,711	51,869	-	-	52,911
Mobtil Trustee Alhamra Smart Portfolio	890,625	935,030	551,565	1,274,090	90,809	95,891	56,788	132,518

	2019	2018	2017	2016	2015
Key management personnel	59,539	185,156	171,979	72,717	6,071
					19,072
					17,753
					7,563

## For the quarter ended September 30, 2020

Units	(Rupees in '000)
1	100
2	200
3	300
4	400
5	500
6	600
7	700
8	800
9	900
10	1000

	2023	2022	2021	2020	2019
Alhamra Islamic Active Allocation Fund (Plan I)	3,167,846	-	642,072	2,525,774	322,630
Alhamra Islamic Active Allocation Fund (Plan II)	1,630,529	-	428,029	1,202,600	166,072
Adamjee Life Assurance Company Limited - Tameen	148,552	829,045	442,059	535,538	15,129
Adamjee Life Assurance Company Limited-PTF	49,244	-	-	49,244	5,015
Arif Habib Securities Limited Employees Provident Fund Trust	-	68,158	-	68,158	6,946
MCB Islamic Bank Limited	-	2,201,298	2,201,298	-	225,000
					225,384
					-
					261,653
					-
					66,000
					-
					44,000
					124,581
					55,478
					45,261
					85,000
					5,101
					7,061
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Key management personnel	51,430	128,751	122,599	57,582	5,238	13,224	12,584	5,965
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# NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2021

## 16 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).

## 17 Impact of 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.

## 18 GENERAL

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

18.2 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.

## 19 DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on October 22, 2021 by the Board of Directors of the Management Company.

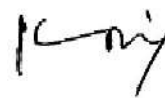
For MCB-Arif Habib Savings and Investments Limited  
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

## **MCB-Arif Habib Savings and Investments Limited**

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