



MCB-ARIF HABIB
Savings and Investments Limited

AM2
BY PACRA

HALF YEAR REPORT

DECEMBER
2017
(UNAUDITED)

Half Year Report for Funds Under Management of
MCB-Arif Habib Savings and Investments Limited

Alhamra Islamic Pension Fund

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FUND'S INFORMATION

| | | |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Management Company | MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi. | |
| Board of Directors | Mian Muhammad Mansha Mr. Nasim Beg Mr. Muhammad Saqib Saleem Dr. Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Qamar Beg | Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director |
| Audit Committee | Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mirza Qamar Beg Mr. Nasim Beg | Chairman Member Member Member |
| Human Resource & Remuneration Committee | Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Muhammad Saqib Saleem | Chairman Member Member Member Member |
| Chief Executive Officer | Mr. Muhammad Saqib Saleem | |
| Chief Operating Officer & Company Secretary | Mr. Muhammad Asif Mehdi Rizvi | |
| Chief Financial Officer | Mr. Abdul Basit | |
| 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.cdc-pakistan.com | |
| Bankers | Habib Metropolitan Bank Limited United Bank Limited Allied Bank Limited Habib Bank Limited National Bank of Pakistan Askari Bank Limited Bank Islamic Pakistan Limited Meezan Bank Limited Dubai Islamic Bank Limited | |
| Auditors | Deloitte Yousuf Adil Chartered Accountant Cavish Court, A-35, Block-7 & 8, KCHSU, Shahra-e-Faisal, Karachi -75350. | |
| 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 24th Floor, Center point, off Shaheed-e-Millat Express Way Near K.P.T. Interchange, Karachi. | |
| Rating | AM2++ Asset Manager Rating assigned by PACRA | |

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2017

Dear Investor,

On behalf of the Board of Directors, I am pleased to present Alhamra Islamic Pension Fund's accounts review for the half year ended December 31st, 2017.

ECONOMY AND MONEY MARKET OVERVIEW

Economic scorecard continued to remain mixed with real side still indicating strong growth momentum, while external side conversely showing the vulnerabilities. Growth momentum of the economy continued during the period with LSM growing at strong pace of ~6% YoY, bolstered by growth in Steel, Auto and Food & Beverages sector. Add to this the agricultural sector growth (being reflected in cotton crop, sugar crop and wheat crop bumper numbers coming in), economy looks on track to approach 6% target GDP growth for FY18.

Provisional fiscal deficit for the 1HFY18 was recorded at ~2.5% of GDP, despite commendable tax collection. Tax Authorities managed to collect PKR 1.3 trillion during the period, showing an impressive growth of 20% compared to same period last year.

CPI for the first half averaged at a moderate level of 3.75% YoY, supported by lower oil prices, stable food prices and a higher base effect. However, as of late it had started to inch up as witnessed by Dec'17 figure of 4.57%, owing to rising oil prices and depreciating currency. As a result of the stable indicators, the monetary policy committee has to date maintained its status quo approach.

On the external side, trade deficit widened to alarming levels. The current account deficit (CAD) for the first 6 months clocked in at USD ~7.5 billion (up 59% YoY). Trade deficit for 1HFY18 reached USD 14.3 billion up ~26% YoY. Import registered an increase of ~19% during the 1HFY18, propelled by petroleum imports and an expansionary fiscal and monetary policy. On the flip side, the impact of textile package started to gain some momentum as textile exports grew by ~8% during 1HFY18, though insufficient to bridge the gap created by rising imports. Resultantly, the foreign exchange reserves declined by USD ~1.2 billion, despite USD 2.5 billion floated in international bond markets. PKR also depreciated by ~5% against USD indicating a much need attempt from government to address widening external account.

Money markets took clue from the rising inflation expectations as against all tenors, 3-months t-bills remained the most preferred play. Meanwhile, longer tenor PIBs remained out of favor with very low participation from financial institutions & banks in auctions.

EQUITIES MARKET OVERVIEW

Pakistan Stock Exchange (PSX) continued its bearish momentum of its preceding quarter by posting another negative return of ~4.5% return in 2QFY18. This took 1HFY18/CY17 return to -13%/-15% respectively. Aggressive foreign selling was witnessed in the second half, whom remained net sellers of USD 155 mn in 1HFY18. This heavy selling was absorbed mostly by companies, banks and insurance companies with net buying of USD 71.7 mn, USD 54.2 mn and USD 63.4 mn, respectively.

A quarry of events kept the market in the red zone throughout first half of the current fiscal year. Be it prime minister's disqualification, indictment of Finance Minister Ishaq Dar by NAB, or protests & sit-ins by political parties all over the country. The market also felt jitters after MSCI's semi-annual review (15th Nov 2017) reduced Pakistan's weight in EM Index, and Engro Corporation was downgraded from MSCI EM Standard Index to MSCI Small Cap Index.

The adverse political scenario combined with economic headwinds in the shape of widening of Current Account Deficit (CAD) further deteriorated investor confidence. The most anticipated events of the first

half occurred in the last month including Rupee Depreciation and appointment of Mr. Miftah Ismail as Adviser to the PM on Finance. Sector specific events also kept the investors at bay particularly penalty on HBL's New York branch and Govt's ban on import of furnace oil. Even positive news flows such as issuance of USD 1Bn Sukuk in the international bond and FTSE reclassification of five additional stocks into small cap series could not garner investor interest.

In the first half of the fiscal year, the only positive contributors to the index was E&Ps posting a gain of 19% in the wake of rising oil prices given positive outcome of OPEC meeting and regional oil supply disruptions. Fertilizer (-8% YoY) remained in the negative territory but still outperformed on the back of strong offtake numbers, declining inventories and stable international urea prices. Cement sector (-14% YoY) continued its lackluster performance on concerns over future pricing discipline on upcoming capacity expansions of ~5 Mn tons in the next 6-7 months in the Southern region. Brief relief was witnessed in the sector due to halt of construction work on a 7,300 tpd capacity expansion by Maple Leaf Cement, following an order issued by the Environmental Protection Agency (EPA), Government of Punjab.

FUND PERFORMANCE

Debt Fund

The debt sub-fund generated an annualized return of 2.53% during the period under review. The sub-fund's exposure from GoP Ijarah Sukuk decreased to 28.2% from 68.3%.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2017

The Net Assets of the Fund as at December 31, 2017 stood at Rs.214.26 million as compared to Rs.202.96 million as at June 30, 2017 registering an increase of 5.56%.

The Net Asset Value (NAV) per unit as at December 31, 2017 was Rs. 196.10 as compared to opening NAV of Rs. 193.63 per unit as at June 30, 2017 registering an increase of Rs. 2.47 per unit.

Money Market Fund

The money market sub-fund generated an annualized return of 3.19% during the period under review. The sub-fund decreased its exposure in GoP Ijarah Sukuks from 30.3% to 11.4%. Simultaneously the fund increased exposure in cash to 52.8% from 51.3% at the beginning of the period.

The Net Assets of the Fund as at December 31, 2017 stood at Rs. 79.11 million as compared to Rs. 72.67 million as at June 30, 2017 registering an increase of 8.86%.

The Net Asset Value (NAV) per unit as at December 31, 2017 was Rs. 176.83 as compared to opening NAV of Rs. 174.03 per unit as at June 30, 2017 registering an increase of Rs. 2.80 per unit.

Equity Fund

The Equity sub-fund generated a negative return of 16.63% while the KMI-30 posted a negative return of 12.71% during the period. The sub-fund decreased exposure to equities from 91% to 88.7% during the period.

The Net Assets of the Fund as at December 31, 2017 stood at Rs. 389.05 million as compared to Rs. 453.27 million as at June 30, 2017 registering a decrease of 14.16%.

The Net Asset Value (NAV) per unit as at December 31, 2017 was Rs. 487.44 as compared to opening NAV of Rs. 584.69 per unit as at June 30, 2017 registering a decrease of Rs. 97.25 per unit.

FUTURE OUTLOOK

Challenges continue to increase on both economic and political front and require comprehensive plan and undeterred focus to consolidate the improvements seen in last few years. Given the current pace of trade deficit and weak performance on remittances, we expect current account deficit to approach USD 17 billion for the FY18 which in our estimates indicate an additional financing need of near USD 5 billion.

Nevertheless, market valuations remain at a very attractive level as indicated by risk premiums (difference between earnings yield and 10-year interest rates) which are at historically high level, suggesting market to remain very cheap. Furthermore, KSE-100 trades at a forward P/E of 9.71x, at a steep discount of 40% from its emerging market peer group. Enduring themes that should play out over the medium-term regardless of the political situation include (i) PKR depreciation and higher interest rates (ii) CPEC and continued GoP support for the textiles sector that would encourage exports. While markets may react to overall happening events scheduled particularly in 2H FY18, we consider any weakness in the market as an opportunity to build long term exposures.

On the fixed income front, market is expected to remain cautious on back of a precarious external account position along with an uptick in inflation trajectory. Visibility on economic front, in particular to balance of payments, would guide further participation towards fixed income markets.

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
February 23, 2018

ڈائریکٹرز رپورٹ
برائے ششماہی اختتام پذیر 31 دسمبر 2017ء

ہوسکتا ہے، ہم مارکیٹ کی کسی بھی کمزوری کو طویل المیعاد تجربات کا موقع سمجھتے ہیں۔
مقررہ آمدنی کی جہت میں توقع ہے کہ مارکیٹ خارجی اکاؤنٹ کی خطرناک صورتحال اور افراط زر کی سطح میں اضافے کی بنیاد پر محتاط رہے گی۔ معاشی رُخ، خاص طور پر
ادائیگیوں کے توازن کی واضح تصویر سے مقررہ آمدنی کی مارکیٹس میں مزید شرکت کی طرف راہنمائی ہوگی۔

اظہار تشکر

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

من جانب ڈائریکٹرز،

سلیم

محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

23 فروری 2018ء

Money مارکیٹ فنڈ

زیر جائزہ مدت کے دوران Money مارکیٹ سب-فنڈ کا ایک سال پر محیط منافع 3.19% تھا۔ سب-فنڈ نے حکومت پاکستان کے اجارہ سُکک میں اپنی شمولیت کو 30.3% سے کم کر کے 11.4% کر دیا۔ بیک وقت فنڈ نے نقد میں اپنی شمولیت کو، جو مدت کے آغاز میں 51.3% تھی، بڑھا کر 52.8% کر دیا۔

31 دسمبر 2017 کو فنڈ کے net اثاثہ جات 79.11 ملین روپے تھے، جو 30 جون 2017 (72.67 ملین روپے) کے مقابلے میں 8.86% اضافہ ہے۔

31 دسمبر 2017 کو Net اثاثہ جاتی قدر (NAV) فی یونٹ 176.83 روپے تھی، جو 30 جون 2017 کی ابتدائی NAV (174.03) روپے فی یونٹ کے مقابلے میں 2.80 روپے فی یونٹ اضافہ ہے۔

ایکویٹی فنڈ

دوران مدت ایکویٹی سب-فنڈ کا منفی منافع 16.63% تھا، جبکہ KMI-30 کا منفی منافع 12.71% تھا۔ سب-فنڈ نے دوران مدت ایکویٹیز میں اپنی شمولیت کو 91% سے کم کر کے 88.7% کر دیا۔

31 دسمبر 2017 کو فنڈ کے net اثاثہ جات 389.05 ملین روپے تھے، جو 30 جون 2017 (453.27 ملین روپے) کے مقابلے میں 14.16% اضافہ ہے۔

31 دسمبر 2017 کو Net اثاثہ جاتی قدر (NAV) فی یونٹ 487.44 روپے تھی، جو 30 جون 2017 کی ابتدائی NAV (584.69) روپے فی یونٹ کے مقابلے میں 97.25 روپے فی یونٹ کمی ہے۔

مستقبل کی صورتحال

معاشی اور سیاسی، دونوں رُخ پر مشکلات میں اضافہ ہو رہا ہے۔ چنانچہ حکومت کی مسلسل اور غیر متزلزل توجہ درکار ہے تاکہ گزشتہ کچھ برسوں میں جو بہتری دیکھی گئی ان کو منظم کیا جاسکے۔ تجارتی خسارے کی موجودہ رفتار اور ترسیل زر کی کمزور کارکردگی کو دیکھتے ہوئے ہم سمجھتے ہیں کہ مالی سال 2018ء میں کرنٹ اکاؤنٹ کا خسارہ 17 بلین ڈالر تک پہنچ جائے گا جس سے ہمارے اندازے کے مطابق تقریباً 5 بلین اضافی مالیت کی فراہمی کی ضرورت کی طرف اشارہ ہو رہا ہے۔

تاہم بازار کی قدر بہت پُرکشش سطح پر قائم ہیں، جیسا کہ رسک پریمز (آمدنی کے حجم اور دس سالہ انٹریسٹ کی شرحوں کے درمیان فرق) سے اشارہ ہوتا ہے، جواب تک کی اونچی ترین سطح پر ہیں، اور اس سے اندازہ ہوتا ہے کہ بازار بہت سست رہے گا۔ علاوہ ازیں، KSE-100 کی تجارت 9.71x کی فارورڈ P/E پر ہوئی جو اس کے اُبھرتے ہوئے مارکیٹ peer گروپ سے 40% بھرپور رعایت ہے۔ مستحکم پیش رفت میں (i) روپے کی قدر میں کمی اور انٹریسٹ کی اونچی شرحیں، اور (ii) CPEC اور ٹیکسٹائل کے شعبے کے لئے حکومت پاکستان کی مسلسل پشت پناہی (جن کی بدولت برآمدات کی حوصلہ افزائی ہوگی) شامل ہیں، جن کو سیاسی صورتحال کے قطع نظر درمیانی مدت سے سبقت لے جانا چاہئے۔ اگرچہ مجموعی سطح پر، اور خاص طور پر نصف آخر 2018 میں، طے شدہ واقعات کے عمل میں آنے پر مارکیٹ کا ردِ عمل ظاہر

ڈائریکٹر رپورٹ برائے ششماہی اختتام پذیر 31 دسمبر 2017ء

کمپنیاں تھیں، جن کی خریداری کا net حجم بالترتیب 71.7 ملین ڈالر، 54.2 ملین ڈالر اور 63.4 ملین ڈالر تھا۔
واقعات کی ایک کڑی نے موجودہ مالی سال کے نصف اول کے دوران بازار کو red زون میں رکھا، خواہ وزیراعظم کی نااہلی ہو، وزیر خزانہ اسحاق ڈار کی قومی احتساب بیورو (NAB) کی جانب سے برطرفی، یا ملٹک بھر میں سیاسی جماعتوں کے احتجاج اور دھرنے۔ علاوہ ازیں، جب MSCI کے نصف سالانہ جائسے (۱۵ نومبر ۲۰۱۷ء) میں EM انڈیکس میں پاکستان کی شمولیت میں کمی کی گئی تو مارکیٹ نے جھٹکے محسوس کیے، اور اینگرو کارپوریشن کو MSCI ای ایم اسٹینڈرڈ انڈیکس سے کم سطح پر لا کر MSCI small cap انڈیکس پر کر دیا گیا۔

کرنٹ اکاؤنٹ خسارے (CAD) کی صورت میں ظاہر ہونے والے معاشی جھٹکوں سمیت غیر موافق سیاسی صورتحال نے سرمایہ کاروں کے اعتماد کو مزید متاثر کیا۔ نصف اول کی متوقع ترین پیش رفت آخری مہینے میں ظاہر ہوئیں، جس میں روپے کی قدر میں کمی اور ڈاکٹر مفتاح اسماعیل کی وزیراعظم کے مشیر برائے مالیات کے طور پر تقرری شامل ہیں۔ سیکٹر سے مخصوص پیش رفت سے بھی سرمایہ کاروں کا اعتماد متاثر ہوا، خاص طور پر ایچ بی ایل کی نیویارک کی شاخ پر جرمانہ اور فرنس آئل کی درآمد پر حکومتی پابندی۔ بین الاقوامی بانڈ میں 1 بلین ڈالر سٹک کے اجراء اور FTSE کی پانچ اضافی اسٹاکس کی small cap سیریز میں ترتیب نو جیسی مثبت پیش رفت بھی سرمایہ کاروں کی دلچسپی حاصل نہ کر سکیں۔

مالی سال کے نصف اول میں انڈیکس میں مثبت (معیشت کے لئے منفی) کردار صرف E&Ps نے ادا کیا اور 19% منافع حاصل کیا، اگرچہ OPEC میٹنگ کے مثبت نتائج اور تیل کی علاقائی رسد میں خلل کے پس منظر میں تیل کی قیمتوں میں اضافہ ہو رہا تھا۔ کھاد (YoY -8%) منفی سطح پر برقرار رہی لیکن اس کے باوجود اس شعبے نے مستحکم offtake اعداد و شمار، انویسٹریز میں کمی اور یورپ کی بین الاقوامی قیمتوں میں استحکام کی بنیاد پر پہلے سے بہتر کارکردگی کا مظاہرہ کیا۔ سیمنٹ کے شعبے (YoY -14%) نے اپنی غیر معیاری کارکردگی جاری رکھی، جو اگلے 6-7 مہینوں میں جنوبی خطے میں استعداد میں 5 ملین ٹن وسعت پر مستقبل میں قیمتوں کے تعین کے نظام پر تشویش کا باعث ہے۔ سیکٹر میں اسٹاک کی قیمتوں میں مختصر کی دیکھنے میں آئی جس کی وجہ میپل لیف سیمنٹ کی جانب سے استعداد میں 7,300 ٹن یومیہ وسعت ہے، جس کے بعد اینوائزمنٹل پروڈکشن ایجنسی (EPA)، گورنمنٹ آف پنجاب کی طرف سے ایک آرڈر جاری کیا گیا۔

فنڈ کی کارکردگی

Debt فنڈ

زیر جائزہ مدت کے دوران Debt سب-فنڈ کا ایک سال پر محیط منافع 2.53% تھا۔ سب-فنڈ کی حکومت پاکستان کے اجارہ سٹک میں شمولیت 68.3% سے کم ہو کر 28.2% ہو گئی۔

31 دسمبر 2017 کو فنڈ کے net اثاثہ جات 214.26 ملین روپے تھے، جو 30 جون 2017 (202.96 ملین روپے) کے مقابلے میں 5.56% اضافہ ہے۔

31 دسمبر 2017 کو Net اثاثہ جاتی قدر (NAV) فی یونٹ 196.10 روپے تھی، جو 30 جون 2017 کی ابتدائی NAV (193.63 روپے فی یونٹ) کے مقابلے میں 2.47 روپے فی یونٹ اضافہ ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے الحمد للہ اسلامک پینشن فنڈ کے 31 دسمبر 2017ء کو اختتام پذیر ہونے والے نصف سال کے اکاؤنٹس کا جائزہ پیش خدمت ہے۔

معیشت اور بازار زر کا مجموعی جائزہ

معاشی اعداد و شمار میں ملا جلا رجحان جاری رہا۔ حقیقی رُخ بدستور ترقی کی جانب اشارہ کر رہا ہے، جبکہ خارجی رُخ کمزوریوں کو ظاہر کر رہا ہے۔ دورانِ مدت معیشت کی ترقی تیز تر ہوتی رہی۔ اسٹیل، گاڑیوں اور اشیائے خورد و نوش کے شعبے کی ترقی کے باعث LSM نے 6% YoY کی بھرپور رفتار سے ترقی کی۔ علاوہ ازیں، زرعی شعبے کی ترقی کے باعث (جس کی عکاسی کپاس، چینی اور گندم کی فصل کے بھرپور اعداد و شمار میں ہوتی ہے) معیشت مالی سال 2018ء میں مجموعی ملکی پیداوار میں 6% ترقی کے ہدف کے حصول کی جانب گامزن نظر آ رہی ہے۔

پراویٹل اقتصادی خسارے نصف اول 2018 قابل تحسین ٹیکس وصولی کے باوجود مجموعی ملکی پیداوار کا 2.5% تھا۔ ٹیکس ادارے دورانِ مدت 1.3 ٹریلین روپے جمع کر سکے، جو سال گزشتہ کی اسی مدت کے مقابلے میں 20% ترقی ہے۔

CPI کا اوسط برائے نصف اول 3.75% YoY کے درمیانے درجے پر تھا، جس کی پشت پناہی تیل کی پست قیمتوں، اشیائے خورد و نوش کی مستحکم قیمتوں اور اونچے base effect سے ہوئی۔ تاہم حال ہی میں اس میں اضافہ شروع ہو گیا تھا جیسا کہ دسمبر 2017ء کو 4.57% سے ظاہر ہے، جس کی وجوہات تیل کی بڑھتی ہوئی قیمتیں اور روپے کی گھٹتی ہوئی قدر ہیں۔ مستحکم اشاروں کے نتیجے میں مانیٹری پالیسی کمیٹی تاحال اپنے سابقہ لائحہ عمل پر قائم ہے۔

خارجی رُخ پر تجارتی خسارے میں تشویشناک سطح تک اضافہ ہو گیا۔ کرنٹ اکاؤنٹ کا خسارہ (CAD) برائے ابتدائی 6 ماہ 7.5 بلین ڈالر تھا (YoY 59% اضافہ)۔ پہلی ششماہی 2018ء میں تجارتی خسارہ 14.3 ڈالر تک پہنچ گیا، جو 26% YoY اضافہ ہے۔ نصف اول 2018ء کے دوران درآمدات میں 19% اضافہ ہوا جس کے اسباب پٹرولیم کی درآمدات اور وسعت پذیر اقتصادی اور مالیاتی پالیسی ہیں۔ دوسری جانب ٹیکسٹائل پنچ کے اثرات نے کچھ رفتار پکڑی اور 2018ء کی پہلی ششماہی کے دوران ٹیکسٹائل کی درآمدات میں 8% اضافہ ہوا، لیکن یہ اضافہ بڑھتی ہوئی درآمدات سے پیدا ہونے والی خلیج کو پر کرنے کے لئے ناکافی تھا۔ نتیجتاً، غیر ملکی زرمبادلہ کے ذخائر میں 1.2 بلین ڈالر کمی ہوئی، اگرچہ بین الاقوامی بانڈ مارکیٹ میں 2.5 بلین ڈالر کی گردش ہوئی۔ علاوہ ازیں، امریکی ڈالر کے مقابلے میں روپے کی قدر میں 5% کمی ہوئی، جس سے وسعت پذیر خارجی اکاؤنٹ پر حکومتی توجہ کی ضرورت کی عکاسی ہوتی ہے۔

افراطِ زر میں تمام tenors کے مقابلے میں اضافے کی توقعات بازار زر کے لئے اشارہ تھا۔ سہ ماہانہ ٹی بلز کو سب سے زیادہ ترجیح کیا گیا، جبکہ طویل المیعاد پاکستان انویسٹمنٹ بانڈز (PIBs) سب سے کم مقبول رہے کیونکہ ان کو نیلامی میں مالیاتی اداروں اور بینکوں سے بہت محدود پذیرائی حاصل ہوئی۔

ایکویٹیز مارکیٹ کا جائزہ

پاکستان اسٹاک ایکسچینج (PSX) نے سابقہ سہ ماہی کی اپنی bearish رفتار جاری رکھی اور 2018ء کی دوسری سہ ماہی میں دوبارہ 4.5% منفی منافع دیا۔ اس کے نتیجے میں 2018ء کی پہلی ششماہی اور CY17 کا منافع بالترتیب 13% اور 15% ہو گیا۔ دوسری ششماہی میں بھرپور غیر ملکی فروخت کا مشاہدہ کیا گیا، اور مالی سال کے نصف اول میں غیر ملکی افراد 155 ملین ڈالر کے net فروخت کا رہے۔ اس بھاری فروخت کے خریدار زیادہ تر کارپوریٹ ادارے، بینک اور انشورنس

AUDITOR'S REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDESED INTERIM FINANCIAL INFORMATION

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
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AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Alhamra Islamic Pension Fund** (the Fund) as at 31 December 2017, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim of movement in unit holders' fund and condensed interim cash flow statement and together with the notes forming part thereof (here-in-after referred to as the 'interim financial information'), for the half year ended December 31, 2017. The Pension Fund Manager is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income, for the quarters ended December 21, 2017 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

Scope of Review

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

Conclusion

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


Chartered Accountants

Engagement Partner
Hena Sadiq

Date: February 26, 2018
Karachi

Member of
Deloitte Touche Tohmatsu Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2017

| December 31, 2017 (Un-Audited) | | | | | | |
|-----------------------------------------------------------------------------------------------------|------|----------------------|--------------------|-----------------------|--------------------|-------------------------|
| | | Equity sub fund | Debt sub fund | Money market sub fund | Total | June 30, 2017 (Audited) |
| Assets | Note | ----- (Rupees) ----- | | | | |
| Balances with banks | 5 | 40,959,734 | 77,626,054 | 42,190,226 | 160,776,014 | 92,229,497 |
| Investments (as per condensed interim statement of investments by category) | 6 | 360,177,448 | 125,659,264 | 37,076,700 | 522,913,412 | 637,899,280 |
| Dividend receivable | | 1,918,701 | - | - | 1,918,701 | 2,048,694 |
| Profit receivable | | 198,133 | 2,503,708 | 500,910 | 3,202,751 | 1,730,598 |
| Accrued profit on GOP Ijara Sukuk | | - | 128,265 | 61,288 | 189,553 | - |
| Advances, deposits and other receivable | 7 | 2,811,639 | 226,661 | 121,762 | 3,160,062 | 3,157,078 |
| Advance against Pre-IPO Subscription | | - | 10,000,000 | - | 10,000,000 | - |
| Total assets | | 406,065,655 | 216,143,952 | 79,950,886 | 702,160,493 | 737,065,147 |
| Liabilities | | | | | | |
| Payable to the Pension Fund Manager | 8 | 552,179 | 308,376 | 110,419 | 970,974 | 1,017,983 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 55,150 | 30,839 | 11,004 | 96,993 | 101,808 |
| Fee payable to the Securities and Exchange Commission of Pakistan - annual fee | | 68,484 | 35,090 | 12,493 | 116,067 | 209,171 |
| Accrued expenses and other liabilities | 9 | 16,339,095 | 1,505,485 | 704,452 | 18,549,032 | 6,842,282 |
| Total liabilities | | 17,014,908 | 1,879,790 | 838,368 | 19,733,066 | 8,171,244 |
| Net assets | | 389,050,747 | 214,264,162 | 79,112,518 | 682,427,427 | 728,893,903 |
| Participants' sub funds (as per condensed interim Statement of Movement in Participants' Sub Funds) | | | | | | |
| | | 389,050,747 | 214,264,162 | 79,112,518 | | |
| ----- Number of units ----- | | | | | | |
| Number of units in issue | | 798,159 | 1,092,642 | 447,382 | | |
| ----- (Rupees) ----- | | | | | | |
| Net assets value per unit | | 487.44 | 196.10 | 176.83 | | |


Contingencies and commitments 10

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

**For MCB-Arif Habib Savings and Investments Limited
(Pension Fund Manager)**



Chief Executive Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| Half year ended December 31, 2017 | | | | | Half year ended December 31, 2016 |
|------------------------------------------------------------------------------------------------------------------------|---------------------|------------------|-----------------------|---------------------|-----------------------------------|
| | Equity sub fund | Debt sub fund | Money market sub fund | Total | |
| Note | (Rupees) | | | | |
| Income | | | | | |
| Net capital (loss) / gain on sale of investments | | | | | |
| -available-for-sale | (342,468) | - | - | (342,468) | 43,311,254 |
| -at fair value through profit or loss - held-for-trading | (22,821,104) | (379,291) | (19,560) | (23,219,955) | 399,328 |
| Dividend income on shares | | | | | |
| -available-for-sale | 2,947,937 | - | - | 2,947,937 | 8,766,327 |
| -at fair value through profit or loss - held-for-trading | 7,102,233 | - | - | 7,102,233 | 118,028 |
| Income from Government Securities | | | | | |
| -at fair value through profit or loss - held-for-trading | - | 1,648,424 | 233,124 | 1,881,548 | 4,158,311 |
| Income from sukuk certificates - 'available-for-sale' | - | 651,226 | - | 651,226 | - |
| Profit on bank and other deposits | 955,272 | 3,241,020 | 1,774,088 | 5,970,380 | 2,334,714 |
| Income on commercial paper | - | 2,955 | - | 2,955 | - |
| Unrealised (loss) / gain on revaluation of investments 'at fair value through profit or loss - held-for-trading' - net | (33,828,458) | (330,003) | (14,692) | (34,173,153) | 11,787,154 |
| Total income | (45,986,588) | 4,834,331 | 1,972,960 | (39,179,297) | 70,875,116 |
| Impairment loss on 'available-for-sale' investment | (2,373,525) | - | - | (2,373,525) | - |
| Expenses | | | | | |
| Remuneration of Pension Fund Manager | 3,085,855 | 1,580,575 | 562,619 | 5,229,049 | 4,218,512 |
| Sindh sales tax on remuneration of Pension Fund Manager | 400,999 | 205,474 | 73,140 | 679,613 | 548,397 |
| Remuneration of Central Depository Company Limited - Trustee | 308,480 | 158,066 | 56,265 | 522,811 | 421,853 |
| Sales tax on remuneration of trustee | 40,107 | 20,546 | 7,286 | 67,939 | 54,838 |
| Annual fee - Securities and Exchange Commission of Pakistan (SECP) | 68,524 | 35,115 | 12,518 | 116,157 | 93,700 |
| Auditors' remuneration | 151,701 | 77,841 | 27,704 | 257,246 | 270,902 |
| Custody and settlement charges | 202,398 | 3,390 | - | 205,788 | 165,280 |
| Securities transaction cost | 456,808 | 6,498 | 1,130 | 464,436 | 522,023 |
| Provision for Sindh Workers' Welfare Fund | - | 57,792 | 25,878 | 83,670 | 993,441 |
| Bank charges | 18,119 | 17,274 | 10,693 | 46,086 | 18,967 |
| Donation and charity expense | 124,688 | - | - | 124,688 | 141,162 |
| Total expenses | 4,857,679 | 2,162,571 | 777,233 | 7,797,483 | 7,449,075 |
| Net income from operating activities | (53,217,792) | 2,671,760 | 1,195,727 | (49,350,305) | 63,426,041 |
| Element of income / (loss) and capital gains / (losses) included in prices of units issued less those redeemed - net | 592,146 | 160,035 | 72,242 | 824,423 | 445,226 |
| Net income for the period before taxation | (52,625,646) | 2,831,795 | 1,267,969 | (48,525,882) | 63,871,267 |
| Taxation | - | - | - | - | - |
| Net income for the period after taxation | (52,625,646) | 2,831,795 | 1,267,969 | (48,525,882) | 63,871,267 |
| Earnings per unit | | | | | |

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

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

**For MCB-Arif Habib Savings and Investments Limited
(Pension Fund Manager)**



Chief Executive Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2017

| Quarter ended December 31, 2017 | | | | | Quarter ended December 31, 2016 |
|-----------------------------------------------------------|----------------------|--------------------|-----------------------|--------------------|---------------------------------------|
| | Equity sub fund | Debt sub fund | Money market sub fund | Total | |
| Note | ----- (Rupees) ----- | | | | |
| Income | | | | | |
| Net capital gain / (loss) on sale of investments | | | | | |
| 'available-for-sale' | (1,147,661) | - | - | (1,147,661) | 28,221,521 |
| 'at fair value through profit or loss - held-for-trading' | (14,271,495) | - | - | (14,271,495) | 347,691 |
| Dividend income on shares | | | | | |
| 'available-for-sale' | 1,902,747 | - | - | 1,902,747 | 4,376,797 |
| 'at fair value through profit or loss - held-for-trading' | 4,849,968 | - | - | 4,849,968 | 110,188 |
| Income from Government Securities | | | | | |
| 'at fair value through profit or loss - held-for-trading' | - | (138,735) | (126,585) | (265,320) | 1,969,558 |
| Income from sukuk certificates - 'available-for-sale' | - | 651,226 | - | 651,226 | - |
| Profit on bank and other deposits | 460,868 | 2,371,982 | 1,145,048 | 3,977,898 | 1,398,043 |
| Income on commercial paper | - | 2,955 | - | 2,955 | |
| Unrealised gain on revaluation of investments | | | | | |
| 'at fair value through profit or loss-held-for-trading' | 2,487,394 | 176,541 | 48,854 | 2,712,789 | 11,331,423 |
| Total income | (5,718,179) | 3,063,969 | 1,067,317 | (1,586,893) | 47,755,221 |
| Expenses | | | | | |
| Remuneration of Pension Fund Manager | 11 | 1,471,697 | 800,005 | 285,354 | 2,557,056 |
| Sindh sales tax on remuneration of Pension Fund Manager | | 191,158 | 104,000 | 37,096 | 332,254 |
| Remuneration of Central Depository | | | | | |
| Company Limited - Trustee | | 147,055 | 80,005 | 28,537 | 255,597 |
| Sales tax on remuneration of trustee | 12 | 19,118 | 10,396 | 3,698 | 33,212 |
| Annual fee - Securities and Exchange | | | | | |
| Commission of Pakistan (SECP) | | 32,643 | 17,763 | 6,335 | 56,741 |
| Auditors' remuneration | | 74,029 | 40,245 | 14,348 | 128,622 |
| Custody and settlement charges | | 105,333 | 1,695 | - | 107,028 |
| Securities transaction cost | | 228,090 | - | - | 228,090 |
| Provision for Workers' Welfare Fund | | - | 40,740 | 14,976 | 55,716 |
| Bank charges | | 7,283 | 8,167 | 4,150 | 19,600 |
| Donation and charity expense | | 98,395 | - | - | 98,395 |
| Total expenses | | 2,374,801 | 1,103,016 | 394,494 | 3,872,311 |
| Net income from operating activities | | (8,092,980) | 1,960,953 | 672,823 | (5,459,204) |
| Element of income / (loss) and capital | | | | | |
| gains / (losses) included in prices | | | | | |
| of units issued less those in units redeemed - net | | (103,300) | 34,399 | 61,008 | (7,893) |
| Net income for the period before taxation | | (8,196,280) | 1,995,352 | 733,831 | (5,467,097) |
| Taxation | 12 | - | - | - | - |
| Net income for the period after taxation | | (8,196,280) | 1,995,352 | 733,831 | (5,467,097) |
| | | | | | 43,554,465 |

Earnings per unit


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

For MCB-Arif Habib Savings and Investments Limited (Pension Fund Manager)



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| Half year ended December 31, 2017 | | | | | |
|-----------------------------------------------------------------------------------------|---------------------|------------------|-----------------------------|---------------------|-----------------------------------------|
| | Equity sub fund | Debt sub fund | Money Market sub fund | Total | Half year ended December 31, 2016 |
| Note | (Rupees) | | | | |
| Net income for the period | (52,625,646) | 2,831,795 | 1,267,969 | (48,525,882) | 63,871,267 |
| Other comprehensive income | | | | | |
| Items to be reclassified to profit or loss in subsequent periods | - | - | - | - | - |
| Net unrealised gain on revaluation of available-for-sale investments | 15 (24,150,247) | - | - | (24,150,247) | 76,355,510 |
| Reclassification adjustment on sale / maturity of available- for-sale investments | - | - | - | - | (43,311,254) |
| | (24,150,247) | - | - | (24,150,247) | 33,044,256 |
| Total comprehensive income for the period | (76,775,893) | 2,831,795 | 1,267,969 | (72,676,129) | 96,915,523 |

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

For MCB-Arif Habib Savings and Investments Limited
(Pension Fund Manager)



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31, 2017

| Quarter ended December 31, 2017 | | | | | Quarter ended December 31, 2016 |
|-----------------------------------------------------------------------------------------|---------------------|--------------------------------------|----------------|---------------------|---------------------------------------|
| Equity sub fund | Debt sub fund | Money Market sub fund (Rupees) | Total | | |
| Net income for the period | (8,196,280) | 1,995,352 | 733,831 | (5,467,097) | 43,554,465 |
| Other comprehensive income | | | | | |
| Items to be reclassified to profit or loss in subsequent periods | - | - | - | - | - |
| Net unrealised gain on revaluation of available-for-sale investments | (20,308,950) | - | - | (20,308,950) | 51,485,589 |
| Reclassification adjustment on sale / maturity of available- for-sale investments | - | - | - | - | (28,221,521) |
| | (20,308,950) | - | - | (20,308,950) | 23,264,068 |
| Total comprehensive income for the period | (28,505,230) | 1,995,352 | 733,831 | (25,776,047) | 66,818,533 |

For MCB-Arif Habib Savings and Investments Limited
(Pension Fund Manager)



Chief Executive Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| | Half year ended December 31, 2017 | | | Half year ended December 31, 2016 |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------|-----------------------|-----------------------------------|
| | Equity sub fund | Debt sub fund | Money market sub fund | |
| Note | (Rupees) | | | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Net income before taxation | (52,625,646) | 2,831,795 | 1,267,969 | (48,525,882) |
| 63,871,267 | | | | |
| Adjustments for non cash items: | | | | |
| Net capital loss / (gain) on sale of investments classified as: | | | | |
| 'available-for-sale' | 342,468 | - | - | 342,468 |
| 'at fair value through profit or loss - held-for-trading' | 22,821,104 | 379,291 | 19,560 | 23,219,955 |
| Unrealised loss / (gain) on revaluation of investments 'at fair value through profit or loss - held-for-trading' - net | 33,828,458 | 330,003 | 14,692 | 34,173,153 |
| Impairment loss on 'available-for-sale' investment | 2,373,525 | - | - | 2,373,525 |
| Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed: | | | | |
| arising from capital gain and unrealised gain | (580,178) | (124,789) | (12,148) | (717,115) |
| arising from other income | (11,968) | (35,246) | (60,094) | (107,308) |
| | 58,773,409 | 549,259 | (37,990) | 59,284,678 |
| (55,942,962) | | | | |
| (Increase) / decrease in assets | | | | |
| Investments | (26,068,387) | 68,666,059 | 12,128,848 | 54,726,520 |
| Receivable against sale of Investment | - | - | - | - |
| Dividend receivable | 129,993 | - | - | 129,993 |
| Profit receivable | (41,676) | (1,342,015) | (88,462) | (1,472,153) |
| Accrued profit on GOP Ijara Sukuk | - | (128,265) | (61,288) | (189,553) |
| Deposits and other receivables | (1,957) | (639) | (388) | (2,984) |
| Advance against Pre-IPO Subscription | - | (10,000,000) | - | (10,000,000) |
| | (25,982,027) | 57,195,140 | 11,978,710 | 43,191,823 |
| (11,747,142) | | | | |
| Increase / (decrease) in liabilities | | | | |
| Payable to the Pension Fund Manager | (87,775) | 30,887 | 9,879 | (47,009) |
| Payable to Central Depository | | | | |
| Company of Pakistan Limited - Trustee | (8,876) | 3,099 | 962 | (4,815) |
| Fee payable to the Securities and Exchange | | | | |
| Commission of Pakistan - annual fee | (58,857) | (23,191) | (11,056) | (93,104) |
| Accrued and other liabilities | 11,687,446 | 3,795 | 15,509 | 11,706,750 |
| | 11,531,938 | 14,590 | 15,294 | 11,561,822 |
| 29,552,178 | | | | |
| Cash (used in) / generated from operating activities | (8,302,326) | 60,590,784 | 13,223,983 | 65,512,441 |
| 25,733,341 | | | | |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Receipt of contribution | 36,121,761 | 25,341,679 | 7,726,782 | 69,190,222 |
| Payment made against redemptions | (22,970,958) | (16,706,085) | (2,479,103) | (42,156,146) |
| | 13,150,803 | 8,635,594 | 5,247,679 | 27,034,076 |
| 11,628,224 | | | | |
| Net cash generated from / (used in) financing activities | | | | |
| Net (decrease) / increase in cash and cash equivalent during the period | 4,848,477 | 69,226,378 | 18,471,662 | 92,546,517 |
| 37,361,565 | | | | |
| Cash and cash equivalents at beginning of the period | 36,111,257 | 18,399,676 | 37,718,564 | 92,229,497 |
| 80,398,107 | | | | |
| Cash and cash equivalents at end of the period | 40,959,734 | 87,626,054 | 56,190,226 | 184,776,014 |
| 117,759,672 | | | | |

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

**For MCB-Arif Habib Savings and Investments Limited
(Pension Fund Manager)**



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| | Half year ended December 31, 2017 | | | | Half year ended December 31, 2016 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------|-----------------------|--------------------|-----------------------------------|
| | Equity sub fund | Debt sub fund | Money market sub fund | Total | |
| | (Rupees) | | | | |
| Net assets at the beginning of period | 453,267,983 | 202,956,808 | 72,669,112 | 728,893,903 | 284,601,719 |
| Amount received on issue of units | 36,121,761 | 25,341,679 | 7,726,782 | 69,190,222 | 50,519,329 |
| Amount paid on redemption of units | (22,970,958) | (16,706,085) | (2,479,103) | (42,156,146) | (38,891,105) |
| | 13,150,803 | 8,635,594 | 5,247,679 | 27,034,076 | 11,628,224 |
| Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net | | | | | |
| Amount representing (income) / loss and realised capital (gains) / losses - net: | | | | | |
| arising from capital gain and unrealised gain | (580,178) | (124,789) | (12,148) | (717,115) | (307,025) |
| arising from other income | (11,968) | (35,246) | (60,094) | (107,308) | (138,201) |
| Amount representing unrealised diminution / (appreciation) in fair value of investments | 10,265,621 | 4,030,285 | 2,194,677 | 16,490,583 | (9,886,512) |
| | 9,673,475 | 3,870,250 | 2,122,435 | 15,666,160 | (10,331,738) |
| Net unrealised gain / (loss) during the period in the market value of investments classified as available-for-sale | (24,150,247) | - | - | (24,150,247) | 33,044,256 |
| Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - amount representing unrealised appreciation / (diminution) - net | (10,265,621) | (4,030,285) | (2,194,677) | (16,490,583) | 9,886,512 |
| Net income after taxation for the period | (52,625,646) | 2,831,795 | 1,267,969 | (48,525,882) | 63,871,267 |
| Net assets at the end of period | 389,050,747 | 214,264,162 | 79,112,518 | 682,427,427 | 392,700,240 |

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

For MCB-Arif Habib Savings and Investments Limited
(Pension Fund Manager)



Chief Executive Officer



Director

**CONDENSED INTERIM CONTRIBUTION TABLE (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

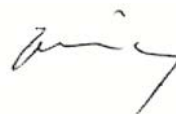
| Contributions net of front end fee | Half year ended December 31, 2017 | | | | | | | Half year ended December 31, 2016 |
|------------------------------------|-----------------------------------|--------------|---------------|--------------|-----------------------|-------------|--------------|-----------------------------------|
| | Equity sub fund | | Debt sub fund | | Money market sub fund | | Total | |
| | Units | Rupees | Units | Rupees | Units | Rupees | | |
| ----- (Rupees) ----- | | | | | | | | |
| Opening balance | 775,229 | 195,417,493 | 1,048,189 | 156,147,798 | 417,574 | 46,490,028 | 398,055,319 | 284,601,719 |
| Individuals | | | | | | | | |
| - issuance of units | 68,238 | 36,121,761 | 133,075 | 25,341,679 | 43,896 | 7,726,782 | 69,190,222 | 50,519,329 |
| - redemption of units | (45,308) | (22,970,958) | (88,622) | (16,706,085) | (14,088) | (2,479,103) | (42,156,146) | (38,891,105) |
| | 22,930 | 13,150,803 | 44,453 | 8,635,594 | 29,808 | 5,247,679 | 27,034,076 | 11,628,224 |
| Closing balance | 798,159 | 208,568,296 | 1,092,642 | 164,783,392 | 447,382 | 51,737,707 | 425,089,395 | 296,229,943 |

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

For MCB-Arif Habib Savings and Investments Limited
(Pension Fund Manager)



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF NUMBER OF UNITS IN ISSUE (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

| | Half year ended December 31, 2017 | | | | Half year ended December 31, 2016 |
|-----------------------------------------------------------|-----------------------------------|------------------|-----------------------------|-----------|-----------------------------------------|
| | Equity sub fund | Debt sub fund | Money market sub fund | Total | |
| | ----- | | No. of units | ----- | |
| Total units outstanding at the beginning of the period | 775,229 | 1,048,189 | 417,574 | 2,240,992 | 1,942,445 |
| Add: Units issued during the period | 68,238 | 133,075 | 43,896 | 245,209 | 167,332 |
| Less: Units redeemed during the period | (45,308) | (88,622) | (14,088) | (148,018) | (154,869) |
| Total units in issue at the end of the period | 798,159 | 1,092,642 | 447,382 | 2,338,183 | 1,954,908 |

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

For MCB-Arif Habib Savings and Investments Limited
(Pension Fund Manager)



Chief Executive Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** The Alhamra Islamic Pension Fund (the Fund) (Formerly: Pakistan Islamic Pension Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as Pension Fund Manager and Muslim Commercial Financial Services (Private) Limited (MCFSL) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 24, 2007 and was executed on June 04, 2007 under the Voluntary Pension System Rules, 2005 (the VPS Rules). Habib Metropolitan Bank Limited (HMBL) was appointed as the new Trustee in place of MCFSL through a revised Trust Deed dated June 16, 2011 which was approved by SECP on July 07, 2011. Central Depository Company of Pakistan Limited was appointed as the new Trustee in place of HMBL through a revised Trust Deed dated July 21, 2014 which was approved by SECP on July 23, 2014.
- 1.2** ALHIPF is an open-end pension fund consisting of three sub-funds namely ALHIPF Equity Sub-Fund, ALHIPF Debt Sub-Fund and ALHIPF Money Market Sub-Fund. Units are offered for public subscription on a continuous basis. The number of units of any sub-fund purchased out of contributions depends on the Allocation Scheme selected by the respective Participant out of the allocation schemes offered by the Pension Fund Manager.
- 1.3** MCB-Arif Habib Savings and Investments Limited has been licensed to act as a Pension Fund Manager under the VPS Rules through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 24th Floor, Centre Point, Off. Shaheed-e-Millat Expressway, Near KPT Interchange, Karachi, Pakistan.
- 1.4** Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM2++' dated December 28, 2017.

2. STATEMENT OF COMPLIANCE

- 2.1** These condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34: 'Interim Financial Reporting', the Trust Deed, the VPS Rules and the directives issued by SECP. Wherever, the requirements of the Trust Deed, the VPS Rules or the said directives differ with the requirements of IFRS, the requirements of the Trust Deed, the VPS Rules or the said directives take precedence.
- 2.2** These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2017.
- 2.3** These condensed interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarters ended December 31, 2017 and December 31, 2016 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.
- 2.4** These condensed interim financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Fund and has been rounded off to the nearest rupee.
- 2.5** The directors of the Management Company declare that this condensed interim financial information give a true and fair view of the fund.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017.

4. FINANCIAL RISK MANAGEMENT

The Fund's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2017.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

| | | As at December 31, 2017 (Un-Audited) | | | | As at June 30, 2017 (Audited) |
|-------------------------------|------|--------------------------------------|---------------|-----------------------------|-------------|-------------------------------------|
| | Note | Equity sub fund | Debt sub fund | Money market sub fund | Total | |
| | | ----- (Rupees) ----- | | | | |
| 5. BALANCES WITH BANKS | | | | | | |
| Current accounts | | 586,608 | 12,500 | 12,500 | 611,608 | 1,177,652 |
| Savings accounts | 5.1 | 40,373,126 | 77,613,554 | 42,177,726 | 160,164,406 | 91,051,845 |
| | | 40,959,734 | 77,626,054 | 42,190,226 | 160,776,014 | 92,229,497 |

5.1 Saving accounts carry a rate of return ranging from 2.95% to 6.6% per annum (June 30, 2017: 5% to 6.25% per annum).

6. INVESTMENTS

| | | December 31, 2017 (Un-Audited) | | | | June 30, 2017 (Audited) |
|----------------------------------------------------------------|------|--------------------------------|---------------|-----------------------------|-------------|----------------------------|
| | Note | Equity sub fund | Debt sub fund | Money market sub fund | Total | |
| | | ----- (Rupees) ----- | | | | |
| At fair value through profit or loss - held-for-trading | | | | | | |
| Listed equity securities | 6.1 | 242,630,254 | - | - | 242,630,254 | 257,421,483 |
| Government Ijarah Sukuks | 6.2 | - | 60,929,550 | 9,076,700 | 70,006,250 | 162,062,000 |
| Sukuk Certificates | 6.3 | - | 16,906,078 | - | 16,906,078 | 12,212,417 |
| | | 242,630,254 | 77,835,628 | 9,076,700 | 329,542,582 | 431,695,900 |
| Available for sale | | | | | | |
| Listed equity securities | 6.4 | 117,547,194 | - | - | 117,547,194 | 160,203,380 |
| Loans and receivables | | | | | | |
| Musharika Certificates | 6.5 | - | 43,000,000 | 28,000,000 | 71,000,000 | 46,000,000 |
| Commercial paper | 6.6 | - | 4,823,636 | - | 4,823,636 | - |
| | | - | 47,823,636 | 28,000,000 | 75,823,636 | |
| | | 360,177,448 | 125,659,264 | 37,076,700 | 522,913,412 | 637,899,280 |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

6.1 Listed equities securities at fair value through profit or loss

| Name of the Investee Company | As at July 01, 2017 | Purchases during the period | Bonus / right issue during the period | Sale during the period | As at December 31, 2017 | As at December 31, 2017 | | | Market value as a % of net assets of the sub- fund | % of paid- up capital of the investee company | |
|-------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------|---------------------------------------------|---------------------------------|-------------------------------|-------------------------|--------------|--------------------------------|----------------------------------------------------------------|-----------------------------------------------------------|---|
| | | | | | | (Rupees) | | | | | % |
| | | | | | | Carrying value | Market value | Appreciation / (diminution) | | | |
| Shares of listed companies - fully paid ordinary shares of Rs . 10 each unless stated otherwise | | | | | | | | | | | |
| Automobile Assembler | | | | | | | | | | | |
| Ghandhara Industries Ltd | 5,000 | 5,450 | - | - | 10,450 | 6,857,290 | 5,769,236 | (1,088,054) | 1.48 | 0.05 | |
| Honda Atlas Cars (Pakistan) Limited | 8,050 | - | - | 8,050 | - | - | - | - | - | 0.00 | |
| Pak Suzuki Motor Company Limited | 6,000 | 10,500 | - | 6,000 | 10,500 | 5,326,670 | 5,226,585 | (100,085) | 1.34 | 0.01 | |
| | | | | | | 12,183,960 | 10,995,821 | (1,188,139) | 2.82 | | |
| Automobile Parts & Accessories | | | | | | | | | | | |
| General Tyre & Rubber Co | 17,500 | 9,500 | - | - | 27,000 | 8,013,900 | 5,084,100 | (2,929,800) | 1.31 | 0.05 | |
| Cable & Electrical Goods | | | | | | | | | | | |
| Pak Elektron Limited | 79,000 | 55,000 | - | - | 134,000 | 11,430,280 | 6,363,660 | (5,066,620) | 1.64 | 0.03 | |
| Cement | | | | | | | | | | | |
| Cherat Cement Company Limited | 57,400 | - | - | 57,400 | - | - | - | - | - | 0.00 | |
| Fauji Cement Company Limited | 204,000 | - | - | 200,000 | 4,000 | 164,120 | 100,040 | (64,080) | 0.03 | 0.00 | |
| Kohat Cement Limited | 40,000 | 30,000 | - | - | 70,000 | 13,321,245 | 9,937,200 | (3,384,045) | 2.55 | 0.05 | |
| Lucky Cement Limited | 32,700 | 19,000 | - | 19,000 | 32,700 | 24,010,711 | 16,919,307 | (7,091,404) | 4.35 | 0.01 | |
| Maple Leaf Cement Factory Limited | 91,000 | 100,000 | - | 191,000 | - | - | - | - | - | 0.00 | |
| Pioneer Cement Limited | 72,500 | - | - | 72,500 | - | - | - | - | - | 0.00 | |
| | | | | | | 37,496,076 | 26,956,547 | (10,539,529) | 6.93 | | |
| Commercial Banks | | | | | | | | | | | |
| Meezan Bank Limited | 63,000 | 102,500 | 5,250 | - | 170,750 | 12,766,499 | 11,457,325 | (1,309,174) | 2.94 | 0.02 | |
| Engineering | | | | | | | | | | | |
| Crescent Steel & Allied Products | - | 52,000 | - | 20,000 | 32,000 | 6,715,000 | 4,073,920 | (2,641,080) | 1.05 | 0.04 | |
| International Industries Ltd | 37,000 | 14,400 | - | 8,000 | 43,400 | 15,486,732 | 10,420,774 | (5,065,958) | 2.68 | 0.04 | |
| | | | | | | 22,201,732 | 14,494,694 | (7,707,038) | 3.73 | | |
| Fertilizer | | | | | | | | | | | |
| Engro Fertilizers Limited | - | 211,000 | - | - | 211,000 | 13,427,530 | 14,288,920 | 861,390 | 3.67 | 0.02 | |
| Engro Corporation Limited | 87,800 | 110,000 | - | 59,400 | 138,400 | 38,064,886 | 38,025,400 | (39,486) | 9.77 | 0.03 | |
| | | | | | | 51,492,416 | 52,314,320 | 821,904 | 13.44 | | |
| Glass & Ceramics | | | | | | | | | | | |
| Shabbir Tiles & Ceramics Ltd | 280,000 | - | - | - | 280,000 | 5,367,600 | 4,124,400 | (1,243,200) | 1.06 | 0.17 | |
| Tariq Glass Industries | 80,000 | - | - | - | 80,000 | 8,860,800 | 7,599,200 | (1,261,600) | 1.95 | 0.11 | |
| | | | | | | 14,228,400 | 11,723,600 | (2,504,800) | 3.01 | | |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

| Name of the Investee Company | As at July 01, 2017 | Purchases during the period | Bonus / right issue during the period | Sale during the period | As at December 31, 2017 | As at December 31, 2017 | | | Market value as a % of net assets of the sub-fund | % of paid-up capital of the investee company |
|---------------------------------------------|---------------------|-----------------------------|---------------------------------------|------------------------|-------------------------|-------------------------|--------------------|-----------------------------|---------------------------------------------------|----------------------------------------------|
| | | | | | | Carrying value | Market value | Appreciation / (diminution) | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Leather & Tanneries | | | | | | | | | | |
| Service Industries Limited | 2,500 | - | - | 2,500 | - | - | - | - | - | 0.00 |
| Oil & Gas Exploration Companies | | | | | | | | | | |
| Mari Petroleum Company Limited | 400 | - | - | - | 400 | 630,256 | 580,348 | (49,908) | 0.15 | 0.00 |
| Oil and Gas Development Company Limited | 27,000 | 119,200 | - | 40,000 | 106,200 | 15,821,728 | 17,288,298 | 1,466,570 | 4.44 | 0.00 |
| Pakistan Oilfields Limited | 17,000 | 18,950 | - | 8,000 | 27,950 | 13,041,874 | 16,609,567 | 3,567,693 | 4.27 | 0.01 |
| Pakistan Petroleum Limited | 79,203 | 39,000 | - | 20,000 | 98,203 | 15,506,281 | 20,220,980 | 4,714,699 | 5.20 | 0.00 |
| | | | | | | 45,000,139 | 54,699,193 | 9,699,054 | 14.06 | |
| Oil And Gas Marketing Companies | | | | | | | | | | |
| Sui Northern Gas Pipeline Limited | - | 148,500 | - | 145,000 | 3,500 | 510,973 | 331,135 | (179,838) | 0.09 | 0.00 |
| Paper And Board | | | | | | | | | | |
| Century Paper & Board Mills | 111,500 | - | - | - | 111,500 | 10,932,575 | 6,927,495 | (4,005,080) | 1.78 | 0.08 |
| Cherat Packaging Packages Limited | 19,500 | - | 2,633 | - | 22,133 | 4,965,835 | 4,404,467 | (561,368) | 1.13 | 0.07 |
| | 50 | 13,800 | - | - | 13,850 | 9,140,779 | 7,061,146 | (2,079,633) | 1.81 | 0.02 |
| | | | | | | 25,039,189 | 18,393,108 | (6,646,081) | 4.72 | |
| Pharmaceuticals | | | | | | | | | | |
| GlaxoSmithKline (Pakistan) Limited | 22,000 | - | - | 22,000 | - | - | - | - | - | 0.00 |
| IBL HealthCare Limited | 4,324 | - | 432 | - | 4,756 | 527,528 | 409,016 | (118,512) | 0.11 | 0.01 |
| The Searle Company Limited | 6,600 | 15,000 | 1,320 | - | 22,920 | 8,346,057 | 7,216,591 | (1,129,466) | 1.85 | 0.01 |
| | | | | | | 8,873,585 | 7,625,607 | (1,247,978) | 1.96 | |
| Power Generation & Distribution | | | | | | | | | | |
| Hub Power Company Limited | 268,984 | - | - | 150,000 | 118,984 | 13,972,343 | 10,827,544 | (3,144,799) | 2.78 | 0.01 |
| Refinery | | | | | | | | | | |
| Attock Refinery Limited | - | 30,000 | - | - | 30,000 | 7,728,622 | 7,023,600 | (705,022) | 1.81 | 0.04 |
| Sugar & Allied Industries | | | | | | | | | | |
| Faran Sugar Mills Limited | 33,500 | - | - | - | 33,500 | 2,688,710 | 2,177,500 | (511,210) | 0.56 | 0.13 |
| Technology & Communications | | | | | | | | | | |
| Avanceon Limited | 62,500 | - | - | - | 62,500 | 2,831,875 | 2,162,500 | (669,375) | 0.56 | 0.05 |
| As at December 31, 2017 (Un-Audited) | | | | | | <u>276,458,699</u> | <u>242,630,254</u> | <u>(33,828,445)</u> | | |
| As at June 30, 2017 (Audited) | | | | | | <u>261,796,333</u> | <u>257,421,483</u> | <u>(4,374,850)</u> | | |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

6.2 Government ijarah sukuk at fair value through profit or loss

| Name of Investment | Issue date | Maturity date | Face value | | | As at December 31, 2017 | | | Market value as a % of net asset of the sub fund |
|--------------------|------------|---------------|---------------------|-----------------------------|--------------------------------------|-------------------------|----------------|--------------|--------------------------------------------------|
| | | | As at July 01, 2017 | Purchases during the period | Sales / maturities during the period | As at December 31, 2017 | Carrying value | Market value | |
| | | | | | | | | | |
| (Rupees) | | | | | | | | | |
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6.2.1 Government Ijarah Sukuks (3 years) - 'Debt Sub Fund'

| | | | | | | | | | | |
|---------------------------------------|-----------|-----------|--------------------|------------|-------------------|-------------------|-------------------|-------------------|------------------|--------|
| GoP Ijarah sukuk XVIII | 18-Dec-15 | 18-Dec-18 | 68,000,000 | - | 7,500,000 | 60,500,000 | 61,289,881 | 60,929,550 | (360,331) | 28.44% |
| GoP Ijarah sukuk XXX | 30-Jun-17 | 30-Jun-20 | 70,000,000 | - | 70,000,000 | - | - | - | - | - |
| December 31, 2017 (Un-Audited) | | | 138,000,000 | - | 77,500,000 | 60,500,000 | 61,289,881 | 60,929,550 | (360,331) | |
| June 30, 2017 (Audited) | | | 145,200,000 | 74,500,000 | 81,700,000 | 138,000,000 | 138,469,916 | 139,822,200 | 1,352,284 | |

| Name of Investment | Issue date | Maturity date | Face value | | | As at December 31, 2017 | | | Market value as a % of net asset of the sub fund |
|--------------------|------------|---------------|---------------------|-----------------------------|--------------------------------------|-------------------------|----------------|--------------|--------------------------------------------------|
| | | | As at July 01, 2017 | Purchases during the period | Sales / maturities during the period | As at December 31, 2017 | Carrying value | Market value | |
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6.2.2 Government Ijarah Sukuks (3 years) - 'Money Market Sub-fund'

| | | | | | | | | | | |
|---------------------------------------|-----------|-----------|-------------------|-------------------|-------------------|------------------|------------------|------------------|-----------------|-------|
| GoP Ijarah sukuk | 15-Feb-16 | 15-Feb-19 | - | 2,000,000 | - | 2,000,000 | 2,000,000 | 2,027,000 | 27,000 | 2.56% |
| GoP Ijarah sukuk XVIII | 18-Dec-15 | 18-Dec-18 | 7,000,000 | - | - | 7,000,000 | 7,091,391 | 7,049,700 | (41,691) | 8.91% |
| GoP Ijarah sukuk XXX | 30-Jun-17 | 30-Jun-20 | 15,000,000 | 10,000,000 | 25,000,000 | - | - | - | - | - |
| December 31, 2017 (Un-Audited) | | | 22,000,000 | 12,000,000 | 25,000,000 | 9,000,000 | 9,091,391 | 9,076,700 | (14,691) | |
| June 30, 2017 (Audited) | | | 26,300,000 | 20,000,000 | 24,300,000 | 22,000,000 | 22,049,623 | 22,239,800 | 190,177 | |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

6.3 Sukuk certificates at fair value through profit or loss

| Name of Investment | Issue date | Number of certificates | | | Balance as at December 31, 2017 | | | Market value as % of net assets of the sub-fund | Market value as % of total Investments | Percentage in relation to the total size of the issue | |
|--------------------------------|------------|------------------------|---------------------------|--------------------------------|---------------------------------|------------|--------------|-------------------------------------------------|----------------------------------------|-------------------------------------------------------|-----------------------------|
| | | As at July 01, 2017 | Purchases during the year | Sale / matured during the year | As at December 31, 2017 | Cost | Market value | | | | Appreciation / (diminution) |
| | | | | | | | | | | | |
| Rupees | | | | | | | | | | | |
| Ghani Gases Limited | 2-Feb-17 | 40 | - | - | 40 | 3,535,000 | 3,511,312 | (23,688) | 1.64% | 2.79% | 0.27% |
| Meezan Bank Limited | 22-Sep-16 | 8 | - | - | 8 | 8,340,752 | 8,306,901 | (33,851) | 3.88% | 6.61% | 0.11% |
| Dubai Islamic Bank Limited | 14-Jul-17 | - | 5 | - | 5 | 5,000,000 | 5,087,865 | 87,865 | 2.37% | 4.05% | 0.13% |
| December 31, 2017 (Un-Audited) | | | | | | 16,875,752 | 16,906,078 | 30,326 | 7.89% | 13.45% | |
| | | | | | | | | | | | |
| June 30, 2017 (Audited) | | | | | | 12,177,333 | 12,212,417 | 35,084 | | | |

6.4 Listed equity securities - available for sale

| Name of the Investee Company | As at July 01, 2017 | Purchases during the period | Bonus / right issue during the period | Sale during the period | As at December 31, 2017 | As at December 31, 2017 | | Market value as a % of net assets of the sub-fund | % of paid-up capital of the investee company |
|-------------------------------------------------------------------------------------------------|---------------------|-----------------------------|---------------------------------------|------------------------|-------------------------|-------------------------|-----------------------------|---------------------------------------------------|----------------------------------------------|
| | | | | | | Cost | Appreciation / (diminution) | | |
| (Number of shares) | | | | | | | | | |
| (Rupees) | | | | | | | | | |
| % | | | | | | | | | |
| Shares of listed companies - fully paid ordinary shares of Rs . 10 each unless stated otherwise | | | | | | | | | |
| Automobile assembler | | | | | | | | | |
| Honda Atlas Cars (Pakistan) Limited | 2,800 | - | - | 2,800 | - | - | - | - | 0.00 |
| HinoPak Motors Limited | 6,200 | - | - | 360 | 5,840 | 5,707,422 | 5,986,000 | 278,578 | 0.05 |
| Pak Suzuki Motor Company Limited | - | 8,400 | - | - | 8,400 | | | - | 0.01 |
| | | | | | | 5,707,422 | 5,986,000 | 278,578 | 1.54 |
| Automobile Parts & Accessories | | | | | | | | | |
| Agriaautos Industries Limited | 18,900 | - | - | - | 18,900 | 5,184,858 | 6,010,578 | 825,720 | 1.54 |
| (Face value Rs. 5 per share) | 10,400 | - | - | - | 10,400 | 6,409,979 | 5,035,368 | (1,374,611) | 1.29 |
| Atlas Battery Limited | | | | | | 11,594,837 | 11,045,946 | (548,891) | 2.83 |
| Cable and electrical goods | | | | | | | | | |
| Pak Elektron Limited | 48,000 | - | - | - | 48,000 | 3,278,434 | 2,279,520 | (998,914) | 0.59 |
| Cement | | | | | | | | | |
| Cherat Cement Company Limited | 39,500 | - | - | 39,500 | - | | | - | 0.00 |
| Lucky Cement Limited | 7,700 | - | - | - | 7,700 | 4,397,265 | 3,984,057 | (413,208) | 1.02 |
| | | | | | | 4,397,265 | 3,984,057 | (413,208) | 1.02 |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

| Name of the Investee Company | As at July 01, 2017 | Purchases during the period | Bonus / right issue during the period | Sale during the period | As at December 31, 2017 | As at December 31, 2017 | | | Market value as a % of net assets of the sub-fund | % of paid-up capital of the investee company |
|-------------------------------------------------------|---------------------|-----------------------------|---------------------------------------|------------------------|-------------------------|-------------------------|--------------|-----------------------------|---------------------------------------------------|----------------------------------------------|
| | | | | | | Cost | Market value | Appreciation / (diminution) | | |
| ----- (Number of shares) ----- (Rupees) ----- % ----- | | | | | | | | | | |
| Chemicals | | | | | | | | | | |
| Archroma Pakistan Limited | 9,500 | - | - | - | 9,500 | 4,326,159 | 5,025,500 | 699,341 | 1.29 | 0.03 |
| I.C.I. Pakistan Limited | 4,000 | - | - | - | 4,000 | 1,667,313 | 3,071,800 | 1,404,487 | 0.79 | 0.00 |
| | | | | | | 5,993,472 | 8,097,300 | 2,103,828 | 2.08 | |
| Commercial Banks | | | | | | | | | | |
| Meezan Bank Limited | 7,000 | - | 420 | - | 7,420 | 384,022 | 497,882 | 113,860 | 0.13 | 0.00 |
| Textile Composite | | | | | | | | | | |
| Kohinoor Textile Mills Ltd | 99,500 | - | 5,970 | - | 105,470 | 7,867,999 | 6,987,388 | (880,611) | 1.80 | 0.04 |
| Leather & Tanneries | | | | | | | | | | |
| Service Industries Limited | 3,700 | - | - | 3,700 | - | - | - | - | - | 0.00 |
| Miscellaneous | | | | | | | | | | |
| Shifa International Hospitals Limited | 29,951 | - | - | - | 29,951 | 8,082,032 | 8,985,300 | 903,268 | 2.31 | 0.05 |
| Oil & Gas Exploration Companies | | | | | | | | | | |
| Mari Petroleum Company Limited | 13,200 | - | - | - | 13,200 | 11,132,225 | 19,151,484 | 8,019,259 | 4.92 | 0.01 |
| Oil and Gas Development Company Limited | 87,500 | - | - | - | 87,500 | 12,518,940 | 14,244,125 | 1,725,185 | 3.66 | 0.00 |
| Pakistan Oilfields Limited | 16,000 | - | - | - | 16,000 | 4,822,872 | 9,508,160 | 4,685,288 | 2.44 | 0.01 |
| Pakistan Petroleum Limited* | 42,470 | - | - | - | 42,470 | 6,742,363 | 8,744,998 | 2,002,635 | 2.25 | 0.00 |
| | | | | | | 35,216,400 | 51,648,767 | 16,432,367 | 13.27 | |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

| Name of the Investee Company | As at July 01, 2017 | Purchases during the period | Bonus / right issue during the period | Sale during the period | As at December 31, 2017 | As at December 31, 2017 | | | Market value as a % of net assets of the sub-fund | % of paid-up capital of the investee company |
|---------------------------------------------|---------------------|-----------------------------|---------------------------------------|------------------------|-------------------------|-------------------------|--------------|-----------------------------|---------------------------------------------------|----------------------------------------------|
| | | | | | | Cost | Market value | Appreciation / (diminution) | | |
| (Rupees) | | | | | | | | | | |
| (Number of shares) | | | | | | | | | | |
| | | | | | | | | | | |
| Pharmaceuticals | | | | | | | | | | |
| Glaxosmithkline Consumer Health | 3,750 | - | - | - | 3,750 | 232,523 | 1,216,088 | 983,565 | 0.31 | 0.00 |
| Abbot Laboratories (Pakistan) Limited | 9,050 | - | - | - | 9,050 | 5,958,005 | 6,313,371 | 355,366 | 1.62 | 0.02 |
| IBL HealthCare Limited | 683 | - | 68 | - | 751 | 67,624 | 64,584 | (3,040) | 0.02 | 0.00 |
| The Searle Company Limited | 858 | - | 171 | - | 1,029 | 272,195 | 323,991 | 51,796 | 0.08 | 0.00 |
| | | | | | | 6,530,347 | 7,918,034 | 1,387,687 | 1.72 | |
| Power generation and distribution | | | | | | | | | | |
| Hub Power Company Limited* | 66,500 | - | - | - | 66,500 | 7,205,516 | 6,051,500 | (1,154,016) | 1.56 | 0.01 |
| Technology & Communications | | | | | | | | | | |
| Avanceon Limited | 117,500 | 94,000 | - | - | 211,500 | 3,248,781 | 4,065,500 | 816,719 | 1.04 | 0.20 |
| As at December 31, 2017 (Un-Audited) | | | | | | | | | | |
| | | | | | | 99,506,527 | 117,547,194 | 18,040,667 | | |
| As at June 30, 2017 (Audited) | | | | | | | | | | |
| | | | | | | 222,431,616 | 160,203,380 | (62,228,236) | | |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

6.5.1 Musharika certificates - loans receivables - Debt Sub Fund

| Particulars | Mark - up rate | Issue Date | Maturity Date | As at December 31, 2017 --(Rupees)-- | Market value as a percentage of net assets | Market value as a percentage of total investments |
|---------------------------------------------------|----------------|-------------|---------------|-----------------------------------------|--------------------------------------------------|------------------------------------------------------------|
| Dubai Islamic Bank Limited | 6.00% | 30-Mar-2017 | 30-Mar-2018 | 33,000,000 | 15.40% | 26.26% |
| Askari Bank Limited | 5.51% | 8-Dec-2017 | 8-Jan-2018 | 10,000,000 | 4.67% | 7.96% |
| Total as at December 31, 2017 (Un-Audited) | | | | <u>43,000,000</u> | | |
| Total as at June 30, 2017 (Audited) | | | | <u>33,000,000</u> | | |

6.5.2 Musharika certificates - loans receivables - Money Market Sub Fund

| Particulars | Mark - up rate | Issue Date | Maturity Date | As at December 31, 2017 --(Rupees)-- | Market value as a percentage of net assets | Market value as a percentage of total investments |
|---------------------------------------------------|----------------|-------------|---------------|-----------------------------------------|--------------------------------------------------|------------------------------------------------------------|
| Dubai Islamic Bank Limited | 6.00% | 26-Sep-2017 | 25-Mar-2018 | 14,000,000 | 17.70% | 37.76% |
| Askari Bank Limited | 5.51% | 8-Dec-2017 | 8-Jan-2018 | 14,000,000 | 17.70% | 37.76% |
| Total as at December 31, 2017 (Un-Audited) | | | | <u>28,000,000</u> | | |
| Total as at June 30, 2017 (Audited) | | | | <u>13,000,000</u> | | |

6.6 Commercial Paper - Loans and receivables- Debt Sub Fund

| Name of Investment | Issue date | Face value | | | As at December 31, 2017 | | | Market value as a % of net asset of the sub fund |
|---------------------------------------------------|-------------|---------------------|--------------------------------|-----------------------------------------------|-------------------------------|-------------------|-------------------------------|--------------------------------------------------------|
| | | As at July 01, 2017 | Purchases during the period | Sales / maturities during the period | As at December 31, 2017 | Carrying value | Appreciation/(di minution) | |
| Hascol Petroleum Limited | 29-Dec-2017 | - | 4,820,681 | - | 4,820,681 | 4,820,681 | 4,823,636 | 6.10% |
| Total as at December 31, 2017 (Un-Audited) | | - | 4,820,681 | - | 4,820,681 | 4,820,681 | 4,823,636 | |
| June 30, 2017 (Audited) | | - | - | - | - | - | - | |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

7. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

| | As at December 31, 2017 (Un-Audited) | | | | As at June 30, 2017 (Audited) |
|----------------------------------------------------|--------------------------------------|----------------|-----------------------------------------|------------------|-------------------------------------|
| | Equity sub fund | Debt sub fund | Money market sub fund (Rupees) | Total | |
| Security deposit | | | | | |
| - Central Depository Company of Pakistan | 201,000 | 200,000 | 100,000 | 501,000 | 501,000 |
| - National Clearing Company of Pakistan Limited | 2,500,000 | - | - | 2,500,000 | 2,500,000 |
| Advance tax | 91,989 | 10,161 | 5,253 | 107,403 | 50,302 |
| Other receivables | 18,650 | 16,500 | 16,509 | 51,659 | 105,776 |
| | 2,811,639 | 226,661 | 121,762 | 3,160,062 | 3,157,078 |

8. PAYABLE TO PENSION FUND MANAGER

| | As at December 31, 2017 (Un-Audited) | | | | As at June 30, 2017 (Audited) |
|--------------------------------------------------------|--------------------------------------|----------------|-----------------------------------------|----------------|-------------------------------------|
| | Equity sub fund | Debt sub fund | Money market sub fund (Rupees) | Total | |
| Remuneration payable | 488,799 | 272,899 | 97,718 | 859,416 | 900,872 |
| Sindh sales tax payable on Pension Fund Manager fee | 63,380 | 35,477 | 12,701 | 111,558 | 117,111 |
| | 552,179 | 308,376 | 110,419 | 970,974 | 1,017,983 |

9. ACCRUED EXPENSES AND OTHER LIABILITIES

| | Note | As at December 31, 2017 (Un-Audited) | | | | As at June 30, 2017 (Audited) |
|---------------------------------------------------------------------------|------|--------------------------------------|------------------|-----------------------------------------|-------------------|-------------------------------------|
| | | Equity sub fund | Debt sub fund | Money market sub fund (Rupees) | Total | |
| Federal Excise Duty payable on remuneration of Pension Fund Manager | 9.1 | 1,450,564 | 1,031,540 | 548,228 | 3,030,332 | 3,030,332 |
| Donation / charity | | 124,685 | - | - | 124,685 | 221,999 |
| Audit fee | | 148,968 | 85,672 | 35,647 | 270,287 | 389,041 |
| Withholding tax payable | | 23,968 | 9,202 | 1,003 | 34,173 | 161,381 |
| Provision for Sindh Workers' Welfare Fund | 9.2 | 2,350,689 | 379,071 | 119,574 | 2,849,334 | 2,765,664 |
| Brokerage payable | | 128,872 | - | - | 128,872 | 273,865 |
| Payable against purchase of investments | | 12,111,349 | - | - | 12,111,349 | - |
| | | 16,339,095 | 1,505,485 | 704,452 | 18,549,032 | 6,842,282 |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

9.1 Provision for Federal Excise Duty

The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Pension Fund Manager of the Fund are already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Pension Fund Manager is of the view that further levy of FED was not justified.

On September 04, 2013, a constitutional petition was filed in Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustee, challenging the levy of FED.

The Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' to the Constitution. The management is however of the view that since the Federal government still has a right to appeal against the order, the previous balance of FED cannot be reversed.

Further, the Federal Government vide Finance Act, 2016 has excluded asset management companies and other non banking finance companies from charge of FED on their services.

In view of the pending decision and as a matter of prudence, the Management Company of the Fund has made a provision for FED in the books of account of the Fund with effect from June 13, 2013 to June 30, 2015. The aggregate balance of FED provision as on December 31, 2017 was Rs.1.45 million for Equity sub fund, Rs.1.03 million for Debt sub fund and Rs.0.55 million for Money Market sub fund. The impact of decrease in NAV per unit is Rs.1.82 for Equity sub fund, Rs.0.94 for Debt sub fund and Rs.1.23 for Money Market sub fund as at December 31, 2017.

9.2 Provision for Sindh Workers' Welfare Fund

The Supreme Court passed a judgment on November 10, 2016, which upheld the view of Lahore High Court, declaring the insertion of amendments through Finance Acts 2006 and 2008 pertaining to Workers Welfare Fund (WWF) as unlawful and there by striking down the amendments introduced through these Finance Acts. The Federal Board of Revenue has filed a petition in the Supreme Court against the said judgment, which is pending hearing.

Mutual Fund Association of Pakistan (MUFAP), on behalf of all Asset Management Companies (AMCs), obtained a legal opinion dated December 5, 2016 according to which there is no basis in law to claim WWF payments from the mutual funds under the WWF Ordinance. After deliberating the position, The Mutual Fund Association of Pakistan (MUFAP) decided that the provision for WWF held for the period from January 1, 2013 to June 30, 2015 be reversed effective January 12, 2017. The provision amounted to Rs. 3.39 million in case of Equity sub-fund, Rs. 0.4 million in case of Debt sub-fund and Rs. 0.19 million in case of Money Market sub-fund. This has resulted in an increase in NAV per unit of Rs. 5.05 in case of Equity sub Fund, Rs. 0.45 per unit in case of Debt sub Fund and Rs. 0.46 per unit in case of Money Market on January 12, 2017. Had this reversal been recognized on December 31, 2017, the NAV per unit of the Fund would have been higher by Rs. 2.95 per unit in case of Equity sub Fund, Rs. 0.35 million in case of Debt sub Fund and Rs. 0.27 in case of Money Market sub Fund.

Furthermore, in January 2016, the Sindh Revenue Board (SRB) had written mutual funds to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. MUFAP reviewed the issue and based on an opinion dated August 2016 decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB on November 11, 2016 responded back that as mutual funds are included in definition of financial institutions in The Financial Institutions (Recovery of Finance) Ordinance, 2001, SWWF is payable by them. MUFAP has taken up the matter with the Ministry of Finance, Sindh to have mutual funds excluded from SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, decided to provide for SWWF with effect from May 21, 2015, while the efforts to exclude mutual funds for SWWF continue. The provision made for SWWF on January 12, 2017, amounted to Rs. 1.7 million in case of Equity sub Fund, Rs. 0.24 million in case of Debt sub Fund and Rs. 0.07 million in case of Money Market sub fund.

10. CONTINGENCIES AND COMMITMENTS

- 10.1 There were no contingencies and commitments outstanding as at December 31, 2017 (June 30, 2017: Nil) except as disclosed in note 9.1 and 9.2 respectively.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

11. REMUNERATION OF PENSION FUND MANAGER

This represents remuneration of the Pension Fund Manager at the rate of 1.5 percent of the average amount of net assets of each sub-fund calculated during the year for determining the prices of units of the sub-funds.

12. TAXATION

The income of Alhamra Islamic Pension Fund is exempt from tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Despite the exemption is available under the clause, minimum tax at the rate 1% of turnover was chargeable under Section 113 of the Income Tax Ordinance, 2001. Further through Finance Act, 2011, effective from July 01, 2011, pension funds are included in the list of entities on which the provisions of section 113 regarding minimum tax shall not apply.

13. EARNINGS PER UNIT

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

14. CASH AND CASH EQUIVALENTS

| | December 31, 2017 (Un-audited) | | | | |
|----------------------------------|--------------------------------|---------------|-----------------------|-------------|-------------------------|
| | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | June 30, 2017 (Audited) |
| | ----- (Rupees) ----- | | | | |
| Current accounts | 586,608 | 12,500 | 12,500 | 611,608 | 1,177,652 |
| Savings accounts | 40,373,126 | 77,613,554 | 42,177,726 | 160,164,406 | 91,051,845 |
| Musharika certificate (3-Months) | - | 10,000,000 | 14,000,000 | 24,000,000 | - |
| | 40,959,734 | 87,626,054 | 56,190,226 | 184,776,014 | 92,229,497 |

15. NET UNREALISED (DIMINUTION) / APPRECIATION IN MARKET VALUE OF INVESTMENTS CLASSIFIED AS 'AVAILABLE-FOR-SALE'

| | As at December 31, 2017 (Un-audited) | | | | As at December 31, 2016 |
|-------------------------------------------------------------------------------------------------|--------------------------------------|------------------|-----------------------------|--------------|-------------------------------|
| | Equity sub fund | Debt sub fund | Money market sub fund | Total | |
| | (Rupees) | | | | |
| Market value | 117,547,194 | - | - | 117,547,194 | 235,746,605 |
| Average cost | (99,506,527) | - | - | (99,506,527) | (178,425,346) |
| | 18,040,667 | - | - | 18,040,667 | 57,321,259 |
| Impairment loss | | | | | |
| Opening | - | - | - | - | 2,442,911 |
| Charged during the period | 2,373,525 | - | - | 2,373,525 | - |
| Reversal / derecognised | - | - | - | - | (2,442,911) |
| | 2,373,525 | - | - | 2,373,525 | - |
| Reclassification adjustment on sale/ maturity of available-for-investments | - | - | - | - | 43,311,254 |
| Less: Net unrealised (appreciation) in value of investment at the beginning of the period | (44,564,439) | - | - | (44,564,439) | (24,277,003) |
| Net appreciation / (diminution) during the period | (24,150,247) | - | - | (24,150,247) | 76,355,510 |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

16. TRANSACTIONS WITH CONNECTED PERSONS

Details of transactions and balances at period end with connected persons, other than those which have been disclosed elsewhere in this condensed interim financial information, are as follows:

16.1 Transactions during the period

| | Half year ended December 31, 2017 | | | | Half year ended December 31, 2016 |
|------------------------------------------------------------------------------|-----------------------------------|---------------|-----------------------|------------|-----------------------------------|
| | Equity sub fund | Debt sub fund | Money market sub fund | Total | |
| | ----- (Rupees) ----- | | | | |
| MCB - Arif Habib Savings and Investments Limited Pension Fund Manager | | | | | |
| Remuneration (include indirect taxes) | 3,486,854 | 1,786,049 | 635,759 | 5,908,662 | 4,766,910 |
| Central Depository Company of Pakistan Limited - Trustee | | | | | |
| Remuneration | 348,587 | 178,612 | 63,551 | 590,750 | 476,691 |
| Security deposit | 201,000 | 200,000 | 100,000 | 501,000 | 501,000 |
| Sui Northern Gas Pipeline Limited | | | | | |
| Purchase of Shares 148,500 (2016: Nil) | 21,679,836 | - | - | 21,679,836 | - |
| Sales of Shares 145,000 (2016: Nil) | 17,607,546 | - | - | 17,607,546 | - |
| Dividend Income | 26,250 | - | - | 26,250 | - |
| Arif Habib Limited * | | | | | |
| Brokerage expense | 15,435 | - | - | 15,435 | 33,000 |
| Next Capital Limited * | | | | | |
| Brokerage expense | 47,273 | - | - | 47,273 | 35,000 |
| Directors and officers | | | | | |
| Issue of ALHIPF Equity sub fund 8,598 units (2016: 2,496 units) | 4,390,505 | - | - | 4,390,505 | 1,213,377 |
| Issue of ALHIPF Debt sub fund 3,733 units (2016: 4,444 units) | - | 725,859 | - | 725,859 | 834,117 |
| Issue of ALHIPF Money Market sub fund 535 units (2016: 923 units) | - | - | 93,818 | 93,818 | 156,140 |
| Redemption of ALHIPF Equity sub fund 6,939 units (2016: 2,925 units) | 3,673,492 | - | - | 3,673,492 | 1,452,631 |
| Redemption of ALHIPF Debt sub fund 10,711 units (2016: 1,789 units) | - | 2,076,417 | - | 2,076,417 | 337,452 |
| Redemption of ALHIPF Money Market sub fund 1,243 units (2016: 35 units) | - | - | 217,322 | 217,322 | 5,904 |

* 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

16.2 Amounts outstanding as at the period end

| | As at December 31, 2017 (Un-audited) | | | | |
|---------------------------------------------------------------------------------------|---------------------------------------------|--------------------------|---------------------------------------------------|--------------|------------------------------------|
| | Equity sub fund | Debt sub fund | Money market sub fund (Rupees) | Total | June 30, 2017 (Audited) |
| MCB-Arif Habib Savings and Investments Limited - Pension Fund Manager | | | | | |
| Remuneration payable | 488,799 | 272,899 | 97,718 | 859,416 | 617,543 |
| Sindh sales tax payable | 63,380 | 35,477 | 12,701 | 111,558 | 86,457 |
| Investment in seed capital 305,160 units (June 2017: 305,160 units) | 148,756,325 | - | - | 148,756,325 | 157,630,377 |
| Investment in seed capital 289,051 units (June 2017: 289,051 units) | - | 56,668,506 | - | 56,668,506 | 56,732,098 |
| Investment in seed capital 281,918 units (June 2017: 281,918 units) | - | - | 49,843,086 | 49,843,086 | 49,899,470 |
| Central Depository Company of Pakistan Limited - Trustee | | | | | |
| Remuneration payable | 48,794 | 27,309 | 9,778 | 85,881 | 61,760 |
| Sales tax on remuneration | 6,356 | 3,530 | 1,226 | 11,112 | 8,635 |
| Security deposit | 201,000 | 200,000 | 100,000 | 501,000 | 501,000 |
| Sui Northern Gas Pipeline Limited | | | | | |
| Outstanding Shares of 3,500 (2017: Nil) | 331,135 | - | - | 331,135 | - |
| Dividend Receivable | 26,250 | - | - | 26,250 | - |
| Arif Habib Limited * | | | | | |
| Brokerage payable | 2,000 | - | - | 2,000 | - |
| Next Capital Limited * | | | | | |
| Brokerage payable | 7,815 | - | - | 7,815 | - |
| Directors and Officers | | | | | |
| Balance as at December 31, 2017 | | | | | |
| Investment in ALHIPF Equity sub fund 16,378 units (June 2017: 14,719 units) | 7,983,743 | - | - | 7,983,743 | 7,602,938 |
| Investment in ALHIPF Debt sub fund 20,364 units (June 2017: 27,342 units) | - | 3,992,402 | - | 3,992,402 | 5,366,461 |
| Investment in ALHIPF Money Market sub fund 3,600 units (June 2017: 4,308 units) | - | - | 636,528 | 636,528 | 762,498 |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

17. FAIR VALUE HIERARCHY

The carrying value of all financial assets and liabilities reflected in the financial information approximate their fair values. Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. 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 trade able in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book values as the items are either short term in nature or periodically repriced.

International Financial Reporting Standard 7 - Financial Instruments: Disclosure requires an entity shall classify fair value measurements 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)

Level 3: inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs).

| Total | December 31, 2017 | | | | | |
|-------|-------------------|---------|---------|---------------|---------|---------|
| | Equity Sub-Fund | | | Debt Sub-Fund | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |

Financial assets 'at fair value through profit or loss' - held-for-trading

| | | | | | | |
|--------------------------|-------------|---|---|------------|---|-----------|
| Listed equity securities | | | | | | |
| Government Ijarah Sukuks | 242,630,254 | - | - | - | - | - |
| Sukuk certificates | 70,006,250 | - | - | 60,929,550 | - | 9,076,700 |
| | 16,906,078 | - | - | 16,906,078 | - | - |

Financial assets classified as 'available-for-sale'

| | | | | | | |
|--------------------------|-------------|-------------|---|------------|-------------|------------|
| Listed equity securities | 117,547,194 | 117,547,194 | - | - | - | - |
| Loans and receivables | | | | | | |
| Musharika Certificates | 71,000,000 | - | - | 43,000,000 | - | 28,000,000 |
| Commercial paper | 4,823,636 | - | - | 4,823,636 | - | - |
| | 522,913,412 | 360,177,448 | - | - | 125,659,264 | 37,076,700 |

| Total | June 30, 2017 | | | | | |
|-------|-----------------|---------|---------|---------------|---------|---------|
| | Equity Sub-Fund | | | Debt Sub-Fund | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |

Financial assets 'at fair value through profit or loss' - held-for-trading

| | | | | | | |
|--------------------------|-------------|---|---|-------------|---|------------|
| Listed equity securities | 257,421,483 | - | - | - | - | - |
| Government Ijarah Sukuks | 162,062,000 | - | - | 139,822,200 | - | 22,239,800 |
| Sukuk Certificates | 12,212,417 | - | - | 12,212,417 | - | - |
| Commercial paper | - | - | - | - | - | - |

Financial assets classified as 'available-for-sale'

| | | | | | | |
|--------------------------|-------------|-------------|---|---|-------------|------------|
| Listed equity securities | 160,203,380 | 160,203,380 | - | - | - | - |
| | 591,899,280 | 417,624,863 | - | - | 152,034,617 | 22,239,800 |

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

18. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 23, 2018 by the Board of Directors of the Pension Fund Manager.

19. GENERAL

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of better presentation.

**For MCB-Arif Habib Savings and Investments Limited
(Pension Fund Manager)**



Chief Executive Officer



Director

MCB-Arif Habib Savings and Investments Limited

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