

ALHAMRA ISLAMIC ACTIVE ALLOCATION 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	MCB Financial Services Limited 4th Floor, Pardesi House, Old Queens Road, Karachi, Pakistan Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.mcbfsl.com.pk	
Bankers	MCB Bank Limited Dubai Islamic Bank Pakistan Limited Bank Islami Pakistan Limited Askari Bank Limited Bank Al-Habib Limited United Bank Limited	
Auditors	A.F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
Rating	AM2++Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

Dear Investor,

On behalf of the Board of Directors, we are pleased to present Alhamra Islamic Active Allocation Plan -I and Plan II accounts review for the nine months ended March 31, 2018.

MARKET & ECONOMIC REVIEW

Economy and Money Market Review

The economic scorecard showed a mixed picture with the real side depicting strong growth momentum while external side demanding policy measures.

The policy makers allowed the PKR/USD parity to adjust towards ~115 to support the deteriorating reserves position by arresting the worsening external account. The government at the end of March announced a tax amnesty scheme for undeclared foreign and domestic assets with tax rates ranging from 2%-5%.

The real growth remained strong depicted by Large Scale Manufacturing registering a growth of 6.24% YoY in first eight months of FY18 supported by strong growth in Petroleum Products, Steel and Food & Beverage sectors. The better preliminary crop numbers of cotton, wheat and sugar along with strong LSM growth is expected to keep the growth target of 6% in reach.

The fiscal deficit for the first half of this financial year was recorded at ~2.2% of GDP, despite high tax collection. Tax Authorities managed to collect PKR 2.0 trillion during the period, showing a growth of 17.6% compared to same period last year.

CPI for the nine months of FY18 remained modest averaging 3.78% YoY supported by stable food prices, controlled house rent and higher base effect. However, rising oil prices and depreciating currency indicate upward pressure going forward.

On the external side, trade deficit widened to alarming levels. The current account deficit (CAD) for the nine months clocked in at ~USD 10.8 billion (up 50% YoY). Trade deficit for the first nine months of the financial year reached USD 19.7 billion up ~22% YoY. Import registered an increase of ~17% during the half year, propelled by petroleum imports and expansionary fiscal and monetary policies. On the flip side, the impact of textile package introduced by the government in order to boost exports, started to gain some momentum as textile exports grew by ~8% during the nine months of the financial year, though insufficient to bridge the gap created by rising imports. Resultantly, the foreign exchange reserves declined by USD ~3.6 billion, despite USD 2.5 billion bond issuance in international bond markets. PKR also depreciated by ~10% against USD indicating a much need attempt from government to address widening external account.

Money markets took clue from the rising inflation expectations after the recent rupee depreciation as longer tenor instruments remained out of favor with very low participation from financial institutions and banks in auctions.

Equity Market Review

The benchmark index posted a cumulative 9MFY18 return of -2.05% as compared to 23.67% SPLY. However, much anticipated currency depreciation event rejuvenated subdued investor interest in the market. Also, developments on the macro front along with relative calm on the political front (Senate elections held on Mar3'18) drove market performance during the quarter. This was evident in 3QFY18's gain of ~12.5% in the benchmark index.

Macro vulnerabilities continued to impact the market as burgeoning current account deficit and higher debt servicing continued to exert pressure on SBP's foreign exchange reserves. Furthermore, announcement of a status quo in Monetary Policy on Mar 30'18 was quite contrary to market expectations. Other eminent events till date include 1) SC's decision declaring Nawaz Sharif ineligible to continue as party head while dismissing all political actions taken by him since Jul 28'17 (Panama case verdict) and 2) inclusion of Pakistan in FATF's watch-list.

While 9MFY18 numbers show USD 124 mn foreign selling, this trend was reversed in the last quarter where massive foreign buying of ~USD 31.2 mn was witnessed. In 9MFY18, foreign selling was mainly absorbed by insurance companies (USD 104 mn). Average volumes and value traded were 175 mn shares and PKR 8.3 bn respectively. Positive contribution to the index was led by E&Ps (+26%) and Refineries (+15%). E&Ps rallied on the back of increase in oil prices by ~37%. Negative contributors to the index were Cement(-23%), Autos(-16%) and Oil Marketing Companies(-13%). Cement sector' lackluster performance was because of concerns over future pricing discipline on upcoming capacity expansions of ~4.5 mn tons in the next 7-8 months in the Southern region. However, the sector rebounded in the latest quarter on the back of price increase of ~Rs 50/bag in a phased manner throughout the month of March as well as improved dispatches number. Auto performed poorly on anticipation of currency depreciation and strengthening of Yen. OMC sector

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

underperformed due to disappointing results (inventory losses), ban on import of furnace oil and weak demand outlook. It is important to highlight that in 3QFY18, Chemicals and Fertilizers outperformed the market gaining 14.9% and 11.3% respectively. Chemicals gained due to strong international chemical margins. Interest in fertilizer sector remained high due to strong international fertilizer prices, comfortable inventory situation and outstanding sales numbers.

FUND PERFORMANCE

Alhamra Islamic Active Allocation Plan -I

The Fund was launched on December 29, 2016. During the period, the fund posted a negative return of 2.80% against the negative return of 1.87% for the benchmark.

The fund was 38.2% invested in Alhamra Islamic Stock Fund and 55.8% invested in Alhamra Islamic Income Fund at the period end.

The Net Assets of the Fund as at March 31, 2018 stood at Rs. 1,475 million. The Net Asset Value (NAV) per unit as at March 31, 2018 was Rs. 97.2207.

Alhamra Islamic Active Allocation Plan -II

The fund was launched on June 16, 2017. During the period, the fund posted a return of 3.62% against a negative return of 1.90% for the benchmark.

The fund was 38.2% invested in Alhamra Islamic Stock Fund and 55.8% invested in Alhamra Islamic Income Fund as at 31st March, 2018.

The Net Assets of the Fund as at March 31, 2018 stood at Rs. 863 million. The Net Asset Value (NAV) per unit as at March 31, 2018 was Rs. 103.6255.

MARKET & ECONOMY - FUTURE OUTLOOK

The recent rupee depreciation of ~10% is expected to reflect in the external account numbers going forward. Exports are expected to continue growth trajectory with textile package also providing support. Unnecessary imports are expected to slow down reflecting the higher imported cost. Given our outlook of trade deficit and weak performance on remittances, we expect current account deficit to approach ~USD 16 billion for the FY18 which in our estimates indicate an additional financing need of near USD 5 billion. Next year could fare better, provided oil stays close to current levels, given machinery imports would slow down and impact of recent rupee devaluation would be more visible in proceeding year's numbers.

The recent tax amnesty scheme announced could be successful as it is followed by some complimentary steps to curb the undeclared money. Additionally, regulations over the world would allow information sharing of residents from September, 2017 and undeclared assets would be difficult to hide. The tax amnesty scheme could bring in much needed foreign inflow of around ~USD 4 bn.

KMI-30 trades at a forward P/E of 10.55x, at a steep discount of 17% from its emerging market peer group. Enduring themes that should play out over the medium-term include PKR depreciation and higher interest rates, CPEC and continued GoP support for the export-oriented sector that would encourage exports. The upcoming budget with expectations of removal of tax on bonus shares and rationalization of capital gains tax could propel positive sentiments. The success of the amnesty scheme would also be a positive omen as foreign inflows would allow to control external vulnerabilities and stock market would become a potential investment avenue after whitening of money.

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

MUTUAL FUND INDUSTRY REVIEW

The Net Assets of the Islamic open end mutual fund industry stood at ~PKR 226 billion at the end of the 9MFY18. Size of Money market funds and Income Funds increased during nine months of the financial year. In terms of the segment share, Equity and Equity related funds continued to be the leaders with a share of ~80%, followed by Islamic Income and related funds having a share of ~20%.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

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
April 19, 2018



Nasim Beg
Vice Chairman / Director

ڈائریکٹرز رپورٹ
برائے نو ماہ اختتام پذیر 31 مارچ 2018ء

ٹیکسٹائل پنچج بھی پشت پناہی فراہم کرے گا۔ درآمداتی لاگت میں اضافے کے باعث غیر ضروری درآمدات میں کمی متوقع ہے۔ تجارتی خسارے اور ترسیلات زر کی کمزور کارکردگی کے پیش نظر کرنٹ اکاؤنٹ کا خسارہ متوقع طور پر 16 بلین ڈالر تک پہنچ جائے گا، جس کے نتیجے میں ہمارے تخمینے کے مطابق تقریباً 5 بلین ڈالر کی اضافی سرمایہ کاری کی ضرورت ہوگی۔ اگلا برس کافی بہتر ہو سکتا ہے، بشرطیکہ تیل موجودہ سطحوں کے قریب برقرار رہے، مشینری کی موجودہ درآمدات میں کمی ہو، اور روپے کی قدر میں حالیہ کمی کی عکاسی اگلے سال کے اعداد و شمار میں واضح تر ہو۔

حالیہ اعلان کردہ ٹیکس معاف اسکیم کامیاب ہو سکتی ہے کیونکہ اس کے ساتھ ساتھ غیر اعلانیہ رقم پر قابو پانے کے لیے کچھ مفید اقدامات کیے گئے ہیں۔ اس کے علاوہ عالمی سطح کے اصول و ضوابط کے نتیجے میں ستمبر 2017ء سے رہائشیوں کی معلومات ظاہر کرنے کی اجازت ہوگی اور غیر اعلانیہ اثاثہ جات کو پوشیدہ رکھنا مشکل ہو جائے گا۔ ٹیکس معاف اسکیم تقریباً 4 بلین ڈالر کی مطلوبہ آمد کو بھی یقینی بنا سکتی ہے۔

KMI-30 کی تجارت 10.55x کی فارورڈ P/E پر ہوئی جو اس کے ابھرتے ہوئے مارکیٹ peer گروپ کے مقابلے میں 17% کی بھرپور رعایت ہے۔ مستحکم پیش رفت، جن کا اثر درمیانی مدت تک رہے گا، میں روپے کی قدر میں کمی اور انٹریسٹ کی اونچی شرحیں، اور CPEC اور درآمدات پر منحصر شعبے کے لئے حکومت پاکستان کی مسلسل پشت پناہی (جن کی بدولت درآمدات کی حوصلہ افزائی ہوگی) شامل ہیں۔

آئندہ بجٹ، جس میں بونس حصص پر ٹیکس ختم ہونے اور کیپٹل منافعوں کی rationalization کی متوقع ہے، خوش آئند ثابت ہو سکتا ہے۔ ٹیکس معاف اسکیم کی کامیابی بھی مثبت علامت ہوگی کیونکہ غیر ملکی آمدات سے خارجی خطرات پر قابو پایا جاسکے گا اور اسٹاک مارکیٹ کا لے دھن کی صفائی کے بعد سرمایہ کاری کا اچھا موقع فراہم کرے گی۔ اسلامی 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 رخ، خاص طور پر ادائیگیوں کے توازن کی واضح تصویر سے مقررہ آمدنی کی مارکیٹس میں مزید شرکت کی طرف راہنمائی ہوگی۔

اظہارِ تشکر

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

من جانب بورڈ

نسیم بیگ
وائس چیئرمین / ڈائریکٹر

محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر

19 اپریل 2018ء

ڈائریکٹرز رپورٹ برائے نو ماہ اختتام پذیر 31 مارچ 2018ء

پاکستان کے غیر ملکی زرمبادلہ کے ذخائر پر دباؤ جاری رکھا۔ علاوہ ازیں، 30 مارچ 2018ء کو مانیٹری پالیسی میں سابقہ معیار جاری رکھنے کا اعلان مارکیٹ کی توقعات کے برخلاف تھا۔ تاحال دیگر اہم واقعات میں (۱) سپریم کورٹ کا نواز شریف کو پارٹی سہرا ہی جاری رکھنے سے نا اہل قرار دینے اور 28 جولائی 2017ء سے ان کے تمام سیاسی اقدامات کو بے اثر قرار دینے کا فیصلہ (پانامہ کیس کا فیصلہ)، اور (۲) پاکستان کی FATF کی واچ لسٹ میں شمولیت شامل ہیں۔

اگرچہ مالی سال 2018ء کے نو ماہ کے اعداد و شمار کے مطابق 124 ملین امریکی ڈالر کی غیر ملکی فروخت ہوئی، لیکن آخری سہ ماہی میں اس رجحان میں تبدیلی آگئی اور 31.2 ملین ڈالر کی خطیر خریداری دیکھی گئی۔ مالی سال 2018ء کے نو ماہ میں غیر ملکی فروخت کا اثر زیادہ تر انشورنس کمپنیوں نے قبول کیا (104 ملین امریکی ڈالر)۔ اوسطاً 8.3 بلین روپے مالیت کے 175 ملین حصص کی تجارت ہوئی۔

انڈیکس میں سب سے زیادہ مثبت کردار E&Ps (+26%) اور ریٹائرمنٹ (+15%) نے ادا کیا۔ E&Ps نے تیل کی قیمتوں میں اضافے کی بدولت 37% ترقی کی۔ انڈیکس پر منفی اثرات سیمنٹ کے شعبے (-23%)، گاڑیوں کے شعبے (-16%) اور آئل مارکیٹنگ کمپنیوں (-13%) نے مرتب کئے۔ سیمنٹ کے شعبے کی غیر معیاری کارکردگی کی وجہ سے 7-8 ماہ میں جنوبی نکلے میں استعداد میں 4.5 ملین ٹن وسعت کی قیمتوں کے تعین کے نظام میں خدشات ہیں۔ تاہم مارچ کے پورے مہینے کے دوران 50 روپے فی تھیلی قیمت میں بتدریج اضافے اور ترسیلات کی تعداد میں اضافے کے باعث موجودہ سہ ماہی میں اس شعبے نے دوبارہ ترقی کی۔ گاڑیوں کے شعبے نے روپے کی قدر میں کمی اور جاپانی ین میں استحکام کی توقع میں غیر معیاری مارکردگی کا مظاہرہ کیا۔ OMC کے شعبے نے مایوس کن نتائج (انویٹری کے نقصانات)، فرنیس آئل کی درآمد پر پابندی اور مانگ میں کمی کے رجحان کے باعث مطلوبہ سے کم کارکردگی کا مظاہرہ کیا۔

یہ بات قابل ذکر ہے کہ مالی سال 2018ء کی تیسری سہ ماہی میں کیمیکلز اور کھاد کے شعبے بالترتیب 14.9% اور 11.3% ترقی کر کے مارکیٹ میں صف اول میں رہے۔ بیٹیکوں کی ترقی کا سبب روپے کی قدر میں کمی اور اس کے نتیجے میں شرح میں اضافے کی توقعات کو قرار دیا جاسکتا ہے۔ کیمیکلز کے شعبے نے مستحکم بین الاقوامی منافع کی بدولت ترقی کی۔ کھاد کے شعبے میں دلچسپی میں اضافے کے سبب کھاد کی بین الاقوامی قیمتوں میں استحکام، انویٹری کی اطمینان بخش صورتحال اور شاندار فروخت ہیں۔

فنڈ کی کارکردگی

I- الحراء اسلامک ایکٹو ایلوکیشن پلان

فنڈ کا آغاز 29 دسمبر 2016ء کو کیا گیا۔ دورانِ مدت فنڈ نے 2.80% منفی منافع پوسٹ کیا، جبکہ بیچ مارک کے لئے منفی منافع 1.87% تھا۔ اختتامِ مدت پر فنڈ کی سرمایہ کاری 38.2% الحراء اسلامک اسٹاک فنڈ میں اور 55.8% الحراء اسلامک انکم فنڈ میں تھی۔ 31 مارچ 2018ء کو فنڈ کے net اثاثہ جات 1,475 ملین روپے تھے، اور net اثاثہ جاتی قدر (NAV) فی یونٹ 97.2207 روپے تھی۔

II- الحراء اسلامک ایکٹو ایلوکیشن پلان

فنڈ کا آغاز 16 جون 2017ء کو کیا گیا۔ دورانِ مدت فنڈ نے 3.62% منافع پوسٹ کیا، جبکہ بیچ مارک کے لئے منفی منافع 1.90% تھا۔ اختتامِ مدت پر فنڈ کی سرمایہ کاری 38.2% الحراء اسلامک اسٹاک فنڈ میں اور 55.8% الحراء اسلامک انکم فنڈ میں تھی۔ 31 مارچ 2018ء کو فنڈ کے net اثاثہ جات 863 ملین روپے تھے، اور net اثاثہ جاتی قدر (NAV) فی یونٹ 103.6255 روپے تھی۔

بازار اور معیشت - مستقبل کی صورتحال

روپے کی قدر میں حالیہ 10% کمی کی عکاسی متوقع طور پر خارجی اکاؤنٹ کے بلند ہوتے ہوئے اعداد و شمار میں ہوگی۔ برآمدات کی ترقی کا سفر جاری رہنے کی امید ہے، اور

ڈائریکٹرز رپورٹ برائے نو ماہ اختتام پذیر 31 مارچ 2018ء

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے الحمراء اسلامک ایکٹو ایلیکشن پلان - I اور پلان - II کے 31 مارچ 2018ء کو ختم ہونے والے نو ماہ کے اکاؤنٹس کا جائزہ پیش خدمت ہے۔

بازار اور معیشت کا جائزہ

معیشت اور بازار کا جائزہ

معاشی اعداد و شمار میں ملاحظہ جاراہجاری رہا۔ حقیقی رُخ بدستور ترقی کی جانب اشارہ کر رہا ہے، جبکہ خارجی رُخ پالیسی کے اقدامات مطالبہ کر رہا ہے۔ پالیسی ساز پاکستانی روپے اور امریکی ڈالر کے مابین برابری کو 115 کی جانب لے گئے تاکہ گھٹنے ہوئے ذخائر کے باعث خارجی اکاؤنٹ کی بگڑتی ہوئی حالت پر قابو پایا جاسکے۔ مارچ کے اختتام پر حکومت نے غیر اعلانیہ ملکی وغیر ملکی اثاثہ جات کے لئے ٹیکس میں رعایت کی پالیسی کا اعلان کیا اور ٹیکس کی شرحوں کو 2% سے 5% کے درمیان لے آئی۔

حقیقی ترقی مستحکم رہی جس کی عکاسی بڑے پیمانے کی مینوفیکچرنگ (LSM) میں مالی سال 2018ء کے پہلے آٹھ ماہ میں 6.24% YoY ترقی سے ہوئی، اور اس کی پشت پناہی پٹرولیم مصنوعات، اسٹیل اور ایشیائے خورد و نوش کے شعبے میں مستحکم ترقی نے کی۔ کپاس، گندم اور چینی کی بہتر ابتدائی فصل بشمول مضبوط LSM ترقی کی بدولت 6% ترقی کا ہدف متوقع طور پر قابل حصول ہے۔

موجودہ مالی سال کی پہلی ششماہی میں ٹیکس کے بھرپور حصول کے باوجود مالی خسارہ مجموعی ملکی پیداوار (GDP) کا 2.2% تھا۔ ٹیکس کے اداروں نے دوران مدت 2.0 ٹریلین روپے ٹیکس جمع کیا جو سال گزشتہ کی اسی مدت کے مقابلے میں 17.6% زیادہ ہے۔

مالی سال 2018ء کے نو ماہ کے لئے CPI کا اوسط YoY 3.78% کے درمیانے درجے پر تھا جس کی پشت پناہی ایشیائے خورد و نوش کی مستحکم قیمتوں، محدود رہائشی کرائے اور پہلے سے زیادہ base effect سے ہوئی۔ تاہم تیل کی بڑھتی ہوئی قیمتیں اور روپے کی کھتی ہوئی قدر دباؤ میں مزید اضافے کی طرف اشارہ کر رہی ہیں۔

خارجی رُخ پر تجارتی خسارے میں تشویشناک سطح تک اضافہ ہو گیا۔ کرنٹ اکاؤنٹ کا خسارہ (CAD) برائے نو ماہ 10.8 بلین ڈالر تھا (YoY 50% اضافہ)۔ مالی سال کے پہلے نو ماہ میں تجارتی خسارہ 19.7 ڈالر تک پہنچ گیا، جو YoY 22% اضافہ ہے۔ سال کے نصف اوّل کے دوران درآمدات میں 17% اضافہ ہوا جس کے اسباب پٹرولیم کی درآمدات اور وسعت پذیر اقتصادی اور مالیاتی پالیسی ہیں۔ دوسری جانب برآمدات کے فروغ کے لئے حکومت کے متعارف کردہ ٹیکسٹائل پیکیج کے اثرات نے کچھ رفتار پکڑی اور مالی سال کے پہلے نو ماہ کے دوران ٹیکسٹائل کی برآمدات میں 8% اضافہ ہوا، لیکن یہ اضافہ بڑھتی ہوئی برآمدات سے پیدا ہونے والی خلیج کو پُر کرنے کے لئے ناکافی تھا۔ نتیجہً، غیر ملکی زرمبادلہ کے ذخائر میں 3.6 بلین ڈالر کمی ہوئی، اگرچہ بین الاقوامی بانڈ مارکیٹ میں 2.5 بلین ڈالر مالیت کے بانڈز کا اجراء ہوا۔ علاوہ ازیں، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں 10% کمی ہوئی جس سے وسعت پذیر خارجی اکاؤنٹ پر حکومتی توجہ کی ضرورت کی عکاسی ہوتی ہے۔

روپے کی قدر میں حالیہ کمی کے بعد فراڈ ز میں تمام tenors کے مقابلے میں اضافے کی توقعات بازار زر کے لئے اشارہ تھا۔ بینکوں اور دیگر مالیاتی اداروں نے Auction میں طویل مدت کے اسٹومنٹ میں بہت کم حصہ لیا۔

ایکیٹی مارکیٹ کا جائزہ

مالی سال 2018ء کے نو ماہ میں بیچ مارک انڈیکس کا مجموعی منافع -2.16% تھا بلکہ مقابل SPLY 27.45%۔ تاہم روپے کی قدر میں متوقع کمی نے مارکیٹ میں سرمایہ کاروں کی محدود دلچسپی میں اضافہ کر دیا۔ علاوہ ازیں، وسیع رُخ میں متعدد پیش رفت اور سیاسی رُخ میں نسبتاً کم ہلچل (سینیٹ انتخابات منعقدہ 3 مارچ 2018ء) کا دوران سہ ماہی بازار کی کارکردگی پر اثر ہوا، جو مالی سال 2018ء کی تیسری سہ ماہی میں بیچ مارک انڈیکس میں 12.5% منافع سے ظاہر ہے۔

کلاں معاشیات کے خطرات کا مارکیٹ پر اثر جاری رہا، اور کرنٹ اکاؤنٹ کے تیزی سے بڑھتے ہوئے خسارے اور پہلے سے زیادہ debt سروسنگ نے اسٹیٹ بینک آف

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018

Note	(Un-audited)			(Audited)			
	AIAAP - I	AIAAP - II	Total	AIAAP - I	AIAAP - II	Total	
	-----March 31, 2018-----			-----June 30, 2017-----			
	----- (Rupees in 000) -----						
ASSETS							
Balances with banks	4	86,779	51,903	138,682	104,568	12,996	117,564
Investments	5	1,387,382	812,581	2,199,963	1,492,831	74,956	1,567,787
Profit receivable		471	231	702	3,039	269	3,308
Preliminary expenses and floatation costs		1,864	-	1,864	3,740	-	3,740
Other receivable		145	-	145	139	-	139
Total assets		1,476,640	864,716	2,341,356	1,604,317	88,221	1,692,538
LIABILITIES							
Payable to the Management Company		204	117	321	5,757	75	5,832
Payable to the Trustee		115	75	190	110	11	121
Payable to Securities and Exchange Commission of Pakistan (SECP)		1,044	490	1,534	723	3	726
Dividend payable		-	-	-	12,672	158	12,830
Accrued expenses and other liabilities	6	712	1,018	1,730	814	5	819
Total liabilities		2,075	1,700	3,775	20,076	252	20,328
NET ASSETS		<u>1,474,565</u>	<u>863,016</u>	<u>2,337,581</u>	<u>1,584,241</u>	<u>87,969</u>	<u>1,672,210</u>
UNIT HOLDERS' FUND (as per statement attached)		<u>1,474,565</u>	<u>863,016</u>	<u>2,337,581</u>	<u>1,584,241</u>	<u>87,969</u>	<u>1,672,210</u>
CONTINGENCIES AND COMMITMENTS							
NUMBER OF UNITS IN ISSUE	7	<u>15,167,181</u>	<u>8,328,224</u>		<u>15,839,822</u>	<u>879,643</u>	
		----- (Rupees) -----			----- (Rupees) -----		
NET ASSET VALUE PER UNIT		<u>97.2207</u>	<u>103.6255</u>		<u>100.0163</u>	<u>100.0057</u>	
FACE VALUE PER UNIT		<u>100.0000</u>	<u>100.0000</u>		<u>100.0000</u>	<u>100.0000</u>	

The annexed notes 1 to 13 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 INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018

Note	AIAAP - I			AIAAP - II			AIAAP - I			
	For the Nine Months period ended March 31, 2018	For the Nine Months period ended March 31, 2018	Total	For the period from December 29, 2016 to March 31, 2017	Total	For the Quarter Ended March 31, 2018	For the Quarter Ended March 31, 2018	Total	For the Quarter ended March 31, 2017	Total
INCOME										
Rupees in '000										
Capital loss on sale of investments - net	(64,011)	4,792	(59,219)	-	-	(15,439)	11,702	(3,737)	-	-
Profit on bank deposits	3,583	1,810	5,393	13,846	13,846	1,165	684	1,849	13,846	13,846
Contingent load	2,223	708	2,931	593	593	671	607	1,278	593	593
	(58,205)	7,310	(50,895)	14,439	14,439	(13,603)	12,993	(610)	14,439	14,439
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'at fair value through profit or loss' - net	18,563	37,334	55,897	4,152	4,152	99,053	31,068	130,121	4,152	4,152
Total income	(39,642)	44,644	5,002	18,591	18,591	85,450	44,061	129,511	18,591	18,591
EXPENSES										
Remuneration of the Management Company	623	306	929	2,302	2,302	201	117	318	2,302	2,302
Sindh sales tax on remuneration of the Management Company	80	40	120	299	299	26	15	41	299	299
Remuneration of the Trustee	912	479	1,391	301	301	294	190	484	301	301
Sindh sales tax on remuneration of the Trustee	119	62	181	38	38	39	24	63	38	38
Annual fee to Securities and Exchange Commission of Pakistan (SECP)	1,044	490	1,534	334	334	340	201	541	334	334
Allocated expenses	1,242	583	1,825	397	397	405	239	644	397	397
Auditors' remuneration	232	86	318	205	205	57	34	91	205	205
Amortisation of preliminary expenses and floatation costs	1,877	-	1,877	637	637	617	-	617	637	637
Printing charges	-	20	-	68	68	-	6	8	68	68
Settlement and bank charges	11	17	28	18	18	5	11	16	18	18
Listing fee	20	1	21	286	286	7	-	7	286	286
Legal and professional charges	74	33	107	36	36	14	15	29	36	36
Provision against Sindh Workers' Welfare Fund	-	851	851	468	468	-	851	-	468	468
Total expenses	6,234	2,968	9,202	5,389	5,389	2,007	1,703	2,859	5,389	5,389
Net (loss) / income from operating activities	(45,876)	41,676	(4,200)	13,202	13,202	83,443	42,358	126,652	13,202	13,202
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	-	-	-	9,732	9,732	-	-	-	9,732	9,732
Net (loss) / income for the period before taxation	(45,876)	41,676	(4,200)	22,934	22,934	83,443	42,358	126,652	22,934	22,934
Taxation	-	-	-	-	-	-	-	-	-	-
Net (loss) / income for the period after taxation	(45,876)	41,676	(4,200)	22,934	22,934	83,443	42,358	126,652	22,934	22,934
(Losses) / earnings per unit	9									
Allocation of net (loss) / income for the period	9									
Net (loss) / income for the period after taxation	(45,876)	41,676	(4,200)	22,934	22,934	83,443	42,358	126,652	22,934	22,934
Income already paid on units redeemed	-	(1,046)	-	-	-	-	(1,046)	-	-	-
	(45,876)	40,630	(4,200)	22,934	22,934	83,443	41,312	126,652	22,934	22,934
Accounting income available for distribution	9									
- Relating to capital gains	-	41,423	-	-	-	-	42,067	-	-	-
- Excluding capital gains	-	(793)	-	-	-	-	(755)	-	-	-
	-	40,630	-	-	-	-	41,312	-	-	-

The annexed notes 1 to 13 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 COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2018**

	AIAAP - I	AIAAP - II	AIAAP - I		AIAAP - I	AIAAP - II	AIAAP - I			
	For the Nine Months period Ended March 31, 2018	For the Nine Months period Ended March 31, 2018	Total	For the period from December 29, 2016 to March 31, 2017	Total	For the Quarter Ended March 31, 2018	For the Quarter Ended March 31, 2018	Total	For the Quarter ended March 31, 2017	
	-----Rupees in '000-----									
Net income / (loss) for the period after taxation	(45,876)	41,676	(4,200)	22,934	22,934	83,443	42,358	125,801	22,400	22,400
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	<u>(45,876)</u>	<u>41,676</u>	<u>(4,200)</u>	<u>22,934</u>	<u>22,934</u>	<u>83,443</u>	<u>42,358</u>	<u>125,801</u>	<u>22,400</u>	<u>22,400</u>

The annexed notes 1 to 13 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 MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

	AIAAP - I			AIAAP - II			AIAAP - I	
	Capital Value	Undistributed income	Unrealised (losses) / gains on available for sale investment	Capital Value	Undistributed income	Unrealised (losses) / gains on available for sale investment	Total	Total
Nine Months Period Ended March 31, 2018								
-----Rupees in '000-----								
Net assets at the beginning of the period	1,583,983	258	-	87,964	5	-	1,672,210	-
Issuance of units (AIAAP-I: 107,206, AIAAP-II: 7,685,269) (2017: AIAAP-I:16,255,332)								
- Capital value (at net asset value per unit at the beginning of the period)	10,723	-	-	768,571	-	-	779,294	
- Element of income	-	-	-	(11,311)	-	-	(11,311)	
Total proceeds on issuance of units	10,723	-	-	756,260	-	-	767,983	1,631,626
Redemption of units (AIAAP-I: 779,847, AIAAP-II: 236,689) (2017: AIAAP-I:234,044)								
- Capital value (at net asset value per unit at the beginning of the period)	(77,997)	-	-	(23,670)	-	-	(101,667)	
- Element of income	3,474	-	-	827	(1,046)	-	3,255	
Total payments on redemption of units	(74,523)	-	-	(22,843)	(1,046)	-	(98,412)	(19,765)
Element of income and capital gains included in the prices of units issued less those in units redeemed - net	-	-	-	-	-	-	-	(9,732)
Total comprehensive income / (loss) for the period	-	(45,876)	-	-	41,676	-	(4,200)	22,934
Distribution during the period	-	-	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	(45,876)	-	-	41,676	-	(4,200)	22,934
Net assets at end of the period	1,520,183	(45,618)	-	822,381	40,635	-	2,337,581	1,625,063
Undistributed income brought forward								
- Realised		(6,534)			49		(6,485)	-
- Unrealised		6,792			(44)		6,748	-
		<u>258</u>			<u>5</u>		<u>263</u>	<u>-</u>
Accounting income available for distribution								
- Relating to capital gains		-			-		-	-
- Excluding capital gains		-			-		-	-
		<u>-</u>			<u>-</u>		<u>-</u>	<u>-</u>
Net (loss) / income for the period after taxation		(45,876)			40,630		(5,246)	22,934
Distribution during the period		-			-		-	-
Undistributed income carried forward		<u>(45,618)</u>			<u>40,635</u>		<u>(4,983)</u>	<u>22,934</u>
Undistributed income carried forward								
- Realised		42,840			45,859		88,699	18,782
- Unrealised		(88,458)			(5,224)		(93,682)	4,152
		<u>(45,618)</u>			<u>40,635</u>		<u>(4,983)</u>	<u>22,934</u>
		(Rupees)			(Rupees)		(Rupees)	
Net assets value per unit at beginning of the period		<u>100.0163</u>			<u>100.0057</u>		<u>-</u>	
Net assets value per unit at end of the period		<u>97.2207</u>			<u>103.6255</u>		<u>101.4315</u>	

The annexed notes 1 to 13 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 CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

Note	AIAAP - I	AIAAP - II	AIAAP - I		
	For the nine months ended March 31, 2018	For the nine months ended March 31, 2018	Total	For the period from December 29, 2016 to March 31, 2017	Total
Rupees in '000					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period before taxation	(45,876)	41,676	(4,200)	22,934	22,934
Adjustments for:					
Amortisation of preliminary expenses and floatation costs	1,877	-	1,877	-	-
Element of (income) / loss and capital (gain) / losses included in prices of units issued less those in units redeemed	-	-	-	(9,732)	(9,732)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(18,563)	(37,334)	(55,897)	(4,152)	(4,152)
	(16,686)	(37,334)	(54,020)	(13,884)	(13,884)
(Decrease) / Increase in assets					
Investments	124,011	(700,292)	(576,280)	(560,000)	(560,000)
Profit receivable	2,568	38	2,606	(4,997)	(4,997)
Advances, deposits and prepayments	(6)	-	(6)	(4,642)	(4,642)
	126,574	(700,254)	(573,680)	(569,639)	(569,639)
Decrease / (Increase) in liabilities					
Payable to MCB Arif Habib Savings and Investments - Management Company	(5,553)	42	(5,511)	6,245	6,245
Payable to MCB Financial Services Limited - Trustee	5	64	69	125	125
Payable to the Securities and Exchange Commission of Pakistan	321	487	808	334	334
Dividend payable	(12,672)	(158)	(12,830)	-	-
Accrued expenses and other liabilities	(102)	1,013	911	8,850	8,850
	(18,001)	1,448	(16,553)	15,554	15,554
Net cash generated from / (used in) operating activities	46,011	(694,464)	(648,453)	(545,035)	(545,035)
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issuance of units	10,723	757,960	767,983	1,631,626	1,631,626
Amount paid on redemption of units	(74,523)	(23,889)	(98,412)	(19,765)	(19,765)
Net cash (used in) / generated from financing activities	(63,800)	733,371	669,571	1,611,861	1,611,861
Net (decrease) / increase in cash and cash equivalents during the period	(17,789)	38,907	21,118	1,066,826	1,066,826
Cash and cash equivalents at the beginning of the period	104,568	12,996	117,564	-	-
Cash and cash equivalents at the end of the period	4	86,779	138,682	1,066,826	1,066,826

The annexed notes 1 to 13 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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

Al-Hamra Islamic Active Allocation Fund (the Fund) was established under a Trust Deed dated, November 25, 2016, executed between MCB-Arif Habib Savings and Investments Limited as Management Company and MCB Financial Services Limited as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 02, 2016 under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations 2008).

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 24th Floor, Centre Point, off. Shaheed-e-Millat Expressway, Near KPT interchange, Karachi, Pakistan.

The Fund commenced its operations from December 29, 2016. The Fund is an Open-end Shariah Compliant Asset Allocation Fund of Funds that shall invest in other Shariah compliant Collective Investment Schemes as specified in the Investment Policy contained in the offering document and SECP Circular 7 of 2009, as may be amended or substituted from time to time. The units of the Fund are redeemable subject to a contingent load.

The duration of the Fund is perpetual. However, Allocation Plans launched may have a set time frame. The Fund commenced its operations from December 29, 2016 and on that date, had offered one type of Allocation Plan (Plan-I). However, the Fund has launched Allocation Plan-II from June 16, 2017. The Fund is allowed to invest in Shariah Compliant Collective Investment Schemes or in cash and / or near cash instruments as allowed under circular no. 07 of 2009 dated March 6, 2009 issued by the SECP. The maturity of Allocation Plan I and II is two years from the close of the initial period i.e. December 29, 2018 and June 16, 2019 respectively.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term rating of "AM2++" with a stable outlook (June 30, 2017: AM2++) to the Management Company on December 28, 2017.

The title to the assets of the Fund is held in the name of MCB Financial Services Limited as Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 This condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan which comprises of:

- International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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 requirements of the Trust Deed.

Where provisions of the directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of the directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 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 2017.

2.3 The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2018 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2017, where as 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 nine months ended 31 March 2017.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

- 2.4** 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.
- 2.5** 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.
- 2.6** This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund and rounded to the nearest thousand rupees, unless otherwise specified.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGMENTS AND CHANGES THEREIN

The accounting policies, financial risk management objectives and policies, basis of accounting estimates applied and methods of computation adopted in the preparation of the condensed interim financial statement are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017, except as described in notes 3.1:

- 3.1** The Securities and Exchange Commission of Pakistan (SECP) through its SRO 756(I)/2017 dated August 03, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the Regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded in the form of additional units at zero cost in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised Regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised Regulations.

Previously, an equalization account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealized appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognized in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 01, 2017 as required by SECP vide its S.R.O. No. 756(I) / 2017 dated August 03, 2017. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of loss been recognized as per the previous accounting policy, the loss of Plan I would have been higher by Rs 3.475 million and the loss of Plan II would have been lower by Rs 11.529 million. However, the change in accounting policy does not have any impact on the 'cash flow statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund' which have been incorporated in these statements.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

Note	(Un-audited)			(Audited)			
	AIAAP - I	AIAAP - II	Total	AIAAP - I	AIAAP - II	Total	
	March 31, 2018	March 31, 2018		June 30, 2017	June 30, 2017		
4	BALANCES WITH BANKS						
	-----Rupees in '000-----						
	In savings account	84,831	50,514	135,345	103,184	6,809	109,993
	In current account	1,948	1,389	3,337	1,384	6,187	7,571
		<u>86,779</u>	<u>51,903</u>	<u>138,682</u>	<u>104,568</u>	<u>12,996</u>	<u>117,564</u>

5	(Un-audited)			(Audited)				
	AIAAP - I	AIAAP - II	Total	AIAAP - I	AIAAP - II	Total		
	March 31, 2018	March 31, 2018		June 30, 2017	June 30, 2017			
	INVESTMENTS							
	-----Rupees in '000-----							
	Financial assets 'at fair value through profit or loss'							
	- Units of open end mutual funds	5.1	1,387,382	812,581	2,199,963	1,492,831	74,956	1,567,787

5.1 At fair value through profit or loss - held for trading

5.1.1 Allocation Plan I - Units of open end mutual funds (related party)

Name of the fund	Number of units					Balances as at March 31, 2018		Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 1, 2017	Purchases during the period	Bonus/ Right Shares	Sales during the period	As at March 31, 2018	Carrying Value	Market Value		
	Rupees in '000								
Alhamra Islamic Stock Fund	71,103,335	72,952,335	-	96,151,542	47,904,128	559,616	563,353	38.20	40.61
Alhamra Islamic Income Fund	6,151,984	10,520,747	-	8,802,340	7,870,391	809,203	824,029	55.88	59.39
Total as at March 31, 2018						<u>1,368,819</u>	<u>1,387,382</u>		<u>100.00</u>
Total as at June 30, 2017						<u>1,486,039</u>	<u>1,492,831</u>		

5.1.2 Allocation Plan II - Units of open end mutual funds (related party)

Name of the fund	Number of units					Balances as at March 31, 2018		Market value as a percentage of net assets	Market value as a percentage of total investment
	As at July 1, 2017	Purchases during the period	Bonus/ Right Shares	Sales during the period	As at March 31, 2018	Carrying Value	Market Value		
	Rupees in '000								
Alhamra Islamic Stock Fund	2,029,221	54,997,157	-	28,952,537	28,073,841	303,304	330,148	38.26	40.63
Alhamra Islamic Income Fund	495,648	10,152,558	-	6,040,441	4,607,765	471,943	482,433	55.90	59.37
Total as at March 31, 2018						<u>775,247</u>	<u>812,581</u>		<u>100.00</u>
Total as at June 30, 2017						<u>75,000</u>	<u>74,956</u>		

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

5.2 Unrealised appreciation on re-measurement of investments classified as 'financial assets' at fair value through profit or loss - net

	Note	(Un-audited)			(Audited)		
		AIAAP - I	AIAAP - II	Total	AIAAP - I	AIAAP - II	Total
		March 31, 2018	March 31, 2018		June 30, 2017	June 30, 2017	
-----Rupees in '000-----							
Market value of investments	5.1.1 &	1,387,382	812,581	2,199,963	1,492,831	74,956	1,567,787
Less: Carrying value of investments	5.1.2	1,368,819	775,247	2,144,066	1,486,039	75,000	1,561,039
		<u>18,563</u>	<u>37,334</u>	<u>55,897</u>	<u>6,792</u>	<u>(44)</u>	<u>6,748</u>

6 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	(Un-audited)			(Audited)		
		AIAAP - I	AIAAP - II	Total	AIAAP - I	AIAAP - II	Total
		March 31, 2018	March 31, 2018		June 30, 2017	June 30, 2017	
-----Rupees in '000-----							
Auditors' remuneration		135	62	197	285	1	286
Printing charges		23	13	36	100	-	100
Payable to legal advisor		49	22	71	66	1	67
Others		242	67	309	99	-	99
Provision for Sindh Workers' Welfare Fund	6.1	263	854	1,117	264	3	267
		<u>712</u>	<u>1,018</u>	<u>1,730</u>	<u>814</u>	<u>5</u>	<u>819</u>

6.1 There is no change in the status of the SWWF as reported in the annual financial statements of the Fund for the year ended June 30, 2017. Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of Plan I and II would have been higher by Re 0.0173 per unit and Re 0.1025 per unit respectively (June 30, 2017: Re 0.0167 per unit and Re 0.0034 per unit respectively).

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2018 and June 30, 2017.

8 TOTAL EXPENSE RATIO

Total expense ratio of the Fund is 0.43% (Plan-I) (March 31, 2017: 0.39%) and 0.43% (Plan-II) which includes 0.10% (Plan-I) (March 31, 2017: 0.08%) and 0.22% (Plan-II) representing government Levy on the Fund such as Sales tax, Sindh Workers' Welfare Fund, SECP fee, etc.

9 (LOSSES) / EARNINGS PER UNIT

(Losses) / 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.

10 TAXATION

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2018

11 TRANSACTIONS WITH CONNECTED PERSONS

Related parties / connected persons of the Fund include MCB-Arif Habib Savings and Investments Limited (being the Management Company) and its related entities, MCB Financial Services Limited (MCBFSL) (being the Trustee of the Fund), other collective investment schemes and pension schemes managed by the Management Company, any person or trust beneficially owning (directly or indirectly) ten percent or more capital of the Management Company or net assets of the Fund and directors, key management personnel and officers of the Management Company.

Transactions with connected persons / related parties are in the normal course of business, at contracted rates and terms determined in accordance with the market rates.

Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

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

11.1 Alhamra Islamic Active Allocation Plan I

----- Nine months ended March 31, 2018 (Un-audited) -----							
As at July 01, 2017	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at March 31, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at March 31, 2018
----- (Number of units) -----				----- (Rupees in '000) -----			
Associated companies / undertakings							
MCB Employees Pension Fund	586,520	-	586,520	58,662	-	-	57,022
Alhamra Islamic Income Fund	6,151,984	10,520,747	7,870,391	621,816	1,081,000	901,000	824,029
Alhamra Islamic Stock Fund	71,103,335	72,952,335	47,904,128	871,016	841,000	1,081,000	563,353

----- For the period from December 29, 2016 to March 31, 2017 -----							
As at December 29, 2016	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at March 31, 2017	As at December 29, 2016	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at March 31, 2017
----- (Number of units) -----				----- (Rupees in '000) -----			
Associated companies / undertakings							
Alhamra Islamic Stock Fund	-	40,821,463	40,821,463	-	560,000	-	564,152

11.2 Alhamra Islamic Active Allocation Plan II

----- Nine months ended March 31, 2018 (Un-audited) -----							
As at July 01, 2017	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at March 31, 2018	As at July 01, 2017	Issued for cash / conversion in / transfer in	Redeemed / conversion out / transfer out	As at March 31, 2018
Associated companies / undertakings							
MCB Employees Pension Fund	751,350	-	751,350	75,139	-	-	77,859
Alhamra Islamic Income Fund	495,648	10,152,558	4,607,765	50,098	1,035,500	620,004	482,433
Alhamra Islamic Stock Fund	2,029,221	54,997,157	28,073,841	24,858	600,000	320,000	330,148
Unit Holders holding 10% or more units	-	1,001,305	1,001,305	-	100,000	-	103,761

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018**

11.3 Other transactions

	(Un-audited)			(Un-audited)	
	AIAAP - I	AIAAP - II	Total	AIAAP - I	Total
	For the nine months / period ended March 31, 2018			For the period from December 29, 2016 to March 31, 2017	
-----Rupees in '000-----					
MCB-Arif Habib Savings and Investments Limited					
Remuneration of the Management Company	623	306	929	2,302	2,302
Sindh sales tax on remuneration of the Management Company	80	40	120	299	299
Allocated expense (including indirect taxes)	1,242	583	1,825	397	397
MCB Financial Services Limited - Trustee					
Remuneration of the trustee	912	479	1,391	301	301
Sindh sales tax on remuneration of Trustee	119	62	181	38	38
MCB Bank Limited					
Bank Charges	2	10	12	-	-

	(Un-audited)			(Audited)		
	AIAAP - I	AIAAP - II	Total	AIAAP - I	AIAAP - II	Total
	March 31, 2018			June 30, 2017		
11.4 Other Balances						
MCB-Arif Habib Savings and Investments Limited						
Management remuneration payable (Rs in '000)	71	39	110	524	30	554
Sindh sales tax payable on management remuneration (Rs in '000)	9	5	14	69	4	73
Sales load payable (Rs in '000)	-	-	-	-	7	7
Preliminary expenses and floatation costs payable (Rs in '000)	-	-	-	5,000	-	5,000
Payable against allocated expenses (Rs in '000)	124	73	197	134	4	138
Others (Rs in '000)	-	-	-	30	30	60
MCB Financial Services Limited - Trustee						
Remuneration of the trustee (Rs in '000)	103	66	169	97	10	107
Sindh sales tax payable on trustee fee (Rs in '000)	12	9	21	13	1	14
MCB Bank Limited - Parent of the Management Company						
Balance with bank (Rs in '000)	1,938	1,389	3,327	1,384	6,187	7,571

12 GENERAL

12.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and disclosure. No significant rearrangement or reclassification has been made in this condensed interim financial information, except for the impacts of change in accounting policies as disclosed in note 3.1.

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company in the meeting held on April 19, 2018.

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



Chief Executive Officer



Chief Financial Officer



Director