



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

SEPTEMBER
2020
(UNAUDITED)

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

AM1
Traded by PSCs



ISAVE
Savings Asaan. Life Asaan.

ALHAMRA ISLAMIC ASSET ALLOCATION FUND

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FUND'S INFORMATION

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

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Dear Investor,

On behalf of the Board of Directors, We are pleased to present **Alhamra Islamic Asset Allocation Fund** accounts review for the quarter ended September 30, 2020.

Economy and Money Market Review

The start to fiscal year 2021 has been promising as economic activities have started to pick up as lockdowns have been lifted in general across the country. The economic recovery has been sharper than expectations as lagged impact of monetary easing, pent up demand and higher remittances have provided impetus to economic growth. We now expect economic growth to be higher than general estimates. Government had initial expectations of lower industrial growth (targeting a growth of 0.1% YoY) due to Covid-19, which we now believe would be better than expectations as cyclical sectors have seen a reversal in their fortunes.

Cement sector saw an impressive growth in local dispatches as they witnessed a growth of 19% YoY in the first quarter of FY21. Sales of two wheeler units rose at a more impressive rate of 22% YoY reflecting on the vibrancy of middle class economic dynamics. Similarly, the demand of white petroleum products increased by 6% YoY during the quarter implying a broad based recovery in economy. While LSM number of only one month have been released for this fiscal year (up 5% YoY), we expect it to grow at high single digit in the first quarter.

Current account deficit posted a surplus of USD 805 million in the first two months of fiscal year compared to a deficit of USD 1,214 million in the corresponding period of the last year. The improvement came in primarily on the back of higher remittances which grew at a stupendous rate of 31% in the first two months and at a similar rate in the first quarter. Foreign exchange reserves of central bank saw a nominal increase of USD 100 million during the quarter due to improved balance of payment position.

Inflation remained an Achilles heel for the government as rising food prices continued to create challenges for policy makers. Headline inflation represented by CPI averaged 8.8% YoY during the quarter, with food inflation averaging 15.1% YoY during the period. The prices of perishable food items along with the price of wheat continued to advance higher as supply side disruptions and mismanagement caused the prices to soar. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged 6.6% for the period. The MPC committee conducted one monetary policy during the quarter and maintained status quo after successive cuts in previous meetings. While real interest rates remained negative, the central bank was cautious with regards to demand side pressures owing to Covid-19. As the economy started to open up, tax collection also improved and grew by 5% during the quarter, returning to the positive zone after a span of 4 months. FBR collected record 1,004 billion in taxes, surpassing the target by PKR ~40 billion during the quarter.

Yield curve started to slope upward after inflation continued to disappoint investors. The central bank also raised its expectation of inflation as discussed in the minutes of MPC. It now expects it to fall in the upward range of 7-9% compared to earlier expectations of inflation falling in the lower range. 3Y, 5Y and 10Y bonds saw a rise of 76 bps, 102 bps and 106 bps respectively during the period.

Equity Market Review

The benchmark KSE-100 index started off the fiscal year 2021 with flying colors as it closed the first quarter as the best performing equity index in the world exhibiting a massive surge of ~17.9%. With record low interest rates, stock market remained exuberant as flows from local investors kept the index roaring. Foreigners continued to offload as they sold stocks worth of near USD 106 million, while on the local front Individuals and Mutual Funds added about USD 108/26 million respectively to their positions. During the quarter, average trading volumes saw a massive rise to 500 million shares compared to about 205 million shares during the preceding quarter. Similarly, average trading value during the quarter saw an exorbitant uptick of 133% QoQ to near PKR 17.5 billion.

Cement, Chemical and Automobile were the major outperformers as they posted returns of 35%/26%/25% respectively. Record cement dispatches along with rising cement prices continued to provide traction to cement stocks. The announcements related to the Naya Pakistan housing project also acted as stimuli to the positive sentiments in the cement sector. Similarly, chemical sector also remained in limelight owing to rising construction activities, along with a recovery in textile sector. Moreover, Autos garnered attention as renewed demand of passenger cars and two wheelers brought life in the sector.

FUND PERFORMANCE

During the period under review, the fund delivered a return of 11.45% as against its benchmark return of 15.16%.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2020

On the equities front, the overall allocation was 85.2% at the end of the period under review. The fund was mainly invested in Cement, Oil & Gas Exploration Companies and Power Generation & Distribution significantly during the period. On the fixed income side, there was no exposure towards Sukuk at the end of the period under review. The Net Assets of the Fund as at September 30, 2020 stood at Rs. 2,388 million as compared to Rs. 1,964 million as at June 30, 2020 registering an increase of 21.59%.

The Net Asset Value (NAV) per unit as at September 30, 2020 was Rs. 69.6792 as compared to opening NAV of Rs. 62.5192 per unit as at June 30, 2020 registering an increase of Rs. 7.16 per unit.

Economy & Market - Future Outlook

GDP growth for FY21 is projected at 2.1% by government and various institutions. Pakistan has essentially survived the first wave of pandemic, as number of daily cases (within 1000) have reduced to one-sixth of the peak daily cases (about 6000) witnessed during early June. Generally, economy appears to now operating close to pre-covid levels as cyclical sectors have geared up after record monetary easing. We expect growth to fare better than general expectations as industrial growth has revived much earlier than our anticipation. We expect economic growth to recover well above 2.1%. Balance of Payment worries are over for now as current account deficit has adjusted to reasonable level since the policy actions taken by the central government. Global economy has started to recover and the news flow suggests that the exports are gaining momentum. Remittances have also been far above the general expectations and in fact 31% YoY growth in the first quarter has surprised everyone. Even accounting for a 5% decline in remittances from here onwards, the overall situation will remain in comfortable zone. We expect CAD to settle near 1.2% of GDP in the FY21, which can be easily financed via flows from foreign investments and debt flows. Swift continuation of IMF program will be a key prerequisite to keep the financial account in positive zone. With the current scenario, we expect foreign exchange reserves to further increase by USD 2 billion during the next year, which will help alleviate any pressure on currency.

Inflation has exceeded our earlier expectations as food prices have sky rocketed. We expect CPI to average 9.1% for FY21, slightly higher than the expected range (7.0-9.0) of central bank. However, the inflation trajectory would remain close to 8% over the next few months and would move near double digits by the end of the fiscal year due to the low base effect. Thus, central bank may consider to adjust the interest rates in the second half of the fiscal year. However, the quantum of adjustment will depend on the balance of payment and economic situation at that time.

From capital market perspective, particularly equities, we are getting a much clearer picture now. As covid curve continues to flatten out, the valuations are catching up with historical norms. Barring a second wave of the virus, we think equities have a lot to offer to the investors. Market cap to GDP ratio is at 17.5%, still at a discount of 33% from its historical average. Similarly, risk premiums are close to 3.4%, compared to historical average of 0.9% signifying decent upside for long term investors. We believe a micro view of sectors and stock will remain more important this year and investment selection should focus on companies which trade at a deep discount to their intrinsic value. Similarly, focus should also revert back to companies that are expected to exhibit stellar earnings growth over the medium term.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds have priced in the anticipated yield curve. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

Mutual Fund Industry Review

The Net Assets of the open end mutual fund industry increased by about 14.3% to PKR 848 billion at the end of 1QFY21 compared to end of 4QFY20. Money market funds and Fixed Income funds experienced an influx of investment as the status quo of interest rates was maintained by the central bank throughout the quarter. Total money market funds grew by about 41% since June 2020. Within the money market sphere, the conventional funds dominated as they grew by about 13% to PKR 233 billion. In addition, the total fixed Income funds increased by about 18% since June 2020, as the shariah compliant funds grew by 15% to near PKR 126 billion. The appetite for risk assets ignited in the post lockdown scenario as the aggregate demand boosted. Equity and related funds surged rapidly by 20% from PKR 224 billion to PKR 268 billion over the quarter. Most of the rise in AUMs can be attributed to a positive uptick in the market that was up 26% YoY owing to favorable investor sentiments.

In terms of the segment share, Money Market funds were the leader with a share of around 41%, followed by Equity and Equity related funds with a share of 32% and Income funds having a share of 26% as at the end of 1QFY21.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Mutual Fund Industry Outlook

Record decline in interest rates have reinstated the confidence in risk asset classes. We expect liquidity to gear up towards equity and related funds. The sustainability of liquidity will however depend on how the economy transitions through this phase of pandemic. Our operations remained seamless and given our competitive edge due to aggressive investment in digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

ACKNOWLEDGMENT

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

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
October 23, 2020



Nasim Beg
Vice Chairman / Director

ڈائریکٹرز رپورٹ

فیصد اضافہ ہوا کیونکہ شریعت کی تعمیل والے فنڈز 15 فیصد بڑھ کر تقریباً 126 بلین روپے ہو گئے۔ لاک ڈاؤن ختم ہونے کے بعد مجموعی طلب میں اضافے کے باعث خطرات کے حامل اثاثہ جات کی مانگ میں اضافہ ہوا۔ ایکویٹی اور متعلقہ فنڈز دوران سہ ماہی 20 فیصد بڑھ کر 224 بلین روپے سے 268 بلین روپے ہو گئے۔ AUMs میں اضافے کا بڑا سبب مارکیٹ میں 26 فیصد سال در سال ترقی کو قرار دیا جاسکتا ہے جو سرمایہ کاروں کے پُر جوش رجحان کی بدولت ہوئی۔

مالی سال 2021ء کی پہلی سہ ماہی کے اختتام پر شعبہ جاتی سرمایہ کاری کے اعتبار سے منی مارکیٹ فنڈز تقریباً 41 فیصد کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز تقریباً 32 فیصد، اور انکم فنڈز تقریباً 26 فیصد کے حامل تھے۔

میوچل فنڈ صنعت کا مستقبل کا منظر

انٹریسٹ کی شرحوں میں اب تک کی سب سے زیادہ کمی کی بدولت خطرات کے حامل اثاثہ جات میں اعتماد بحال ہوا ہے۔ ایکویٹی اور متعلقہ فنڈز کے شعبے میں نقدیت میں بہتری متوقع ہے۔ تاہم نقدیت کی پائیداری کا انحصار اس بات پر ہوگا کہ معیشت اس وباء کے مرحلے سے کس طرح گزرتی ہے۔ ہمارے آپریشنز پلار کاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکیں گے۔

اظہار تشکر

ڈائریکٹرز ہمارے حصص یافتگان کو خراج تحسین پیش کرتے ہیں کہ انہوں نے کمپنی میں مسلسل اعتماد کا اظہار کیا ہے۔ علاوہ ازیں، ہم کمپنی کے ہر ایک فرد کے عزم و اخلاص اور جدت پسندانہ سوچ کو بھی بے حد سراہتے ہیں اور ہمیں یقین ہے کہ وہ مستقبل میں بھی اسی طرح سرگرم عمل رہیں گے۔

من جانب ڈائریکٹرز،



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

23 اکتوبر 2020ء



نسیم بیگ

ڈائریکٹر / وائس چیئرمین

ڈائریکٹر رپورٹ

ادائیگیوں کے توازن کی پریشانیوں فی الوقت ختم ہو گئی ہیں کیونکہ مرکزی حکومت کی جانب سے پالیسی اقدامات کے بعد کرنٹ اکاؤنٹ خسارہ معقول سطح پر آ گیا ہے۔ عالمی معیشت میں بحالی کے عمل کا آغاز ہو گیا ہے اور برآمدات میں بتدریج بہتری کی خبریں گردش میں ہیں۔ ترسیلات زر بھی توقعات سے بہت بلند ہوئی ہیں اور پہلی سہ ماہی میں 31 فیصد سال در سال ترقی نے سب کو حیران کر دیا ہے۔ اگر ترسیلات زر میں یہاں سے 5 فیصد کمی بھی مان لی جائے تب بھی مجموعی صورتحال قابو میں رہے گی۔ ہم سمجھتے ہیں کہ مالی سال 2021ء میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 1.2 فیصد پر ٹھہرے گا، اور اس کے لیے مالیات کی فراہمی باسائی غیر ملکی سرمایہ کاروں اور قرض کے ذریعے ہو سکتی ہے۔ آئی ایم ایف پروگرام پر عمل درآمد کا سبک رفتاری کے ساتھ جاری رہنا مالیاتی گوشوارے کو مثبت حد میں رکھنے کے لیے کلیدی عامل ثابت ہوگا۔ موجودہ صورتحال میں غیر ملکی زرمبادلہ کے ذخائر میں اگلے سال مزید 2 بلین ڈالر کا اضافہ متوقع ہے جس کی بدولت روپے پر کسی قسم کے دباؤ کو کم کرنے میں مدد ملے گی۔

افراط زر ہماری سابقہ توقعات سے آگے بڑھ گئی ہے کیونکہ اشیائے خورد و نوش کی قیمتیں آسمان کو چھو رہی ہیں۔ ہمارے نزدیک مالی سال 2021ء کے لیے سی پی آئی کا اوسط 9.1 فیصد ہوگا جو مرکزی بینک کی متوقع حد (7.0 سے 9.0) سے تھوڑا زیادہ ہے۔ تاہم اگلے چند ماہ کے دوران افراط زر کی رفتار تقریباً 8 فیصد رہے گی اور مالی سال کے اختتام تک دو عدد تک پہنچے گی جس کی وجہ پست base کی اثر پذیری ہے۔ چنانچہ مرکزی بینک مالی سال کے نصف آخر میں انٹریسٹ کی شرحوں میں ترمیم کرنے کے بارے میں سوچ سکتا ہے۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے نظریئے سے ہمیں اب کافی واضح صورتحال نظر آرہی ہے۔ جہاں کو وڈ کے خم کے ہموار ہونے کا سلسلہ جاری ہے وہاں valuations بتدریج پرانے رجحانات کے ساتھ ہم آہنگ ہو رہی ہیں۔ وائرس کی دوسری لہر کا سد باب کرتے ہوئے ہم سمجھتے ہیں کہ ایکویٹیز میں سرمایہ کاروں کے لیے بہت فوائد مضمر ہیں۔ مارکیٹ کیپیٹلائزیشن کا جی ڈی پی کے ساتھ تناسب 17.5 فیصد ہے، جواب بھی اپنے پرانے اوسط سے 33 فیصد کم ہے۔ اسی طرح رسک پریمیم 3.4 فیصد کے قریب ہیں جو اپنے پرانے اوسط 0.9 فیصد کے مقابلے میں طویل المیعاد سرمایہ کاروں کے لیے قابل قبول بہتری ہے۔ ہم سمجھتے ہیں کہ سیکٹرز اور اسٹاک کی خورد و تصویر اس سال زیادہ اہم رہے گی اور سرمایہ کاری کے انتخاب کا انحصار ایسی کمپنیوں پر ہونا چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ اسی طرح ایسی کمپنیوں کی طرف بھی توجہ دوبارہ مرکوز ہونی چاہیے جن کی درمیانی مدت کی آمدنی میں زبردست ترقی متوقع ہے۔

حاملین قرض کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر پالیسی شرحوں کی عکاسی بلا رکاوٹ جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز دوران سال پہلے ہی کچھ حد تک متوقع مالیاتی تسہیل میں کردار ادا کر چکے ہیں۔ ہم بانڈز کے منافعوں کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا کے نکات کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے net اثاثہ جات تقریباً 14.3 فیصد بڑھ کر مالی سال 2021ء کی پہلی سہ ماہی کے اختتام پر تقریباً 848 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز اور فیکسڈ انکم فنڈز میں خطیر سرمایہ کاری ہوئی کیونکہ مرکزی بینک نے سال بھر انٹریسٹ کی شرحوں کی سطح کو برقرار رکھا۔ منی مارکیٹ کے مجموعی فنڈز میں جون 2020ء کے مقابلے میں 41 فیصد اضافہ ہوا۔ زیر جائزہ مدت کے دوران منی مارکیٹ کے دائرے میں روایتی فنڈز حاوی رہے کیونکہ وہ تقریباً 13 فیصد بڑھ کر 233 بلین روپے ہو گئے۔ علاوہ ازیں، مجموعی فیکسڈ انکم فنڈز میں جون 2020ء سے تقریباً 18

ڈائریکٹر رپورٹ

ایکویٹی مارکیٹ کا جائزہ

بمقام مارک KSE-100 انڈیکس نے مالی سال 2021 کا بہترین آغاز کیا کیونکہ یہ پہلی سہ ماہی کے اختتام پر تقریباً 17.9 فیصد ترقی کر کے دنیا بھر میں بہترین کارکردگی کا مظاہرہ کرنے والا انڈیکس تھا۔ انڈیکس کی کم ترین شرحوں کی بدولت اسٹاک مارکیٹ میں خوشحالی رہی کیونکہ سرمایہ کاروں کی طرف سے آمدات سے انڈیکس بڑھتا رہا۔ غریبوں نے بوجھ اتارنے کا سلسلہ جاری رکھا اور تقریباً 106 ملین ڈالر مالیت کے اسٹاکس فروخت کیے، جبکہ مقامی سطح پر افراد اور میوچل فنڈز نے اپنی بساط میں بالترتیب تقریباً 108 ملین اور 26 ملین ڈالر کا اضافہ کیا۔ دوران سہ ماہی اوسط تجارتی حجم میں بڑا اضافہ ہوا اور یہ 500 ملین ڈالر ہو گئے جبکہ گزشتہ سہ ماہی میں 205 ملین ڈالر تھے۔ اوسط تجارتی قدر میں بھی 133 فیصد سہ ماہی در سہ ماہی (QoQ) خطرہ اضافہ ہوا اور یہ تقریباً 17.5 ملین روپے تک پہنچ گئی۔

سیمنٹ، کیمیکل اور گاڑیوں کے شعبوں نے بہترین کارکردگی کا مظاہرہ کرتے ہوئے بالترتیب 35، 26 اور 25 فیصد منافع حاصل کیا۔ سیمنٹ کی ریکارڈ ترسیلات بمع بڑھتی ہوئی قیمتوں نے سیمنٹ کے اسٹاکس کو محرک فراہم کرنے کا سلسلہ جاری رکھا۔ دنیا پاکستان ہاؤسنگ پراجیکٹ سے متعلق اعلانات بھی سیمنٹ کے شعبے کے لیے خوش آئند ثابت ہوئے۔ اسی طرح کیمیکلز کے شعبے نے بھی بڑھتی ہوئی تعمیراتی سرگرمیوں اور ٹیکسٹائل کے شعبے میں بحالی کی بدولت بھرپور ترقی کی۔ علاوہ ازیں، گاڑیوں کا شعبہ توجہ کا مرکز بنا کیونکہ مسافر گاڑیوں اور موٹر سائیکلوں کی مانگ میں اضافے نے اس شعبے میں نئی روح پھونک دی۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 11.45 فیصد منافع دیا جبکہ مقررہ معیار 15.16 فیصد ہے۔ زیر جائزہ مدت کے اختتام پر ایکویٹیز کی جہت میں مجموعی اختصاص 85.2 فیصد تھا۔ فنڈ کی زیادہ تر سرمایہ کاری دوران مدت سیمنٹ، تیل اور گیس کی دریافت کی کمپنیوں، اور بجلی کی پیداوار اور تقسیم کے شعبے میں تھی۔ مقررہ آمدنی کی جہت میں زیر جائزہ مدت کے اختتام پر سسٹم میں کوئی سرمایہ کاری نہیں تھی۔ 30 ستمبر 2020ء کو فنڈ کے net اثاثہ جات 2,388 ملین روپے تھے جو 30 جون 2020ء (1,964 ملین روپے) کے مقابلے میں 21.59 فیصد اضافہ ہے۔

30 ستمبر 2020ء کو net اثاثہ جاتی قدر (این اے وی) 69.6792 روپے فی یونٹ تھی جو 30 جون 2020ء کو ابتدائی این اے وی 62.5192 روپے فی یونٹ کے مقابلے میں 7.16 روپے فی یونٹ اضافہ ہے۔

معیشت اور بازار - مستقبل کے امکانات

حکومت اور متعدد اداروں کے مطابق مالی سال 2021ء کے لیے مجموعی ملکی پیداوار (جی ڈی پی) میں 2.1 فیصد ترقی متوقع ہے۔ پاکستان کو وڈ ۱۹ کی پہلی لہر سے نبرد آزما ہونے میں کامیابی حاصل کی ہے کیونکہ متاثرہ افراد کی یومیہ تعداد (1000 سے کم) ماہ جون کے آغاز میں منظر عام پر آنے والے تعداد کی بلند ترین سطح (تقریباً 6000) کا چھٹا حصہ رہ گئے ہیں۔ معیشت اب عمومی طور پر قبل از کووڈ سطحوں پر سرگرم عمل ہے کیونکہ گردش شعبوں نے ریکارڈ مالیاتی تسہیل کے بعد رفتار پکڑ لی ہے۔ ہم سمجھتے ہیں کہ عمومی توقعات سے بہتر ترقی ہوگی کیونکہ صنعتی ترقی ہماری اُمید سے جلد بحال ہوگئی ہے۔ ہمارے نزدیک معاشی ترقی 2.1 سے کافی بلند سطح پر بحال ہوگی۔

ڈائریکٹر رپورٹ

عزیز سرمایہ دار

بورڈ آف ڈائریکٹرز کی طرف سے الحمد للہ اسلامک ایسیٹ ایلوکیشن فنڈ کے اکاؤنٹس کا جائزہ برائے سہ ماہی مُختتمہ 30 ستمبر 2020ء پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

مالی سال 2021ء کا آغاز اُمید افزا رہا کیونکہ مُلک بھر میں عمومی طور پر لاک ڈاؤن ختم کیے جانے کے نتیجے میں معاشی سرگرمیوں کی رفتار میں اضافہ ہوا ہے۔ معاشی بحالی توقعات سے بہتر رہی کیونکہ مالیاتی تسہیل کی سُسٹ رفتار اثر پذیر رہی، مُقتید طلب اور ترسیلات زر میں اضافے کی بدولت معاشی ترقی کو محرک فراہم ہوا۔ ہمیں اُمید ہے کہ اب معاشی ترقی عمومی تخمینوں سے بلند تر ہوگی۔ حکومت کو ابتدائی طور پر پست تر صنعتی ترقی کی توقع تھی (کووڈ ۱۹ کے باعث 0.1 فیصد سال در سال (YoY) کا ہدف)، لیکن ہم سمجھتے ہیں کہ اب یہ توقعات سے بہتر ہوگی کیونکہ گردش شعبوں کے حالات کی کاپلٹ گئی ہے۔

مالی سال 2021ء کی پہلی سہ ماہی میں سیمنٹ کے شعبے نے مقامی ترسیلات میں 19 فیصد سال در سال کی متاثر کن ترقی کی۔ موٹر سائیکلوں کی فروخت میں 22 فیصد قابل ذکر اضافہ ہوا جس سے متوسط طبقے کی معاشی صورتحال میں بہتری کی عکاسی ہوتی ہے۔ اسی طرح سفید پٹرولیم کی مصنوعات کی مانگ میں دوران سہ ماہی 6 فیصد سال در سال اضافہ ہوا جس سے معیشت میں وسیع بنیاد پر بحالی کی طرف اشارہ ہوتا ہے۔ بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) کا اس مالی سال کے لیے صرف ایک عدد ظاہر کیا گیا ہے (5 فیصد سال در سال تک) لیکن ہم سمجھتے ہیں کہ پہلی سہ ماہی کے دوران اس میں بلند یک عدد دی ترقی ہوگی۔

کرنٹ اکاؤنٹ خسارے میں مالی سال کے پہلے دو ماہ میں 805 ملین ڈالر کی ہوئی جبکہ سال گزشتہ کی مماثل مدت میں خسارہ 1,214 ملین ڈالر تھا۔ اس بہتری کی بنیادی وجہ ترسیلات زر میں پہلے دو ماہ کے دوران اور پہلی سہ ماہی میں بھی 31 فیصد زبردست اضافہ ہے۔ مرکزی بینک کے غیر مُلکی زرمبادلہ کے ذخائر میں دوران سہ ماہی 100 ملین ڈالر کا معمولی اضافہ ہوا جس کی وجہ ادائیگیوں کے توازن کی صورتحال میں بہتری ہے۔

افراط زر حکومت کا کمزور پہلو رہا کیونکہ اشیائے خورد و نوش کی قیمتوں میں اضافہ پالیسی ساز افراد کے لیے چیلنج پیش کرتا رہا۔ دوران سہ ماہی ہیڈ لائن افراط زر، جس کی نمائندگی صارفی قیمت کی انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط 8.8 فیصد سال در سال تھا، جبکہ اشیائے خورد و نوش کے افراط زر کا اوسط 15.1 فیصد سال در سال تھا۔ جلد خراب ہو جانے والی اشیائے خورد و نوش بشمول گندم کی قیمت میں اضافہ جاری رہا جس کی وجہ رسد کی جہت میں ہونے والی خرابیاں اور بدانتظامی ہے۔ بہر حال اصل افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے شعبوں کے علاوہ کے ذریعے ہوتی ہے، قابو میں تھی اور اس کا اوسط 6.6 فیصد تھا۔ ایم پی سی کمیٹی نے دوران سہ ماہی ایک مانیٹری پالیسی اجلاس منعقد کیا اور گزشتہ اجلاسوں میں پے در پے کٹوتیوں کے بعد صورتحال کو برقرار رکھا۔ اگرچہ انٹریسٹ کی اصل شرحیں منفی رہیں، مرکزی بینک کووڈ ۱۹ کے باعث طلب کی جہت پر پڑنے والے دباؤ کے حوالے سے محتاط تھا۔

معیشت کے مستحکم ہونے کے ساتھ ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں دوران سہ ماہی 5 فیصد اضافہ ہوا، اور اس طرح چار ماہ بعد یہ عدد منفی سے مثبت ہوا۔ ایف بی آر نے ریکارڈ 1,004 بلین روپے ٹیکس جمع کیا جو مقررہ ہدف سے تقریباً 40 بلین روپے زیادہ ہے۔

افراط زر نے سرمایہ کاروں کو مایوس کرنے کا سلسلہ جاری رہا اور پیداواری خم بلندی کی طرف جاننا شروع ہو گیا۔ مرکزی بینک نے بھی افراط زر سے متعلق اپنی توقع کو بڑھایا جیسا کہ مانیٹری پالیسی کمیٹی (ایم پی سی) کے میٹس میں مذکور ہے۔ اب مرکزی بینک کو توقع ہے کہ افراط زر 7 سے 9 فیصد کی اوپری سطح میں پہنچ جائے گا، جبکہ پہلے اس کا نچلی سطح میں آنا متوقع تھا۔ دوران مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 76، 102 اور 106 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2020

		September 30, 2020 (Unaudited) ----- (Rupees in '000) -----	June 30, 2020 (Audited)
	Note		
ASSETS			
Balances with banks	6	353,545	238,799
Investments	7	2,102,606	1,748,024
Dividend, profit and other receivables		6,394	10,420
Advances, deposits and prepayments		3,949	3,905
Total assets		2,466,494	2,001,148
LIABILITIES			
Payable to MCB Arif Habib Savings and Investments Limited - Management Company	9	14,130	10,332
Payable to Central Depository Company of Pakistan Limited		319	275
Annual fee payable to the Securities and Exchange Commission of Pakistan (SECP)		115	471
Payable against purchase of investments		36,217	7,343
Accrued and other liabilities	8	27,271	19,148
Total liabilities		78,052	37,569
NET ASSETS		2,388,441	1,963,579
Unit holders' fund (as per statement attached)		2,388,441	1,963,579
Contingencies and commitments	10		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		34,277,658	31,407,618
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		69.6792	62.5192

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

		September 30,	
		2020	2019
Note	-----	(Rupees in '000) -----	
INCOME			
		106,355	(24,344)
		6,510	36,594
		-	1,977
		102	-
		4,068	-
		6,901	26,728
7.1		146,058	(111,091)
Total Income		269,994	(70,136)
EXPENSES			
		11,478	13,212
		1,492	1,717
		574	661
		826	912
		107	119
		115	132
		4,268	1,027
		2	25
		7	19
		188	226
		129	117
		34	46
		7,460	4,102
		151	988
Total expenses		26,831	23,303
Net income / (loss) from operating activities		243,163	(93,439)
		(4,863)	-
Net income / (loss) for the period before taxation		238,300	(93,439)
11		-	-
Net income / (loss) for the period after taxation		238,300	(93,439)
<i>Allocation of net income for the period:</i>			
		238,300	-
		(24,957)	-
		213,344	-
<i>Accounting income available for distribution:</i>			
		213,344	-
		-	-
		213,344	-

Earning per unit

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The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	<u>September 30,</u>	
	<u>2020</u>	<u>2019</u>
	<u>----- (Rupees in '000) -----</u>	
Net Income / (loss) for the period after taxation	238,300	(93,439)
Other comprehensive Income / (loss) for the period:	-	-
Total comprehensive income / (loss) for the period	<u>238,300</u>	<u>(93,439)</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30, 2020			September 30, 2019		
	Capital value	Undistributed income/ (accumulated loss)	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	2,157,877	(194,298)	1,963,579	3,168,189	(195,102)	2,973,087
Issuance of 7,285,909 units (2019: 475,801 units):						
- Capital value (at net asset value per unit at the beginning of the period)	455,510	-	455,510	30,368	-	30,368
- Element of income	39,266	-	39,266	(1,832)	-	(1,832)
	494,776	-	494,776	28,536	-	28,536
Redemption of 4,423,238 units (2019: 6,608,798 units):						
- Capital value (at net asset value per unit at the beginning of the period)	276,537	-	276,537	421,804	-	421,804
- Element of Income / loss	6,720	24,957	31,677	(20,382)	-	(20,382)
	283,257	24,957	308,214	401,422	-	401,422
Total comprehensive Income / (loss) for the period	-	238,300	238,300	-	(93,439)	(93,439)
Net Income / (loss) for the period less distribution	-	238,300	238,300	-	(93,439)	(93,439)
Net assets at end of the period	2,369,396	19,046	2,388,441	2,795,303	(288,541)	2,506,762
Undistributed income brought forward comprising of:						
- Realised gain	(117,658)			186,816		
- Unrealised gain	(76,640)			(381,918)		
	(194,298)			(195,102)		
Accounting income available for distribution:						
- Relating to capital gains	213,344			-		
- Excluding capital gains	-			-		
Net loss for the period after taxation	-			(93,439)		
Undistributed income carried forward	19,046			(288,541)		
Undistributed income carried forward comprising of:						
- Realised gain	(127,013)			(177,450)		
- Unrealised loss	146,058			(111,091)		
	19,046			(288,541)		
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the period	62.5192			63.8246		
Net assets value per unit at end of the period	69.6792			61.9732		

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

September 30,	
2020	2019
----- (Rupees in '000) -----	

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss for the period before taxation	238,300	(93,439)
---	---------	----------

Adjustments for:

Net unrealised loss / (gain) on revaluation of investments
 'at fair value through profit or loss'

(146,058)	111,091
<u>92,242</u>	<u>17,652</u>

(Increase) / Decrease in assets

Investments
 Profit receivable
 Receivable against sale of investments
 Advances, deposits and prepayments

(208,523)	239,207
4,026	(24,765)
-	30,667
(44)	106
<u>(204,541)</u>	<u>245,215</u>

Increase in liabilities

Payable to the Management Company
 Payable to Central Depository Company of Pakistan Limited
 Payable to Securities and Exchange Commission of Pakistan
 Payable against purchase of investments
 Accrued and other liabilities

3,797	5,301
44	(53)
(356)	(3,290)
28,874	-
8,123	720
<u>40,482</u>	<u>2,678</u>

Net cash generated (used in) / from operating activities

<u>(71,817)</u>	<u>265,545</u>
-----------------	----------------

CASH FLOWS FROM FINANCING ACTIVITIES

Receipts from issuance of units
 Payments on redemption of units

494,776	28,536
(308,214)	(401,422)
<u>186,562</u>	<u>(372,886)</u>

Net cash generated from / (used in) financing activities

Net Increase / (decrease) cash and cash equivalents during the period

<u>114,746</u>	<u>(107,341)</u>
----------------	------------------

Cash and cash equivalents at beginning of the period

238,799	763,340
---------	---------

Cash and cash equivalents at end of the period

<u><u>353,545</u></u>	<u><u>656,000</u></u>
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The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alhamra Islamic Asset Allocation Fund (the Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (now MCB - Arif Habib Savings and Investments Limited) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 14, 2005 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC rules).
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3** The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange Limited. The principal activity of the Fund is to make investment in shariah compliant investments in securities or instruments both inside and outside Pakistan. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund has been categorised as "Shariah compliant Islamic Asset Allocation" scheme by the Board of Directors of the Asset Management Company in accordance with the requirements of Circular 7 of 2009 dated March 06, 2009 issued by the SECP.
- 1.4** Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' dated October 06, 2020 to the Management Company.
- 1.5** Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as Trustee of the Fund.

2 BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (The NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations) and requirement of the Trust Deed.

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

- 2.1.2** This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements for the year ended 30 June 2020.
- 2.1.3** The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 30 September 2020 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2020, whereas the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the quarter ended 30 September 2019.
- 2.1.4** The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information is unaudited.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

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

2.2 Basis of Measurement

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

2.3 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended June 30, 2020.

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

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

4 Estimates and Judgements

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2020.

5 Financial Risk Management

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2020.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

		(Un-Audited) September 30, 2020	(Audited) June 30, 2020
6	BANK BALANCES	Note	----- (Rupees in '000) -----
	In current accounts	6.1	11,792
	In saving accounts	6.2	226,111
			<u>353,545</u>

6.1 These include Rs.11.266 million (June 30, 2020: Rs 11.393 million) maintained with MCB Bank Limited, a connected person / related party.

6.2 These carry profit at the rates ranging between 6.75% to 14.35% (June 30, 2020): 6.75% to 14.35% per annum and include Rs. 0.012 million (June 30, 2020: 0.027 million) maintained with MCB Islamic Bank Limited, (a related party)

		(Un-Audited) September 30, 2020	(Audited) June 30, 2020
7	INVESTMENTS	Note	----- (Rupees in '000) -----
	Investment by category		
	'At fair value through profit or loss "		
	- Quoted equity securities	7.1	2,102,606
	- Government Securities	7.2	437,931
			<u>2,102,606</u>

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

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

Name of the investee company	Number of shares					Balance as at September 30, 2020			Market value	
	As at July 01, 2020	Purchased during the period	Right issue/Bonus during the year	Sold during the period	As at September 30, 2020	Carrying value	Market value	Unrealised (loss) / gain	As a percentage of total investments	As a percentage of net assets
----- (Rupees in '000) ----- % -----										
Automobile Assembler										
Indus Motors Company Limited	-	35,500	-	-	35,500	44,476	45,445	969	2.16%	1.90%
Millat Tractors Limited	41,600	-	-	-	41,600	29,376	35,994	6,618	1.71%	1.51%
						<u>73,853</u>	<u>81,439</u>	<u>7,587</u>	<u>3.87%</u>	<u>3.41%</u>
Automobile Parts & Accessories										
Agriauto Industries Limited	37,600	55,400	-	-	93,000	18,634	22,413	3,779	1.07%	0.94%
Thal Limited	-	112,400	-	-	112,400	49,300	47,245	(2,055)	2.25%	1.98%
						<u>67,934</u>	<u>69,658</u>	<u>1,724</u>	<u>3.31%</u>	<u>2.92%</u>
Cable & Electrical Goods										
Pak Elektron Limited	450,000	2,350,000	-	450,000	2,350,000	90,557	77,691	(12,866)	3.69%	3.25%
						<u>90,557</u>	<u>77,691</u>	<u>(12,866)</u>	<u>3.69%</u>	<u>3.25%</u>
Cement										
Cherat Cement Company Limited	-	365,000	-	-	365,000	45,200	42,617	(2,582)	2.03%	1.78%
D.G. Khan Cement Company Limited	-	1,095,000	-	480,000	615,000	66,283	63,413	(2,871)	3.02%	2.65%
Fauji Cement Company Limited	2,366,500	-	-	2,366,500	-	-	-	-	0.00%	0.00%
Kohat Cement Limited	-	221,400	-	-	221,400	33,093	37,802	4,709	1.80%	1.58%
Lucky Cement Limited	365,400	161,542	-	147,838	379,104	198,545	245,307	46,762	11.67%	10.27%
Maple Leaf Cement Factory Limited	1,131,000	2,374,500	-	1,000,000	2,505,500	86,008	89,922	3,915	4.28%	3.76%
						<u>429,129</u>	<u>479,061</u>	<u>49,932</u>	<u>22.78%</u>	<u>20.06%</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Name of the investee company	Number of shares					Balance as at September 30, 2020			Market value	
	As at July 01, 2020	Purchased during the period	Right issue/Bonus during the year	Sold during the period	As at September 30, 2020	Carrying value	Market value	Unrealised (loss) / gain	As a percentage of total investments	As a percentage of net assets
						----- (Rupees in '000) -----			----- % -----	
Chemicals										
Archroma Pakistan Limited	-	16,150	-	-	16,150	9,548	9,156	(391)	0.44%	0.38%
Engro Polymer and Chemicals Limited	2,900,748	-	-	576,500	2,324,248	58,060	93,574	35,515	4.45%	3.92%
ICI Pakistan Limited	-	28,500	-	-	28,500	20,474	20,622	149	0.98%	0.86%
						88,081	123,353	35,272	5.87%	5.16%
Commercial Banks										
Meezan Bank Limited	500,512	-	50,051	-	550,563	34,460	45,262	10,802	2.15%	1.90%
						34,460	45,262	10,802	2.15%	1.90%
Engineering										
International Industries Limited	19,060	-	-	19,060	-	-	-	-	0.0%	0.0%
						-	-	-	0.0%	0.0%
Fertilizer										
Engro Corporation Limited	415,311	-	-	112,242	303,069	88,775	91,233	2,458	4.34%	3.82%
Engro Fertilizer Limited	432,500	-	-	425,750	6,750	407	411	4	0.02%	0.02%
Fatima Fertilizer Company Limited	2,080,500	-	-	450,000	1,630,500	43,583	48,393	4,810	2.30%	2.03%
						132,765	140,037	7,272	6.66%	5.87%
Food & Personal Care Products										
At-Tahur Limited	-	550,000	-	-	550,000	11,971	11,633	(339)	0.55%	0.49%
National Foods Limited	96,480	-	-	42,000	54,480	13,645	15,561	1,916	0.74%	0.65%
						25,616	27,193	1,577	1.29%	1.14%
Miscellaneous										
Synthetic Products Limited	-	260,000	-	-	260,000	11,171	11,586	414	0.55%	0.49%
						11,171	11,586	414	1.84%	1.62%
Oil & Gas Exploration Companies										
Mari Petroleum Company Limited	29,128	-	-	-	29,128	36,021	39,891	3,870	1.90%	1.67%
Oil & Gas Development Company Limited**	1,553,000	320,000	-	250,117	1,622,883	177,979	168,131	(9,849)	8.00%	7.04%
Pakistan Oilfields Limited	560	-	-	560	-	-	-	-	0.00%	0.00%
Pakistan Petroleum Limited	1,042,225	790,000	-	300,540	1,531,685	144,119	141,007	(3,112)	6.71%	5.90%
						358,120	349,029	(9,091)	16.60%	14.61%
Oil And Gas Marketing Companies										
Attock Petroleum Limited	-	3,400	-	-	3,400	1,131	1,161	30	0.06%	0.05%
Pakistan State Oil Company Limited.	-	485,000	-	120,000	365,000	71,015	73,073	2,058	3.48%	3.06%
Sui Northern Gas Pipelines Limited	1,234,500	175,000	-	1,409,500	-	-	-	-	0.00%	0.00%
						72,146	74,234	2,088	3.53%	3.11%
Paper And Board										
Packages Limited	344	92,100	-	-	92,444	40,215	46,437	6,223	2.21%	1.94%
						40,215	46,437	6,223	2.21%	1.94%
Pharmaceuticals										
Abbott Laboratories (Pakistan) Limited	106,800	62,400	-	17,950	151,250	98,024	115,954	17,930	5.51%	4.85%
Glaxosmithkline Pakistan	-	100,000	-	-	100,000	19,651	18,363	(1,288)	0.87%	0.77%
Ibl Healthcare Limited	691	-	-	-	691	54	59	6	0.00%	0.00%
The Searle Company Limited	197	373,000	-	280,000	93,197	24,293	23,887	(405)	1.14%	1.00%
						142,021	158,264	16,243	7.53%	6.63%

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Name of the investee company	Number of shares					Balance as at September 30, 2020			Market value	
	As at July 01, 2020	Purchased during the period	Right issue/Bonus during the year	Sold during the period	As at September 30, 2020	Carrying value	Market value	Unrealised (loss) / gain	As a percentage of total investments	As a percentage of net assets
----- (Rupees in '000) ----- % -----										
Power Generation & Distribution										
Hub Power Company Limited**	2,106,883	905,758	-	1,060,000	1,952,641	147,570	153,204	5,635	7.29%	6.41%
K-Electric Limited*	5,400,000	6,065,000	-	-	11,465,000	42,017	48,268	6,251	2.30%	2.02%
Lalpir Power Limited	1,999,500	-	-	1,999,500	-	-	-	-	0.00%	0.00%
						189,587	201,472	11,885	9.58%	8.44%
Sugar & Allied Industries										
Faran Sugar Mills Limited	92,000	-	-	-	92,000	3,634	4,600	966	0.22%	0.19%
						3,634	4,600	966	0.22%	0.19%
Technology & Communications										
Avanceon Limited	-	1,205,000	-	750,000	455,000	29,032	30,585	1,553	1.45%	1.28%
Pakistan Telecommunication Company Limited	131,500	2,000,000	-	-	2,131,500	24,451	23,042	(1,410)	1.10%	0.96%
Systems Limited	145,700	-	-	145,700	-	-	-	-		
						53,483	53,627	143	2.55%	2.25%
Textile Composite										
Interloop Limited	697,020	651,000	-	250,000	1,098,020	59,514	73,622	14,108	3.50%	3.08%
Kohinoor Textile Mills Limited	14,650	-	-	-	14,650	520	793	272	0.04%	0.03%
Nishat Mills Limited	-	620,000	-	-	620,000	64,226	62,663	(1,563)	2.98%	2.62%
						124,261	137,078	12,818	6.52%	5.74%
Vanaspati & Allied Industries										
Unity Foods Limited	-	2,350,000	-	993,500	1,356,500	19,515	22,586	3,070	1.07%	0.95%
						19,515	22,586	3,070	1.07%	0.95%
Total as at September 30, 2020						1,956,548	2,102,606	146,058		
Total as at June 30, 2020						1,387,164	1,310,093	(77,071)		

* These have a face of 3.5 per share

** These includes shares with market value of 66.39 million (2020: 82.34 million) have been pledged with National Clearing Company of Pakistan Limited (NCCPL) security against settlement of the Fund's trades in terms of Circular No.11 dated October 23, 2007 issued by SECP:

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

7.2 Government Securities - Held at Fair Value Through Profit and Loss

Particulars	Profit rate	Number of certificates				Balance as at September 30, 2020			Market value as a percentage of	
		As at July 01, 2020	Purchased during the year	Sold / matured during the year	As at September 30, 2020	Carrying value	Market value	Unrealised gain	Net assets	Total investments
Pakistan Energy Sukuk - 10 years (note 6.1.3.1)	6M KIBOR + 0.1%	50,000	-	50,000	-	-	-	-	0.00%	0.00%
GOP Ijara - Sukuk - 5 years		187,500,000	-	187,500,000	-	-	-	-	0.00%	0.00%
GOP Ijara - Sukuk - 5 years			62,500,000	62,500,000	-	-	-	-	0.00%	0.00%
Total as at September 30, 2020						-	-	-		
Total as at June 30, 2020						437,500	437,931	431		

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

8 ACCRUED AND OTHER LIABILITIES

Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	13,026	8,163
Federal Excise Duty payable on management fee	8.2	5,910	5,910
Federal Excise Duty and related taxes payable on sales load		1,136	1,136
Charity / donation payable		2,298	2,148
Auditors' remuneration		486	357
Withholding tax payable		670	18
Brokerage payable		2,972	630
Other payables		773	786
		27,271	19,148

8.1 Provision for Sindh Workers' Welfare Fund

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, 2020. Had the provision for SWWF not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2020 would have been higher by Re. 0.38 per unit (June 30, 2020 Re. 0.26 per unit).

8.2 Federal Excise Duty and related tax payable

There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in the annual financial statements of the Fund for the year ended June 30, 2020. Had the said provision for FED not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at September 30, 2020 would have been higher by Re. 0.2056 per unit (June 30, 2020: Re. 0.22 per unit).

9 PAYABLE TO MCB-ARIF HABIB SAVINGS AND INVESTMENT LIMITED - MANAGEMENT COMPANY

	(Un-Audited) September 30, 2020	(Audited) June 30, 2020
	----- (Rupees in '000) -----	
Management fee payable	4,001	3,216
Sindh Sales Tax payable on remuneration of the Management Company	520	418
Allocated expenses payable	200	161
Selling and marketing expenses payable	7,459	6,179
Sales load payable	380	201
Back end load payable	1,532	82
Shariah advisory fee payable	38	75
	14,130	10,332

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2020 and June 30, 2020.

11 TAXATION

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

12 EARNING / (LOSS) PER UNIT

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

13 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES

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

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

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

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

13.1 Unit Holders' Fund

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30, 2019 (Un-Audited)							
	As at July 01, 2019	Issued for cash	Redeemed	As at September 30, 2019	As at July 01, 2019	Issued for cash	Redeemed	As at September 30, 2019
	Units				(Rupees in '000)			
Group / Associated Companies								
D.G Khan Cement Company Limited - Employees' Provident Fund Trust	111,065		-	111,065	7,090	-	-	6,883
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	572,847	-	-	572,847	36,562	-	-	35,501
Adamjee Life Assurance Company Limited - (MAZAAF)	354,404	-	-	354,404	22,260	-	-	21,964
Key management personnel	12,066	247	2,705	9,609	770	15	169	595
Mandate under Discretionary								
Portfolio Services	297,835	21,522	5,325	314,033	19,009	1,273	330	19,462

(Un-Audited)	
September 30, 2020	September 30, 2019
(Rupees in '000)	

13.2 Transactions during the period:

MCB Arif Habib Savings and Investments Limited - Management Company

Remuneration (including indirect taxes)	12,970	14,929
Expenses allocated by the Management Company	574	661
Selling and marketing expenses	7,460	4,102
Shariah advisory fee	188	226

Central Depository Company of Pakistan Limited - Trustee

Remuneration including indirect taxes	933	1,030
Settlement charges	32	22

Group / Associated Companies:

MCB Bank Limited

Bank charges	8	5
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Arif Habib Limited

Brokerage expense *	227	57
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Next Capital Limited

Brokerage expense *	3	8
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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	----- (Un-Audited) -----	
	September 30, 2020	September 30, 2019
	----- (Rupees in '000) -----	
D.G. Khan Cement Company Limited		
Purchase of shares 1,095,000 (2019: Nil) shares	115,227	-
Sale of shares 480,000 (2019: Nil) shares	52,417	56,117
Fatima Fertilizer Company Limited		
Sale of shares 450,000 (2019: Nil) shares	12,762	-
Nishat Mills Limited		
Purchase of 620,000 (2019: Nil) shares	64,226	-
Sale of Nil (2019: 163,000) shares	-	10,546
	(Un-Audited) September 30, 2020	(Audited) June 30, 2020
	----- (Rupees in '000) -----	
13.3 Balances outstanding at period end:		
MCB Arif Habib Savings and Investments Limited - Management Company		
Remuneration payable	4,001	3,216
Sindh sales tax payable on management remuneration	520	418
Expense allocated by the Management Company	200	161
Selling and marketing expenses payable	7,459	6,179
sale Load payable	380	201
Shariah advisory fee payable	38	75
Back end load payable	1,532	82
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable (including indirect taxes)	319	275
Security deposit	200	200
Group / Associated Companies:		
MCB Islamic Bank Limited		
Balance with bank	12	27
MCB Bank Limited		
Balance with bank	11,266	11,393

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

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	(Un-Audited) September 30, 2020	(Audited) June 30, 2020
	----- (Rupees in '000) -----	
Arif Habib Limited		
Brokerage payable *	220	119
Next Capital Limited		
Brokerage payable *	3	-
D.G. Khan Cement Company Limited		
615,000 (2020:) shares held	63,413	
Nishat Mills Limited		
620,000 (2020: Nil) shares held	62,663	-
Fatima Fertilizer Company Limited		
1,630,500 (2020: 2,080,500) shares held	48,393	55,612

14 TOTAL EXPENSE RATIO

The total expense ratio of the Fund from July 1, 2020 to September 30, 2020 is 1.39% (June 30, 2020: 0.83%) and this includes 0.29% (June 30, 2020: 0.32%) representing government levy, Sindh Worker's Welfare Fund, SECP fee etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorized as ""Shariah Compliant Asset Allocation Scheme"".

15 GENERAL

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

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

16 DATE OF AUTHORISATION

16.1 These condensed interim financial statements were authorised for issue on October 23, 2020 by the Board of Directors of the Management Company.

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



Chief Executive Officer



Chief Financial Officer



Director

MCB Arif Habib Savings and Investments Limited

Head Office: 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi
UAN: (+92-21) 11-11-62224 (11-11-MCB-AH), 111-468-378 (111-INVEST)
URL: www.mcbah.com, Email: info@mcbah.com