



**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 MONEY MARKET FUND**  
**(FORMERLY : MCB PAKISTAN FREQUENT PAYOUT FUND)**

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## FUND'S INFORMATION

<b>Management Company</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Board of Directors</b>	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating &amp; Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Trustee</b>	<b>MCB Financial Services Limited</b> 4th Floor, Pardesi House, Old Queens Road, Karachi, Pakistan Ph: (92-21) 32419770 Fax: (92-21) 32416371 Web: www.mcbfsl.com.pk	
<b>Bankers</b>	MCB Bank Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited United Bank Limited Allied Bank Limited Bank Al-Habib Limited NRSP Micro Finance Bank Limited Finca Micro Finance Bank Limited JS Bank Limited Zarai Traqiati Bank Limited Silk Bank Limited Dubai Islamic Bank Limited	
<b>Auditors</b>	<b>KPMG Taseer Hadi &amp; Co.</b> Chartered Accountants 1st Floor, Shaikh Sultan Trust, Building No. 2, Beaumont Road, Karachi - 75530	
<b>Legal Advisor</b>	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Transfer Agent</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Rating</b>	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 Money Market Fund (FORMERLY : MCB PAKISTAN FREQUENT PAYOUT 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.

## FUND PERFORMANCE

During the period under review, the fund posted a return of 6.07\*% compared to the benchmark return of 3.89%. On the equities front, the overall allocation in equity was 0.0%. In addition, the fund's exposure in Cash stood at 99.6%. The Net Assets of the Fund as at September 30, 2020 stood at Rs.1,531 million as compared to Rs.152million as at June 30, 2020 registering an increase of 907.24%. The Net Asset Value (NAV) per unit as at September 30, 2020 was Rs.99.4959 as compared to Rs. 99.5100 at June 30, 2020 exhibiting a decrease of Rs. -0.0141.

\*Converted into Islamic money market fund from 21st Aug 2020, hence this reflects performance from this date

## 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

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

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.

### 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

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

## ڈائریکٹرز رپورٹ

دورانِ 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 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 دورانِ 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 پلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکیں گے۔



### فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے \*6.07 فیصد منافع پوسٹ کیا جبکہ مقررہ معیار 3.89 فیصد تھا۔ ایکویٹیز میں مجموعی اختصاص 0.0 فیصد تھا۔ علاوہ ازیں، فنڈ کی نقد میں شمولیت 99.6 فیصد تھی۔

30 ستمبر 2020 کو فنڈ کے net اثاثہ جات 1,531 ملین روپے تھے جو 30 جون 2020ء (152 ملین روپے) کے مقابلے میں 907.24 فیصد اضافہ ہے۔ 30 ستمبر 2020ء کو net اثاثہ جاتی قدر (این اے وی) 99.4959 روپے فی یونٹ تھی جو 30 جون 2020ء (99.5100 روپے فی یونٹ) کے مقابلے میں -0.0141 روپے فی یونٹ کمی ہے۔

\* : 21 اگست 2020ء سے منی مارکیٹ فنڈ میں منتقل کر دیا گیا، چنانچہ اس تاریخ سے کارکردگی کی عکاسی کی گئی 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 19 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۔

ادائیگیوں کے توازن کی پریشانیوں فی الوقت ختم ہوگئی 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۔ تاہم ترمیم کے حجم کا انحصار اُس وقت کی ادائیگیوں کے توازن اور معاشی صورتحال پر ہوگا۔

Debt حاملین 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

## ڈائریکٹر ز رپورٹ

عزیز سرمایہ دار

بورڈ آف ڈائریکٹرز کی طرف سے الحمراء اسلامک منی مارکیٹ 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 سست رفتار اثر پذیر رہی، مُقید 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 گردشی شعبوں کے حالات کی کاپلٹ گئی ہے۔

مالی سال 2021ء کی پہلی سہ ماہی میں سینٹ 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 ملکی 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 جانا شروع ہو گیا۔ مرکزی بینک نے بھی افراط زر سے متعلق اپنی توقع کو بڑھایا جیسا کہ مانیٹری پالیسی کمیٹی (ایم پی سی) کے منٹس 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

		(Un-audited) September 30, 2020	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Balance with banks	6	1,533,051	43,747
Investments	7	-	104,843
Dividend and profit receivable		2,275	2,973
Advances, deposits and prepayments		4,168	4,311
Preliminary expenses and floatation costs		17	54
Receivable from Management Company		322	-
Receivable from National Clearing Company of Pakistan Limited		-	5,180
<b>Total assets</b>		<b>1,539,833</b>	<b>161,108</b>
<b>LIABILITIES</b>			
Payable to the Management Company	8	630	539
Payable to MCB Financial Services Limited - Trustee	9	64	46
Payable to the Securities and Exchange Commission of Pakistan		14	36
Accrued expenses and other liabilities	10	8,154	8,144
<b>Total liabilities</b>		<b>8,861</b>	<b>8,765</b>
<b>NET ASSETS</b>		<b>1,530,971</b>	<b>152,343</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>1,530,971</b>	<b>152,343</b>
<b>Contingencies and commitments</b>	11		
(Number of units)			
<b>Number of units in issue</b>		<b>15,387,283</b>	<b>1,530,931</b>
(Rupees)			
<b>NET ASSET VALUE PER UNIT</b>		<b>99.4959</b>	<b>99.5100</b>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

(Management Company)

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Director

# CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

		Quarter ended September 30,	
		2020	2019
Note		----- (Rupees in '000) -----	
<b>INCOME</b>			
	Income from government securities	-	429
	Capital (loss) / gain on sale of investments - net	(1,922)	172
	Income from term finance certificates	625	2,260
	Profit on bank deposit and term deposit receipts	3,746	4,411
	Unrealised diminution in fair value of investments classified as 'at fair value through profit or loss' - net	-	(185)
	Other income	25	26
	<b>Total income</b>	<b>2,475</b>	<b>7,114</b>
<b>EXPENSES</b>			
	Remuneration of the Management Company	116	895
	Sindh Sales Tax on remuneration of the Management Company	15	116
	Remuneration of the MCB Financial Services Limited - Trustee	68	126
	Sindh Sales Tax on remuneration of Trustee	9	16
	Securities and Exchange Commission of Pakistan - annual fee	4	11
	Allocated expense	21	53
	Marketing and selling expense	165	198
	Securities transaction cost	42	106
10.1	Provision for Sindh Workers' Welfare Fund	37	105
	Legal and professional charges	30	46
	Amortization of preliminary expenses and formation costs	20	37
	Auditors' remuneration	85	142
	Other expenses	65	132
	<b>Total expenses</b>	<b>676</b>	<b>1,982</b>
	<b>Net income for the period before taxation</b>	<b>1,799</b>	<b>5,132</b>
	Taxation	-	-
	<b>Net income for the period</b>	<b>1,799</b>	<b>5,132</b>
<b>Allocation of net income for the period:</b>			
	Net income for the period	1,799	5,132
	Income already paid on units redeemed	(194)	(68)
		<b>1,605</b>	<b>5,064</b>
<b>Accounting income available for distribution</b>			
	- Relating to capital gains	-	-
	- Excluding capital gains	1,605	5,064
		<b>1,605</b>	<b>5,064</b>
<b>Earnings per unit</b>			

13.

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	<b>Quarter ended September 30,</b>	
	<b>2020</b>	<b>2019</b>
	<b>----- (Rupees in '000) -----</b>	
<b>Net income for the period after taxation</b>	<b>1,799</b>	<b>5,132</b>
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>1,799</b>	<b>5,132</b>

The annexed notes 1 to 17 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 (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Quarter Ended September 30,					
	2020			2019		
	(Rupees in '000)					
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
Net assets at beginning of the period	147,651	4,692	152,343	238,536	14,975	253,511
Issue of 31,960,801 units (2019: 76 units)						
- Capital value (at net asset value per unit at the beginning of the period)	3,180,419	-	3,180,419	8	-	8
- Element of income	(10,576)	-	(10,576)	-	-	-
Total proceeds on issuance of units	3,169,843	-	3,169,843	8	-	8
Redemption of 18,104,449 units (2019: 559,916 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(1,801,574)	-	(1,801,574)	(57,169)	-	(57,169)
- Amount paid out of element of income	8,754	-	8,754	-	-	-
- Relating to 'Net income for the period after taxation'	-	(194)	(194)	-	(68)	(68)
Total payments on redemption of units	(1,792,820)	(194)	(1,793,014)	(57,169)	(68)	(57,237)
Total comprehensive income for the period	-	1,799	1,799	-	5,132	5,132
Distribution made during the period	-	-	-	-	(5,064)	(5,064)
Net loss for the period less distribution	-	1,799	1,799	-	68	68
Net assets at end of the period	1,524,674	6,297	1,530,971	181,375	14,975	196,350
Undistributed income brought forward						
- Realised		4,321			14,941	
- Unrealised		371			34	
		4,692			14,975	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		1,605			5,064	
		1,605			5,064	
Cash distribution during the period		-			(5,064)	
Undistributed income carried forward		6,297			14,975	
Undistributed income carried forward						
- Realised		6,297			15,160	
- Unrealised		-			(185)	
		6,297			14,975	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		99.5100			102.1021	
Net assets value per unit at end of the period		99.4959			102.1021	

The annexed notes 1 to 17 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 QUARTER ENDED SEPTEMBER 30, 2020

Quarter ended September 30,	
2020	2019
----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net income for the period before taxation	1,799                      5,132
<b>Adjustments for non cash and other items:</b>	
Unrealised diminution in value of investments classified as 'at fair value through profit or loss' - net	-                      185
	<b>1,799                      5,317</b>
<b>Decrease/ (Increase) in assets</b>	
Investments	104,843                      2,079
Dividend and profit receivable	698                      (1,113)
Advances, deposit and prepayments	143                      7
Preliminary expenses and floatation costs	37                      37
Receivable from Management Company	(322)                      -
Receivable from National Clearing Company of Pakistan Limited	5,180                      -
	<b>110,580                      1,010</b>
<b>Increase / (decrease) in liabilities</b>	
Payable to the Management Company	91                      32
Payable to the MCB Financial Services Limited - Trustee	18                      -
Payable to the Securities and Exchange Commission of Pakistan	(22)                      (301)
Dividend payable	-                      (217)
Accrued expenses and other liabilities	10                      296
	<b>96                      (190)</b>
<b>Net cash generated from operating activities</b>	<b>112,475                      6,137</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Receipts from issuance of units	3,169,843                      8
Payments on redemption of units	(1,793,014)                      (57,237)
Distribution during the period	-                      (5,064)
<b>Net cash used in financing activities</b>	<b>1,376,829                      (62,293)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<b>1,489,304                      (56,156)</b>
Cash and cash equivalents at beginning of the period	43,747                      186,929
<b>Cash and cash equivalents at end of the period</b>	<b>1,533,051                      130,773</b>

The annexed notes 1 to 17 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 STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Alhamra Islamic Money Market Fund (Formerly: MCB Pakistan Frequent Payout Fund) ("the Fund") was established under a Trust Deed dated July 22, 2015 (modified & restated on July 17, 2020 for changing the name & category of the fund) executed between MCB - Arif Habib Savings and Investments Limited as Management Company and MCB Financial Services Limited as the Trustee. The Fund was approved as an open end investment scheme by the Securities and Exchange Commission of Pakistan (SECP) on July 16, 2015 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3** The Fund was an open-end collective investment scheme categorized as an "Asset Allocation" scheme by the Board of Directors of the Management Company pursuant to Circular 7 of 2009 dated March 6, 2009 issued by the SECP. Securities and Exchange Commission of Pakistan (SECP) vide its letter # SCD / AMCW / MCBAHSIL / MCBPFPF /03/2020 dated July 14, 2020, has approved the conversion of MCB Pakistan Frequent Payout Fund renamed as Alhamra Islamic Money Market Fund from Asset Allocation Scheme to Islamic Money Market Scheme. The Fund was converted from forward pricing fund to backward pricing fund and NAV of August 20, 2020 is applicable NAV of August 21, 2020. The Fund offers units for public subscription on a continuous basis. The units of the Fund can be transferred to / from the funds managed by the Management Company and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** The Fund primarily invests in Shariah Compliant Authorized Investments i.e Bank Deposits in licensed Islamic Banks, Shariah compliant money market instruments such as Certificate of Islamic Investments (COII), with Commercial banks and DFIs, Certificate of Islamic Investments (COII), Certificate of Musharaka (COM) with NBFCs and Modaraba companies & shall follow a benchmark of Three months average deposit rates of three (3) AA rated Islamic Banks or Islamic windows of Conventional Banks as selected by MUFAP.
- 1.5** The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' dated October 06, 2020 to the Management Company and stability rating of "AA(f)" dated October 06, 2020 to the Fund.
- 1.6** The title to the assets of the Fund is held in the name of MCB Financial Services Limited as the Trustee of the Fund.

## 2. BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

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

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



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

- 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.
- 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** Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant and does not have any significant impact on the Fund's operations or a change in accounting policies of the Fund, therefore, have not been detailed in these condensed interim financial statements.

## **4. Estimates and Judgements**

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

		(Un-audited) September 30, 2020	(Audited) June 30, 2020
	Note	---- (Rupees in '000) ----	
<b>6. BALANCE WITH BANKS</b>			
In savings accounts	6.1	1,533,051	41,238
In current accounts		-	2,509
		<u>1,533,051</u>	<u>43,747</u>

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

- 6.1** These carry profit at the rates ranging between 5.5% to 6.25% (June 30, 2020: 5.5% to 7.83% ) per annum. It includes bank balance Rs. 3.845 million (June 30, 2020: 2.509 million ) maintained with MCB Limited (a related party) which carries profit at the rate of 5.5% (June 30, 2020: 5.5% ) per annum.

		(Un-audited) September 30, 2020 ---- (Rupees in '000) ----	(Audited) June 30, 2020
<b>7. INVESTMENTS</b>	<b>Note</b>		
<i>At fair value through profit or loss</i>			
- Government securities	7.1	-	104,258
- Sukuk certificates - Unlisted	7.2	-	585
		-	104,843

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

## 7.1 Government securities

### - GOP Ijara

Security	Issue Date	Maturity Date	Face value			As at September 30, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
			As at July 01, 2020	Purchases during the period	Sales / matured during the period	As at September 30, 2020	Carrying value	Appreciation / (diminution)		
----- (Rupees in '000) ----- %										
GOP Ijara - 5 Years	29-Jul-20	29-Jul-25	-	62,500	62,500	-	-	-	-	-
<b>Total as at September 30, 2020 (Un-audited)</b>										
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Total as at June 30, 2020 (Audited)										

### - Pakistan Investment Bonds FRB

Security	Issue Date	Maturity Date	Face value			As at September 30, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments	
			As at July 01, 2020	Purchases during the period	Sales / matured during the period	As at September 30, 2020	Carrying value	Market value			Appreciation / (diminution)
----- (Rupees in '000) -----											
PIB FRB - 3 Years	18-Jun-20	19-Jun-23	-	125,000	125,000	-	-	-	-	-	
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<b>Total as at September 30, 2020 (Un-audited)</b>											
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### - Treasury Bills

Security	Issue Date	Maturity Date	Face value			As at September 30, 2019			Market value as a percentage of net assets	Market value as a percentage of total investments	
			As at July 01, 2020	Purchases during the period	Sales / matured during the period	As at September 30, 2020	Carrying value	Market value			Appreciation / (diminution)
(Rupees in '000)											
Treasury bills - 3 months	2-Jul-20	24-Sep-20	-	75,000	75,000	-	-	-	-	-	
Treasury bills - 6 months	2-Jul-20	31-Dec-20	-	75,000	75,000	-	-	-	-	-	
Treasury bills - 3 months	16-Jul-20	8-Oct-20	-	75,000	75,000	-	-	-	-	-	
Treasury bills - 6 months	16-Jul-20	14-Jan-21	-	75,000	75,000	-	-	-	-	-	
<b>Total as at September 30, 2020 (Un-audited)</b>											
Total as at June 30, 2020 (Audited)											

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

## Government securities - Pakistan Investment Bonds

Security	Issue Date	Maturity Date	Face value			As at September 30, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments	
			As at July 01, 2020	Purchases during the period	Sales / matured during the period	As at September 30, 2020	Carrying value	Market value			Appreciation / (diminution)
(Rupees in '000)											
Pakistan Investment Bonds- 3 years	19-Sep-19	19-Sep-22	50,000	50,000	100,000	-	-	-	-	-	
Pakistan Investment Bonds- 5 years	19-Sep-19	19-Sep-24	50,000	50,000	100,000	-	-	-	-	-	
Total as at September 30, 2019 (Un-audited)											
Total as at June 30, 2020 (Audited)											

## 7.2 Listed debt securities - Sukuku Certificates

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

Security	Issue Date	Face value				As at September 30, 2020			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2020	Purchases during the period	Sales / matured during the period	As at September 30, 2020	Carrying value	Market value	Appreciation / (diminution)		
----- (Rupees in '000) ----- % -----										
<b>Commercial banks</b>										
Byco Petroleum Pakistan Limited	18-Jan-17	10	-	10	-	-	-	-	-	-
<b>Total as at September 30, 2020 (Un-audited)</b>										
<hr/>										
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<b>Total as at June 30, 2020 (Audited)</b>										
						578	585	7	-	-

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

		(Un-audited) September 30, 2020 (Rupees in '000)	(Audited) 30 June 2020
<b>8</b>	<b>Payable to MCB-Arif Habib Savings and Investments Limited – Management Company</b>	<b>Note</b>	
	Management remuneration payable	8.1	196
	Sindh Sales Tax payable on management remuneration		26
	Sales load payable		15
	Payable against allocated expenses		12
	Marketing & Selling expenses		290
		<b>630</b>	<b>539</b>
	<b>Receivable from Managment Company</b>	<b>322</b>	<b>-</b>

**8.1** As per amendment in the offering document, the management company wef August 21, 2020 charged management fee at the rate of up to 15% of the gross earnings of the fund, calculated on a daily basis.

**9. Payable to MCB Financial Services Limited - Trustee**

Trustee remuneration payable	9.1	56	41
Sindh Sales Tax payable on trustee remuneration	9.2	8	5
		<b>64</b>	<b>46</b>

**9.1** W.e.f August 21, 2020 the trustee is entitle to a remuneration of 0.65% of the Net Assets calculated on a daily basis, to be paid monthly in arrears as per the amended Trust deed. Previously, the trustee remuneration was based on the following tariff structure

Net Assets Value (NAV)	Tariff per annum
Up to Rs 1,000 million	Rs 0.5 million or 0.12% per annum of Net Assets, whichever is higher
On an amount exceeding Rs 1,000 million	Rs 1.2 million plus 0.075% per annum of Net Assets exceeding Rs 1,000 million
upto Rs 5,000 million	Rs 4.2 million plus 0.06% per annum of Net Assets exceeding Rs 5,000 million

**9.2** Sales tax on remuneration of the Trustee has been charged at the rate of 13% (2020: 13%).

**10 ACCRUED EXPENSES AND OTHER LIABILITIES**

Provision for Sindh Workers' Welfare Fund	10.1	2,782	2,745
Provision for federal excise duty and related tax on	10.2		
- Management fee		841	841
- Sales load		3,625	3,625
Brokerage		7	50
Auditors' remuneration		588	432
Other		312	451
		<b>8,154</b>	<b>8,144</b>

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

## 10.1 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. 0.1808 per unit (June 30, 2020 Re. 1.7930 per unit)..

## 10.2 Federal Excise Duty and related tax payable

There is no change in the status 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. 0.0546 per unit (June 30, 2020: Re. 0.5493 per unit).

## 11 CONTINGENCIES AND COMMITMENTS

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

## 12. 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

## 13. EARNINGS PER UNIT

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

## 14 TOTAL EXPENSE RATIO

The total expense ratio of the Fund from July 1, 2020 to September 30, 2020 is 0.25% (September 30, 2019: 0.95%) and this includes 0.02% (September 30, 2019: 0.12%) representing government levy, Sindh Worker's Welfare Fund, SECP fee etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorized as an "Sharia Money Market scheme".

## 15 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

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

For the Quarter ended September 30, 2020 (unaudited)

	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) -----			
<b>Associated company</b>								
MCB Arif Habib savings and investments Limited	-	4,509,640	4,509,640	-	-	446,404	446,555	-
<b>Key management personnel</b>	-	140,373	86,408	53,965	-	13,886	8,573	5,369
<b>Mandate under discretionary portfolio services</b>	-	24,278,091	12,180,728	12,097,363	-	2,409,192	1,206,165	1,203,638
<b>Unit holders holding 10% or more units</b>								
Outstanding 10,130,942 unit	-	20,261,533	10,130,591	10,130,942	-	2,010,633	1,003,155	1,007,987

These persons became connected persons / related parties during the period due to acquiring unit holding of more than 10% of net assets of the Fund.

<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>September 30,</b>	<b>September 30,</b>
<b>2020</b>	<b>2019</b>
----- (Rupees in '000) -----	

## MCB-Arif Habib Savings and Investments Limited - Management Company

Remuneration including indirect taxes	131	1,011
Marketing and selling expense	165	198
Allocated expenses including indirect taxes	21	53
Reimbursement of expenses	322	-

## MCB Financial Services Limited - Trustee

Remuneration of MCB Financial Services Limited -Trustee	77	142
---------------------------------------------------------	----	-----

## MCB Bank Limited - Holding Company of the Management Company

Profit on bank deposits	36	89
Bank charges	-	14

## Silk bank Bank Limited

Profit on bank deposits	-	2,497
Bank charges	-	4
Sale of investments having face value of Nil (2019: 600 million)	-	537,222

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

\* These are not a related party & are disclosed for comparative purpose only.

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

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

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

### MCB-Arif Habib Savings and Investments Limited - Management Company

Management remuneration payable	-	196
Sindh sales tax payable on management remuneration	-	26
Payable against allocated expenses	21	12
Marketing and selling expense	165	290
Sales load payable	444	15
Receivable from Management Company	322	-

### MCB Financial Services Limited - Trustee

Trustee remuneration payable	56	32
Sindh Sales Tax payable on trustee remuneration	8	5

### MCB Bank Limited - Parent of the Management Company

Bank balances	3,845	2,509
---------------	-------	-------

## 16 GENERAL

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

16.2 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.

## 17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized 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**

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