



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2021
(UNAUDITED)

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



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 Officer & Chief 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 Soneri Bank Limited	
Auditors	A. F. Ferguson & Co. Chartered Accountants (A Member Firm of PWC Network) State Life Building 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **Alhamra Islamic Asset Allocation Fund** accounts review for the nine months ended March 31, 2021.

Economy and Money Market Review

The first nine months of fiscal year 2021 have been relatively stronger as economic activities resumed to a large extent though challenges from Covid continue to pose risks in the near term. The economic recovery has been better than expectations as stable interest rates and supportive financing schemes from SBP, amnesty to encourage construction sector, resumption in demand and continued strong inflow of remittances have supported economic growth. We therefore expect economic growth to be higher than estimates shared by multilateral agencies. Government had initial expectations of lower industrial growth (targeting a growth of 0.1% over last year) due to Covid-19, which we now believe would also be better than expectations as cyclical sectors have exhibited strong demand and volumetric growth.

Cement sector saw an impressive growth in local dispatches as they witnessed a growth of about 18% over last year in the first nine months of FY21. Sales of 2 and 3 wheeler units also rose at an impressive rate of near 17% over last year in the first eight months of FY21 reflecting on the resilience of economy. Similarly, the demand of petrol and diesel also increased by about 9.5% and 17% respectively over last year during the first nine months indicating a broader recovery in economy. Overall, Large Scale Manufacturing Index (LSM) has grown by about 7.9% in first seven months of the current fiscal year led by the cyclical sectors.

Current account posted a surplus of USD 881 million in the first eight months of fiscal year compared to a deficit of USD 2,741 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 about 24% during the first eight months of this fiscal year. Foreign exchange reserves of central bank saw an increase of about USD 2.2 billion during the first eight months due to improved balance of payment position. Subsequently, the PKR/USD appreciated by about 9% during the period.

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 8.4% over last year during the first nine months, with food inflation averaging about 13% 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 6.1% for the period. Monetary Policy Committee maintained status quo throughout the year 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 well as comfort drawn from better external position.

As the economy started to open up, tax collection also improved and grew by about 10% during the first nine months of the fiscal year which exceeded the target by PKR 100 bn. Fiscal deficit for the first seven months of the period clocked in at 2.9% of GDP, compared to 3.2% of GDP last year. Primary balance was even better at a surplus of 0.9% of GDP compared to last year surplus of 0.3% of GDP.

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. 3, 5 and 10 Year bonds saw a rise of 182 bps, 175 bps and 173 bps respectively during the period.

Equity Market Review

After showing strong positive momentum during the first half of this fiscal year, market performance could not display the same riveting momentum and remained dull during the third quarter of this fiscal year. The index posted a return of 1.9% during the third quarter of this fiscal year, taking the cumulative return of nine months to 29.5%. Local investors absorbed foreign investors selling of about USD 290mn. Trading activity at the bourse increased on a YoY basis as the average volumes and value traded amounted to near 483 Million shares (up 149%) and about PKR 19 Billion (up 165%) respectively.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

Tech, Refineries and Steel were the major outperformers as they posted returns of 326%/145%/97% respectively during the nine months of the fiscal year. Tech companies saw a massive re-rating in their valuations as investor cherished the changing landscape of tech companies post Covid. Steel sector gained traction during period after a sharp increase in construction demand and prices sent their stocks soaring. Moreover, rumors of a guaranteed rate of return for refineries drove sector returns during the period. On the flip side, Fertilizer remained the major underperformer posting nominal returns of 8% only.

FUND PERFORMANCE

During the period under review, the fund delivered a return of 20.75% as against its benchmark return of 29.38%.

On the equities front, the overall allocation was 85.7% at the end of the period under review. The fund was mainly invested in Cement, Oil & Gas Exploration Companies and Pharmaceuticals 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 March 31, 2021 stood at Rs. 2424 million as compared to Rs. 1,964 million as at June 30, 2020 registering an increase of 23.42%.

The Net Asset Value (NAV) per unit as at March 31, 2021 was Rs. 75.4913 as compared to opening NAV of Rs. 62.5192 per unit as at June 30, 2020 registering an increase of Rs. 12.9721 per unit.

Economy & Market – Future Outlook

GDP growth for FY21 is now projected at around 3% by central bank. We expect GDP growth to be better than general consensus of government and institutions as industrial growth has revived much earlier than our anticipation. Generally, economy appears to be operating close to pre-covid levels gauged by LSM growth, cement sales, auto sales, etc.

Balance of Payment worries are at bay for the near term with current account deficit expected to be about USD 1.1 bn for this fiscal year. We expect Current Account Deficit to settle near 0.4% of GDP in FY21 which could be easily financed from foreign investments and debt flows. However, the recent surge in commodity prices and growth momentum would require better financial management to fund the current account deficit over next year. Any reversal in trend of remittances would also be a concern for Balance of Payment management next year. With Real Effective Rate for Feb-2021 at 97.1 any significant movement in commodities may cause relative inflation and balance of payment to weaken further and thus can cause currency to weaken swiftly. Continuation of the IMF program is a good omen which would allow better financial flows from various institutions allowing better financial management. We expect foreign exchange reserves to further increase by about USD 2.7 bn from current levels by year end.

Inflation has exceeded our earlier expectations as food prices have sky rocketed. We expect CPI to average near 9.1% for FY21, slightly higher than the expected range (7.0-9.0) of central bank. For the next fiscal year, we expect CPI to average close to 9.1%. Central bank for the first time has provided guidance on interest rates in the short term which will perhaps bring more certainty in investor expectations. The central authority vowed to keep the existing accommodative monetary policy stance to support recovery while keeping inflation expectations well anchored. Given the guidance by central bank, we now expect interest rates to adjust by 100-150 bps over the next fiscal year.

From capital market perspective, particularly equities, markets are watchful of the 3rd wave of Covid cases which do pose risks in the near term. As growth momentum continues, the valuations are catching up with historical norms. Barring any external shock, we think equities have potential to provide decent returns to investors. Given that low interest rate environment is likely to continue for the short to medium term, we believe equities will continue to attract flows. Risk premiums vis a vis 10-year bonds is right now at 3.3%, compared to historical average of 1.3% suggesting some upside due to re-rating would be possible. Alongside, earnings growth will be a key driver for the next few years as they have lagged behind nominal GDP growth during the last couple of years. 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.

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

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 28.6% to PKR 954 billion at the end of the first nine months of the fiscal year. Money market funds and Fixed Income funds experienced an influx of investment as corporate liquidity swiftly moving towards mutual funds. Total money market funds grew by about 33% during the period to PKR 418 billion. Within the money market sphere, the conventional funds dominated as they grew by about 31% to PKR 271 billion. Equity and related funds surged rapidly by 27% from PKR 224 billion to PKR 284 billion over the quarter. Most of the rise in equity and equity linked fund assets can be attributed to a positive uptick in the market that was up ~29% YoY owing to favorable investor sentiments.

In terms of the segment share, Money Market funds were the leader with a share of around 44%, followed by Equity and Equity related funds with a share of 30% and Income funds having a share of 26% as at the end of the calendar year.

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.

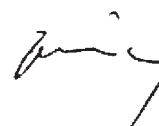
ACKNOWLEDGMENT

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
April 16, 2021



Nasim Beg
Director/Vice Chairman

ڈائریکٹرز رپورٹ

تقریباً 30 فیصد، اور انکم فنڈز تقریباً 26 فیصد کے حامل تھے۔

میوچل فنڈ صنعت کے مستقبل کے امکانات

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

اظہار تشکر

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

من جانب ڈائریکٹرز



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر



نسیم بیگ
ڈائریکٹر / وائس چیئرمین

16 اپریل 2021

ڈائریکٹر رپورٹ

اکاؤنٹ خسارے کے لیے مالیات کی فراہمی کے لیے بہتر مالیاتی انتظام درکار ہے۔ ترسیلات زر کے رجحان میں ذرا بھی واپسی کے باعث اگلے سال ادائیگی کے توازن کے انتظام میں رکاوٹ حائل ہو سکتی ہے۔

فروری 2021ء کارینل افسیکٹو ریٹ 97.1 فیصد تھا، اور اشیاء میں کسی بھی قابل ذکر حرکت کے باعث افراط زر اور ادائیگیوں کے توازن کی نسبتاً صورتحال مزید خراب ہو سکتی ہے اور اس کے نتیجے میں روپے کی قدر تیزی سے گر سکتی ہے۔ آئی ایم ایف پروگرام کا جاری رہنا اچھا شگون ہے جس کی بدولت متعدد اداروں سے بہتر مالیاتی آمدات ممکن ہوگی اور اس کے نتیجے میں بہتر مالیاتی انتظام ممکن ہوگا۔ غیر ملکی زرمبادلہ کے ذخائر میں اختتام مدت تک موجودہ سطحوں کے مقابلے میں تقریباً 2.7 بلین ڈالر کا مزید اضافہ متوقع ہے۔

افراط زر ہماری سابقہ توقعات سے آگے نکل گئی ہے کیونکہ اشیاء خورد و نوش کی قیمتیں آسمان سے باتیں کر 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۔ اگلے مالی سال کے لیے افراط زر کا اوسط تقریباً 9.1 فیصد متوقع ہے۔ مرکزی بینک نے پہلی مرتبہ قریب المیعا دیں سود کی شرحوں سے متعلق راہنمائی فراہم کی ہے جس کی بدولت سرمایہ کاروں کی توقعات میں مزید یقینی صورتحال پیدا ہوگی۔ مرکزی مختار ادارے نے گنجائش پیدا کرنے والی موجودہ مالیاتی پالیسی کا موقف برقرار رکھنے کا عزم کیا تاکہ وصولی کے لیے معاونت فراہم ہو، جبکہ افراط زر کی توقعات کو قابو میں رکھا۔ مرکزی بینک کی راہنمائی کے پیش نظر اب ہمیں اُمید ہے کہ سود کی شرحوں میں اگلے مالی سال کے دوران 100 سے 150 بیسیس پوائنٹس تک ترمیم ہوگی۔

کیپیٹل مارکیٹ کے نقطہ نظر سے، خصوصاً ایکویٹیز کے تناظر میں، مارکیٹس کو وڈ کی تیسری لہر کے حوالے سے گہری نظر رکھے ہوئے ہیں کیونکہ اس سے قریبی مدت میں خطرات لاحق ہیں۔ ترقی کی رفتار تیز تر ہونے کے ساتھ valuations بتدریج پرانے رجحانات کے ساتھ ہم آہنگ ہو رہی ہیں۔ ہمارے مطابق کوئی خارجی دھچکہ نہ لگے تو ایکویٹیز میں سرمایہ کاروں کو اچھا منافع دینے کی استعداد موجود ہے۔ اگر سود کی پست شرحوں کا ماحول مختصر اور درمیانی مدت کے دوران قائم رہے تو ہم سمجھتے ہیں کہ ایکویٹیز آمدات کو مائل کرنے کا سلسلہ جاری رکھیں گی۔ دس سالہ بانڈز سے متعلق خطرات کے پریمیم فی الوقت 3.3 فیصد پر ہیں، اور قدیم اوسط 1.3 فیصد کے ساتھ تقابل سے پتہ چلتا ہے کہ ری ریٹنگ کی بدولت کچھ فائدہ متوقع ہے۔ ساتھ ساتھ آمدنیوں میں اضافہ اگلے کچھ برسوں کے لیے کلیدی محرک ہوگا کیونکہ گزشتہ کچھ برسوں کے دوران آمدنیاں جی ڈی پی کی معمولی ترقی سے بھی پیچھے رہی ہیں۔ ہم سمجھتے ہیں کہ شعبہ جات اور اسٹاک کی خورد 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۔ قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز متوقع پیداواری خم میں شامل ہو 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 مالی سال 2021ء کے ابتدائی نو ماہ کے اختتام پر تقریباً 28.6 فیصد بڑھ کر 954 بلین روپے ہو گئے۔ منی مارکیٹ فنڈز اور فیکسڈ انکم فنڈز میں خطیر سرمایہ کاری ہوئی کیونکہ کارپوریٹ نقدیت تیزی سے میوچل فنڈز کی جانب بڑھ رہی ہے۔ منی مارکیٹ کے مجموعی فنڈز دوران مدت تقریباً 33 فیصد بڑھ کر 418 بلین روپے ہو گئے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور تقریباً 31 فیصد بڑھ کر 271 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں دوران سہ ماہی 27 فیصد کا بھرپور اضافہ ہوا اور وہ 224 بلین روپے سے 284 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز کے اثاثہ جات میں اضافے کا بڑا سبب سرمایہ کاروں کے مثبت جذبات کی بدولت مارکیٹ میں 29 فیصد سال در سال ترقی کو قرار دیا جاسکتا ہے۔

کیلنڈر سال کے اختتام پر شعبہ جاتی سرمایہ کاری کے اعتبار سے منی مارکیٹ فنڈز تقریباً 44 فیصد کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز

ڈائریکٹرز رپورٹ

میں آنا متوقع تھا۔ دورانِ مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 182، 175 اور 173 بیسیس پوائنٹس (بی پی ایس) کا اضافہ ہوا۔

ایکویٹی مارکیٹ کا جائزہ

موجودہ مالی سال کی تیسری سہ ماہی کے دوران مارکیٹ کی کارکردگی وہ مستحکم اور مثبت رفتار جاری نہیں رکھ سکی جس کا مظاہرہ مالی سال کے نصف اوّل کے دوران ہوا تھا۔ انڈیکس نے تیسری سہ ماہی کے دوران 1.9 فیصد منافع پوسٹ کیا جس کے بعد نو ماہ کا مجموعی منافع 29.5 فیصد تک پہنچ گیا۔ مقامی سرمایہ کاروں نے غیر ملکی سرمایہ کاروں کی تقریباً 290 ملین ڈالر کی فروخت کو جذب کر لیا۔ اسٹاک مارکیٹ کی تجارتی سرگرمی میں سال در سال (YoY) بنیاد پر اضافہ ہوا کیونکہ تجارت کردہ اوسط حجم تقریباً 483 ملین حصص (149 فیصد زیادہ) اور تجارت کردہ اوسط قدر تقریباً 19 بلین روپے (165 فیصد زیادہ) تھی۔

ٹیکنالوجی، اسٹیل اور ریفرنسز ہدف سے بہتر کارکردگی کا مظاہرہ کرنے والے بڑے شعبے تھے جنہوں نے مالی سال کے نو ماہ کے دوران بالترتیب 326 فیصد، 145 فیصد اور 97 فیصد منافع پوسٹ کیا۔ ٹیکنالوجی کمپنیوں کی قدر کی بڑے پیمانے پر تشکیل نو ہوئی کیونکہ سرمایہ کاروں نے ٹیکنالوجی کمپنیوں کی بعد از کووڈ بدلتی ہوئی صورتحال کا خیر مقدم کیا۔ اسٹیل کے شعبے نے رفتار پکڑی کیونکہ تعمیراتی مانگ اور قیمتوں میں تیزی سے اضافے کے بعد ان کے اسٹاکس نے بھرپور ترقی کی۔ علاوہ ازیں، ریفرنسز کے لیے یقینی شرح منافع کی افواہوں نے دورانِ مدت اس شعبے کے منافع کو محض فراہم کیا۔ دوسری جانب، کھاد کا شعبہ ہدف سے کم کارکردگی کا مظاہرہ کرنے والا بڑا شعبہ تھا جس نے صرف 8 فیصد منافع پوسٹ کیا۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 20.75 فیصد منافع حاصل کیا جبکہ اس کے بالمقابل مقررہ معیار 29.38 فیصد تھا۔ زیر جائزہ مدت کے اختتام پر ایکویٹیز کی جہت میں مجموعی اختصاص 85.7 فیصد تھا۔ دورانِ مدت فنڈ کی زیادہ تر سرمایہ کاری سیمنٹ، تیل اور گیس کی دریافت کی کمپنیوں، اور دوا سازی کے شعبے میں تھی۔ مقررہ آمدنی کی جہت میں زیر جائزہ مدت کے اختتام پر سسٹمک میں کوئی شمولیت نہیں تھی۔ 31 مارچ 2021ء کو فنڈ کے net اثاثہ جات 2,424 ملین روپے تھے جبکہ 30 جون 2020ء کو 1,964 ملین روپے تھے (یعنی net اثاثہ جات میں 23.42 فیصد اضافہ ہوا)۔ 31 مارچ 2021ء کو net اثاثہ جاتی قدر (این اے وی) فی یونٹ 75.4913 روپے تھی جو 30 جون 2020ء کو ابتدائی این اے وی، جو کہ 62.5192 روپے فی یونٹ تھی، کے مقابلے میں 12.9721 روپے فی یونٹ اضافہ ہے۔

معیشت اور بازار - مستقبل کے امکانات

مرکزی بینک کے مطابق مالی سال 2021ء کے لیے مجموعی ملکی پیداوار (جی ڈی پی) میں 3 فیصد ترقی متوقع ہے۔ ہمیں اُمید ہے کہ جی ڈی پی کی ترقی حکومت اور اداروں کے عمومی اتفاق رائے سے بہتر ہوگی کیونکہ صنعتی ترقی ہماری توقعات سے کافی قبل بحال ہوگئی ہے۔ معیشت اب عمومی طور پر قبل از کووڈ سطحوں کے قریب سرگرم عمل ہے جس کا اندازہ ایل ایس ایم کی ترقی اور سیمنٹ اور آٹو موبائل کے شعبے کی فروخت کے ذریعے لگایا جاسکتا ہے۔

ادائیگیوں کے توازن کی پریشانیوں قریب المیاد میں ختم ہوگئی ہیں کیونکہ موجودہ مالی سال کے لیے کرنٹ اکاؤنٹ کا متوقع خسارہ تقریباً 1.1 بلین ڈالر ہے۔ ہم سمجھتے ہیں کہ مالی سال 2021ء میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 0.4 فیصد پر ٹھہرے گا، اور اس کے لیے مالیات کی فراہمی باسانی غیر ملکی سرمایہ کاریوں اور قرض کے ذریعے ہو سکتی ہے۔ تاہم اشیاء کی قیمتوں اور ترقی کی رفتار میں حالیہ اضافے کے باعث اگلے سال کے دوران کرنٹ

بورڈ آف ڈائریکٹر کی جانب سے الحمراء اسلامک ایسٹ ایلویشن فنڈ کے اکاؤنٹس کا جائزہ برائے نومبر 2021ء مارچ 2021ء پیش خدمت ہے۔

معیشت اور بازار زر کا جائزہ

مالی سال 2021ء کے ابتدائی نو ماہ مستحکم رہے کیونکہ معاشی سرگرمیاں کافی حد تک بحال ہوئیں اگرچہ قریب المیعاد میں کووڈ کے باعث پیدا ہونے والی مشکلات کے باعث خطرات ابھی بھی لاحق ہیں۔ معاشی بحالی توقعات سے بہتر رہی کیونکہ سود کی مستحکم شرحوں اور اسٹیٹ بینک آف پاکستان (ایس بی پی) کی معاونتی مالیاتی اسکیموں، تعمیرات کے شعبے کی حوصلہ افزائی کے لیے رعایات، مانگ میں بحالی، اور ترسیلات زر کی مسلسل آمد سے معاشی ترقی کو سہارا ملا ہے۔ چنانچہ ہمیں اُمید ہے کہ معاشی ترقی کثیر الجہتی ایجنسیوں کے پیش کردہ تخمینوں سے بلند تر ہوگی۔ حکومت کی ابتدائی توقعات کے مطابق صنعتی ترقی (جس کا ہدف سال گزشتہ کے مقابلے میں 0.1 فیصد ترقی تھا) کووڈ-19 کے باعث پست تر ہوگی، لیکن اب ہم سمجھتے ہیں کہ یہ توقعات سے بہتر ہوگی کیونکہ گردش شعبوں میں بھرپور طلب اور حجم کے اعتبار سے ترقی کا مظاہرہ ہوا ہے۔

سیمنٹ کے شعبے میں مقامی فروخت میں متاثر کن ترقی ہوئی جو مالی سال 2021ء کے ابتدائی نو ماہ میں سال گزشتہ سے 18 فیصد زیادہ تھی۔ 2 اور 3 پہیوں والے یونٹس کی فروخت میں بھی مزید متاثر کن ترقی ہوئی جو مالی سال 2021ء کے ابتدائی آٹھ ماہ میں سال گزشتہ سے تقریباً 17 فیصد زیادہ تھی جس سے معیشت کی چمک کی عکاسی ہوتی ہے۔ اسی طرح ابتدائی نو ماہ کے دوران پٹرول اور ڈیزل کی طلب میں بھی سال گزشتہ کے مقابلے میں بالترتیب تقریباً 9.5 فیصد اور 17 فیصد اضافہ ہوا جس سے معیشت میں وسیع تر بحالی کی ترجمانی ہوتی ہے۔ مجموعی طور پر بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) میں موجودہ مالی سال کے ابتدائی سات ماہ میں 7.9 فیصد ترقی ہوئی ہے جس میں گردش شعبے سب سے آگے رہے ہیں۔

مالی سال کے ابتدائی آٹھ ماہ میں کرنٹ اکاؤنٹ میں 881 ملین ڈالر منافع ہوا جبکہ اس کے بالمقابل سال گزشتہ کی مماثل مدت میں 2,741 ملین ڈالر خسارہ ہوا تھا۔ اس بہتری کی بنیادی وجہ ترسیلات زر میں اضافہ تھا جن میں مالی سال کے ابتدائی آٹھ ماہ کے دوران 24 فیصد کی زبردست شرح سے ترقی ہوئی۔ مرکزی بینک کے زرمبادلہ کے ذخائر میں ابتدائی آٹھ ماہ کے دوران تقریباً 2.2 بلین ڈالر اضافہ ہوا جس کی وجہ ادائیگی کے توازن کی صورتحال میں بہتری ہے۔ بعد ازاں، پاکستانی روپے / امریکی ڈالر میں دورانِ مدت تقریباً 9 فیصد ترقی ہوئی۔

افراط زر حکومت کی دھکتی رگ بنی رہی کیونکہ اشیائے خورد و نوش کی بڑھتی ہوئی قیمتوں کے باعث پالیسی ساز افراد مشکلات کا شکار رہے۔ مجموعی افراط زر، جس کی ترجمانی صارفین کی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط ابتدائی نو ماہ کے دوران 8.4 فیصد تھا، جبکہ اشیائے خورد و نوش کے افراط زر کا اوسط دورانِ مدت 13 فیصد تھا۔ رسد کی جہت میں مسائل اور بد انتظامی کے باعث جلد خراب ہو جانے والی اشیائے خورد و نوش اور گندم کی قیمتوں میں اضافہ جاری رہا۔ بہر حال بنیادی افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، قابو میں تھی اور اس کا اوسط برائے مدت 6.1 فیصد تھا۔ مانیٹری پالیسی کمیٹی (ایم پی سی) نے گزشتہ اجلاسوں میں پے در پے کٹوتیوں کے بعد صورتحال کو برقرار رکھا۔ اگرچہ حقیقی سود کی شرح منفی رہی لیکن مرکزی بینک کووڈ کے باعث طلب کی جہت پر پڑنے والے دباؤ اور بہتر خارجی صورتحال کی بدولت پیدا ہونے والی سہولت کے حوالے سے محتاط تھا۔

معیشت کے مستحکم ہونے کے آغاز کے ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں مالی سال کے ابتدائی نو ماہ کے دوران 10 فیصد اضافہ ہوا جو ہدف سے 100 بلین روپے زیادہ تھا۔ ابتدائی سات ماہ کا مالیاتی خسارہ مجموعی ملکی پیداوار (جی ڈی پی) کا 2.9 فیصد تھا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 3.2 فیصد تھا۔ بنیادی توازن جی ڈی پی (GDP) کے 0.9 فیصد کے ساتھ مزید بہتر رہا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 0.3 فیصد تھا۔

مہنگائی کے بعد سرمایہ کاروں کو مایوس کرنے کے بعد پیداوار کی قیمت میں اضافی ہونا شروع ہوا۔ مرکزی بینک نے بھی افراط زر سے متعلق اپنی توقع کو بڑھایا جیسا کہ 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 سطح

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2021

		March 31, 2021 (Unaudited) ----- (Rupees in '000) -----	June 30, 2020 (Audited) -----
ASSETS	Note		
Balances with banks	4	302,134	238,799
Investments	5	2,115,676	1,748,024
Dividend, markup and other receivables		47,891	10,420
Advances, deposits and prepayments		3,933	3,905
Total assets		<u>2,469,634</u>	<u>2,001,148</u>
LIABILITIES			
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	6	13,221	10,332
Payable to Central Depository Company of Pakistan Limited - Trustee		332	275
Payable to the Securities and Exchange Commission of Pakistan (SECP)		369	471
Payable against purchase of investments		2,093	7,343
Accrued and other liabilities	7	30,091	19,148
Total liabilities		<u>46,106</u>	<u>37,569</u>
NET ASSETS		<u>2,423,528</u>	<u>1,963,579</u>
Unit holders' fund (as per statement attached)		<u>2,423,528</u>	<u>1,963,579</u>
Contingencies and commitments	8		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		<u>32,103,410</u>	<u>31,407,618</u>
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		<u>75.4913</u>	<u>62.5192</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
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021

		Nine months period ended		Quarter ended	
		March 31,		March 31,	
		2021	2020	2021	2020
Note		(Rupees in '000)			
INCOME					
		319,333	49,965	123,449	(21,573)
		50,186	72,551	13,926	8,480
		18,562	62,338	6,470	11,978
		-	1,977	-	(1)
		4,170	-	-	-
		156,253	(368,084)	(83,621)	(603,663)
5.1.3		2	-	2	-
	Total income	548,506	(181,253)	60,226	(604,779)
EXPENSES					
		41,470	37,607	17,259	11,385
		5,391	4,889	2,243	1,480
		1,845	1,880	634	569
		2,596	2,632	881	818
		338	342	115	106
		19,427	19,617	3,690	7,400
		369	376	127	114
		10,978	7,037	4,643	3,506
		29	47	14	29
		21	33	7	7
		559	676	184	224
		484	407	118	123
		102	33	33	(58)
		1,966	1,876	320	290
	Total expenses	85,575	77,451	30,268	25,992
	Net income / (loss) from operating activities	462,931	(258,704)	29,958	(630,771)
	Provision for Sindh Worker's Welfare Fund (SWWF)	(9,259)	-	(600)	7,441
	Net income / (loss) for the period before taxation	453,672	(258,704)	29,358	(623,330)
	Taxation	-	-	-	-
	Net income / (loss) for the period after taxation	453,672	(258,704)	29,358	(623,330)
<i>Allocation of net income for the period:</i>					
	Net income for the period after taxation	453,672	-	-	-
	Income already paid on units redeemed	(133,682)	-	-	-
		319,990	-	-	-
<i>Accounting income available for distribution:</i>					
	- Relating to capital gains	319,990	-	-	-
	- Excluding capital gains	-	-	-	-
		319,990	-	-	-

Earnings / loss per unit

10

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
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2021**

	Nine months period ended March 31,		Quarter ended March 31,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net income / (loss) for the period after taxation	453,672	(258,704)	29,358	(623,330)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>453,672</u>	<u>(258,704)</u>	<u>29,358</u>	<u>(623,330)</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
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine months period ended March 31, 2021			Nine months period ended March 31, 2020		
	Capital value	Undistributed income / (accumulated loss)	Total	Capital value	Undistributed income / (accumulated loss)	Total
	(Rupees in '000)					
Net assets at the beginning of the period	2,157,877	(194,298)	1,963,579	3,168,189	(195,102)	2,973,087
Issuance of 16,392,825 units (2020: 7,045,062 units):						
- Capital value (at net asset value per unit at the beginning of the period)	1,024,866	-	1,024,866	449,648	-	449,648
- Element of income	137,723	-	137,723	54,123	-	54,123
	1,162,589	-	1,162,589	503,771	-	503,771
Redemption of 15,697,033 units (2020: 23,442,922 units):						
- Capital value (at net asset value per unit at the beginning of the period)	981,366	-	981,366	(1,496,235)	-	(1,496,235)
- Element of income / (loss)	41,264	133,682	174,946	(92,682)	-	(92,682)
	1,022,630	133,682	1,156,312	(1,588,917)	-	(1,588,917)
Total comprehensive income for the period	-	453,672	453,672	-	(258,704)	(258,704)
Net assets at the end of the period	2,297,836	125,692	2,423,528	2,083,043	(453,806)	1,629,237
Accumulated loss brought forward comprising of:						
- Realised gain	(117,658)			186,816		
- Unrealised gain	(76,640)			(381,918)		
Accumulated loss brought forward	(194,298)			(195,102)		
Accounting income available for distribution						
- Relating to capital gains	319,990			-		
- Excluding capital gains	-			-		
	319,990					
Net loss for the period after taxation	-			(258,704)		
Undistributed income carried forward	125,692			(453,806)		
Undistributed income carried forward comprising of:						
- Realised loss	(30,561)			(85,722)		
- Unrealised gain	156,253			(368,084)		
	125,692			(453,806)		
	(Rupees)			(Rupees)		
Net asset value per unit at the beginning of the period	62.5192			63.8246		
Net asset value per unit at the end of the period	75.4913			53.9763		

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
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine Months Period Ended	
	March 31, 2021	March 31, 2020
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	453,672	(258,704)
Adjustments for:		
Dividend income	(50,186)	(72,551)
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(156,253)	368,084
Provision for Sindh Workers' Welfare Fund (SWWF)	9,259	-
	<u>256,492</u>	<u>36,828</u>
(Increase) / decrease in assets		
Investments - net	(211,399)	563,647
Dividend, markup and other receivables	(36,574)	8,435
Advances, deposits and prepayments	(28)	(208)
Receivable against sale of investments	-	36,127
	<u>(248,001)</u>	<u>608,001</u>
Increase / (decrease) in liabilities		
Payable to MCB-Arif Habib Savings and Investments Limited - Management Company	2,889	2,310
Payable to Central Depository Company of Pakistan Limited - Trustee	57	(103)
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(102)	(3,046)
Payable against purchase of investments	(5,250)	-
Accrued and other liabilities	1,684	2,141
	<u>(722)</u>	<u>1,303</u>
Dividend received	49,289	72,551
Net cash (used in) / generated from operating activities	<u>57,058</u>	<u>718,683</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	1,162,589	503,771
Payments against redemption of units	(1,156,312)	(1,588,917)
Net cash generated from / (used in) financing activities	<u>6,277</u>	<u>(1,085,146)</u>
Net increase / (decrease) in cash and cash equivalents during the period	<u>63,335</u>	<u>(366,462)</u>
Cash and cash equivalents at the beginning of the period	238,799	763,340
Cash and cash equivalents at the end of the period	<u>302,134</u>	<u>396,878</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
(the Management Company)



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

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 the Management Company and Central Depository Company of Pakistan Limited (CDC) as the 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 Regulations) 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 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 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 Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.6 During the current period, the Trust Act, 1882 has been repealed and provincial trust acts have been issued in consequence to the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise 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
- The NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of 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. The comparative in the statement of assets and liabilities presented in the condensed interim financial information as at 31 March 2021 have been extracted from the audited financial statements of the Fund for the year ended 30 June 2020, where as the comparatives in the condensed interim income statement, condensed interim cash flow statement, condensed interim distribution statement and condensed interim statement of movement in unit holders' funds are stated from unaudited condensed interim financial information for the nine months ended 31 March 2020.
- 2.1.3 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.
- 2.1.4 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 state of affairs of the Fund.
- 2.1.5 This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Fund.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.
- 3.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Funds for the year ended June 30, 2020.

		(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
4 BALANCES WITH BANKS			
In current accounts		7,260	12,688
In saving accounts	4.1	294,874	226,111
	4.2	<u>302,134</u>	<u>238,799</u>

- 4.1** These carry profit at the rates ranging from 5.5% to 7% for the period (June 30, 2020: 6.75% to 14.35% per annum).
- 4.2** These include balances held with related parties of Rs. 5.132 million (June 30, 2020: Rs. 11.393 million) with MCB Bank Limited and Rs. 0.012 million (June 30, 2020: Rs. 0.027 million) with MCB Islamic Bank Limited.

		(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	Note	----- (Rupees in '000) -----	
5 INVESTMENTS			
Investment by category			
5.1 At fair value through profit or loss			
Listed equity securities	5.1.1	2,115,676	1,310,093
Sukuk certificates	5.1.2	-	437,931
		<u>2,115,676</u>	<u>1,748,024</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

5.1.1 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 investee company	Number of shares					Balance as at March 31, 2021			Market Value as a percentage of		Percentage in relation to paid-up capital of the investee company
	As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2021	Carrying value	Market value	Unrealised (loss) / gain	Net assets	Total investments	
----- (Rupees in '000) -----											

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

Name of investee company	Number of shares					Balance as at March 31, 2021			Market Value as a percentage of		Percentage in relation to paid-up capital of the investee company
	As at July 01, 2020	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at March 31, 2021	Carrying value	Market value	Unrealised (loss) / gain	Net assets	Total investments	
						----- (Rupees in '000) -----			----- % -----		
Balance brought forward						1,516,951	1,660,961	144,010			
Paper and board											
Packages Limited	344	229,600	-	67,800	162,144	79,804	82,008	2,204	3.38%	3.88%	0.18%
Century Paper & Board Mills Limited	-	335,000	-	335,000	-	-	-	-	0.00%	0.00%	0.00%
						79,804	82,008	2,204	3.38%	3.88%	0.18%
Pharmaceuticals											
AGP Limited	-	225,000	-	25,000	200,000	20,382	22,826	2,444	0.94%	1.08%	0.07%
The Searle Company Limited	197	493,000	18,200	330,196	181,201	46,022	44,762	(1,260)	1.85%	2.12%	0.08%
Ibl Healthcare Limited	691	175,000	-	691	175,000	20,979	15,936	(5,044)	0.66%	0.75%	0.32%
Abbott Laboratories (Pakistan) Limited	106,800	62,400	-	63,250	105,950	68,666	76,802	8,137	3.17%	3.63%	0.11%
Highnoon Laboratories Limited	-	20,000	-	-	20,000	12,500	12,990	490	0.54%	0.61%	0.06%
GlaxoSmithKline Pakistan Limited	-	100,000	-	100,000	-	-	-	-	0.00%	0.00%	0.00%
						168,549	173,315	4,767	7.15%	8.19%	0.64%
Power Generation & Distribution											
The Hub Power Company Limited	2,106,883	1,056,282	-	1,985,000	1,178,165	89,530	95,596	6,066	3.94%	4.52%	0.09%
K Electric Limited**	5,400,000	8,865,000	-	9,265,000	5,000,000	19,660	19,900	240	0.82%	0.94%	0.02%
Lalpir Power Limited*	1,999,500	-	-	1,999,500	-	-	-	-	-	-	0.00%
						109,190	115,496	6,306	4.77%	5.46%	0.11%
Refinery											
National Refinery Limited	-	68,000	-	68,000	-	-	-	-	-	-	0.00%
Attock Refinery Limited	-	75,000	-	75,000	-	-	-	-	-	-	0.00%
						-	-	-	0.00%	0.00%	0.00%
Sugar And Allied Industries											
Faran Sugar Mills Limited	92,000	-	-	92,000	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	0.00%
Technology & Communication											
Pakistan Telecommunication Company Limited	131,500	2,000,000	-	2,100,000	31,500	361	292	(69)	0.01%	0.01%	0.00%
Systems Limited	145,700	18,000	-	145,700	18,000	8,110	8,470	360	0.35%	0.40%	0.01%
Avanceon Limited	-	1,510,000	-	1,510,000	-	-	-	-	-	-	-
						8,471	8,762	291	0.36%	0.41%	0.01%
Textile Composite											
Interloop limited	697,020	1,466,000	-	1,332,000	831,020	52,655	54,947	2,292	2.27%	2.60%	0.10%
Kohinoor Textile Mills Limited	14,650	252,000	-	-	266,650	19,568	16,355	(3,213)	0.67%	0.77%	0.09%
Nishat Mills Limited*	-	860,000	-	860,000	-	-	-	-	0.00%	0.00%	0.00%
						72,223	71,302	(921)	2.94%	3.37%	0.19%
Miscellaneous											
Synthetic Products Limited	-	260,000	11,700	172,000	99,700	4,237	3,831	(405)	0.16%	0.18%	0.11%
						4,237	3,831	(405)	0.16%	0.18%	0.11%
Total as at March 31, 2021						1,959,424	2,115,676	156,251			
Total as at June 30, 2020						1,387,164	1,310,093	(77,071)			

* These transactions relating to shares of related parties

** These have a face value of Rs.3.5 per share

***** Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against margin for guaranteeing settlement of the Fund's trades in accordance with Circular No.11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan (SECP).

Name of security	March 31, 2021	June 30, 2020	March 31, 2021	June 30, 2020
	--- (Number of shares) ---		----- (Rupees in '000) -----	
The Hub Power Company Limited	233,744	233,744	18,543	16,946
Oil & Gas Development Company Limited	600,000	600,000	62,262	65,400
	833,744	833,744	80,805	82,346

5.1.1.1 There is no change is the status of matter related to bonus shares as reported in the annual financial statements of the Fund for the year ended June 30, 2020. As at March 31, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.113 million (June 30, 2020: Rs. 0.092 million).

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

5.1.2 Sukuk Certificates

Particulars	Profit rate	Number of certificates				Balance as at March 31, 2021			Market value as a percentage of	
		As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at March 31, 2020	Carrying value	Market value	Unrealised gain	Net assets	Total investments
(Rupees in '000)										
Pakistan Energy Sukuk - 10 years	6M KIBOR + 0.1%	50,000	-	50,000	-	-	-	-	-	-
GOP Ijara - Sukuk - 5 years (Issue date June 24, 2020)	7.38%	1,000	625	1,625	-	-	-	-	-	-
Total as at March 31, 2021						-	-	-		
Total as at June 30, 2020						437,500	437,931	431		

5.1.3 Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	Note	March 31, 2021 (Un-audited) ----- (Rupees in '000) -----	June 30, 2020 (Audited)
Market value of investments	6.1.1 & 6.1.2	2,115,676	1,748,024
Less: Carrying value of investments	6.1.1 & 6.1.2	1,959,422	1,824,664
		<u>156,253</u>	<u>(76,640)</u>

6 PAYABLE TO MCB ARIF HABIB SAVINGS AND INVESTMENTS LIMITED - MANAGEMENT COMPANY	Note	March 31, 2021 (Un-audited) ----- (Rupees in '000) -----	June 30, 2020 (Audited)
Management remuneration payable		6,909	3,216
Sindh Sales Tax payable on remuneration of the Management Company		898	418
Allocated expenses payable		209	161
Selling and marketing expenses payable		3,689	6,179
Sales load payable (including indirect taxes)		10	201
Back end load payable		1,452	82
Shariah advisory fee payable		54	75
		<u>13,221</u>	<u>10,332</u>

7 ACCRUED AND OTHER LIABILITIES	Note	(Un-Audited) March 31, 2021 ----- (Rupees in '000) -----	(Audited) June 30, 2020
Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	17,422	8,163
Provision for Federal Excise Duty			
- on Management fee	7.2	5,910	5,910
- on sales load		1,136	1,136
Charity / donation payable		1,966	2,148
Auditors' remuneration payable		229	357
Withholding tax payable		1,413	18
Brokerage payable		1,152	630
Other payables		863	786
		<u>30,091</u>	<u>19,148</u>

7.1 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 statements of the Fund, the net assets value of the Fund as at March 31, 2021 would have been higher by Re.0.54 (June 30, 2020: Re.0.26) per unit.

7.2 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 provision for FED not been made, the Net Asset Value of the Fund as at March 31, 2021 would have been higher by Re 0.18 (June 30, 2020: Re 0.22) per unit.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

9 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 for the year as reduced by capital gains whether realised or unrealised 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 Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealised 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. Since the management intends to distribute at least 90% of income earned by the Fund in cash during the year ending June 30, 2021 to the unit holders therefore, no provision for taxation has been made in these condensed interim financial statements.

10 EARNINGS / LOSS PER UNIT

Earnings / 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.

11 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 5.14% (March 31, 2020: 4.1%) which includes 0.84% (March 31, 2020: 0.29%) representing Government Levy, Sindh Worker's Welfare Fund and SECP Fee.

12 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, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owning directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

The details of transactions during the current period and balances at period end with related parties / connected persons are as follows:

		(Un-Audited)	
		March 31, 2021	March 31, 2020
		----- (Rupees in '000) -----	
12.1	Details of transactions with connected persons are as follows:		
	MCB-Arif Habib Savings and Investments Limited - Management Company		
	Remuneration (including indirect taxes)	46,861	42,496
	Allocated expenses	1,845	1,880
	Selling and marketing expenses	19,427	19,617
	Shariah advisory fee	559	676
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee fee (including indirect taxes)	2,934	2,974
	Settlement charges	246	133

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

	(Un-Audited)	
	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----	
Group / Associated Companies:		
MCB Bank Limited		
Bank charges	28	11
MCB Islamic Bank Limited		
Profit on bank deposits	-	5,126
Arif Habib Limited		
Brokerage expense *	754	487
Next Capital Limited		
Brokerage expense *	189	106
Nishat Mills Limited		
Purchase of 860,000 (March 31, 2020: 250,000) shares	90,791	27,580
Sale of 860,000 (March 31, 2020: 413,600) shares	91,263	37,450
Dividend income	2,480	-
D.G. Khan Cement Company Limited		
Purchase of shares 1,785,000 (March 31, 2020: 825,500) shares	201,357	62,194
Sale of shares 1,122,864 (March 31, 2020: 155,000) shares	120,573	10,266
Fatima Fertilizer Company Limited		
Sale of 2,080,500 (March 31, 2020: Nil) shares	59,639	-
Power Cement Limited		
Purchase of shares 5,093,000 (March 31, 2020: NIL) shares	56,188	-
Sale of shares 2,727,500 (March 31, 2020: NIL) shares	26,576	-
Lalpir Power Limited		
Sale of shares 1,999,500 (March 31, 2020: 2,000,000) shares	24,384	-

* 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.

	(Un-Audited)	Audited
	March 31, 2021	June 30, 2020
	----- (Rupees in '000) -----	
12.2 Balances outstanding at period / year end:		
MCB Arif Habib Savings and Investments Limited - Management Company		
Remuneration payable	6,909	3,216
Sindh sales tax payable on remuneration of the management company	898	418
Allocated expenses payable	209	161
Selling and marketing expenses payable	3,689	6,179
Sales load payable (including indirect taxes)	10	201
Back end load payable	1,452	82
Shariah advisory fee payable	54	75
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	294	243
Sales tax on Trustee fee payable	38	32
Security deposit	200	200
Group / Associated Companies:		
MCB Bank Limited		
Balance with bank	5,132	11,393

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

	(Un-Audited) March 31, 2021	Audited June 30, 2020
	----- (Rupees in '000) -----	
Arif Habib Limited - Brokerage house		
Brokerage and settlement charges payable *	-	119
Next Capital Limited - Brokerage house		
Brokerage and settlement charges payable *	51	-
MCB Islamic Bank Limited		
Balance with bank	12	27
D.G. Khan Cement Company Limited		
662,136 (2020: Nil) shares held	79,794	-
Power Cement Limited		
2,365,500 (2020: Nil) shares held	21,786	-
Fatima Fertilizer Company Limited		
Nil (2020: 2,080,500) shares held	-	55,612

* 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.

12.3 Transactions during the period with connected persons / related parties in units of the Fund:

	March 31, 2021 (Un-Audited)							
	As at July 01, 2020	Issued for cash	Redeemed	As at March 31, 2021	As at July 01, 2020	Issued for cash	Redeemed	As at March 31, 2021
	Units				(Rupees in '000)			
Group / Associated Companies								
D.G Khan Cement Company Limited - Employees' Provident Fund Trust	112,524	-	-	112,524	7,035	-	-	8,495
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	580,377	-	-	580,377	36,285	-	-	43,813
Adamjee Life Assurance Company Limited - (MAZAAF)	1,940,064	32,351	-	1,972,415	121,291	2,500	-	148,900
Adamjee Life Assurance Company Limited - (Amaanat Fund)	-	202,504	-	202,504	-	15,800	-	15,287
Key management personnel*	12,694	5,052	13,969	3,777	794	370	1,056	285
Mandate under Discretionary Portfolio Services *	314,047	485,889	126,165	673,770	23,708	34,239	8,885	50,864

* This reflects the position of related party / connected persons status as at March 31, 2021.

	March 31, 2020 (Un-Audited)							
	As at July 01, 2019	Issued for cash	Redeemed	As at March 31, 2020	As at July 01, 2019	Issued for cash	Redeemed	As at March 31, 2020
	----- Units -----				----- (Rupees in '000) -----			
Group / Associated Companies								
D.G Khan Cement Company Limited - Employees' Provident Fund Trust	111,064	-	-	111,064	7,089	-	-	5,995
Adamjee Life Assurance Company Limited - Investment Multiplier Fund	572,847	-	-	572,847	36,562	-	-	30,920
Adamjee Life Assurance Company Limited - (MAZAAF)	354,404	1,560,488	-	1,914,892	22,620	115,000	-	103,359
Key management personnel*	14,241	1,564	3,406	12,399	909	99	220	669
Mandate under Discretionary Portfolio Services *	297,834	153,409	61,388	389,855	19,009	9,423	4,101	26,826

* This reflects the position of related party / connected persons status as at March 31, 2020.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2021

13 GENERAL

13.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

13.2 Certain prior period's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are material re-arrangements / re-classifications to report.

14 COVID-19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of

The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e., period end. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognized at fair value based on:

Level 1 : quoted prices in active markets for identical assets or liabilities;

Level 2 : those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 : those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 16, 2021 by the Board of Directors of the Management Company.

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



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

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