

QUARTERLY REPORT

March 31, 2017
(Unaudited)



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

ALHAMRA ISLAMIC ASSET ALLOCATION FUND
(FORMERLY: PAKISTAN INTERNATIONAL ELEMENT ISLAMIC ASSET ALLOCATION FUND)

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
Board of Directors	Mian Mohammad Mansha Mr. Nasim Beg Mr. Muhammad Saqib Saleem Dr. Syed Salman Ali Shah Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Samad A. Habib Mr. Mirza Qamar Beg	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Mirza Qamar Beg Mr. Nasim Beg	Chairman Member Member Member
Human Resource & Remuneration Committee	Dr. Syed Salman Ali Shah Mr. Nasim Beg Mr. Haroun Rashid Mr. Ahmed Jahangir Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Financial Officer & Company Secretary	Mr. Abdul Basit	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B' S.M.C.H.S Main Shahr-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 United Bank Limited Bank Al-Habib Limited Meezan Bank Limited Habib Bank Limited Dubai Islamic Bank Pakistan Limited Askari Bank Limited Bank Islami Pakistan Limited Al Baraka Bank Limited	
Auditors	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountant Progressive Plaza, Beaumont Road, P.O. Box 155411 Karachi, Sindh-75530, Pakistan.	
Legal Advisor	Bawane & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited 24th Floor, Centre Point, Off Shaheed-e-Millat Expressway Near K.P.T. Interchange, Karachi.	
Rating	AM2++ Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

Dear Investor,

On behalf of the Board of Directors, I am pleased to present **Alhamra Islamic Asset Allocation Fund** (Formerly: Pakistan International Element Islamic Asset Allocation Fund) accounts review for the nine months ended March 31, 2017.

ECONOMY AND MONEY MARKET OVERVIEW

Positive trends in domestic economy continued where headline indicators point toward continued recovery. Stable inflation along with investment activities/spending on CPEC related projects provide an enabling environment for economy to build upon a stronger growth phase ahead. Responsiveness until now from various indicators including Large Scale Manufacturing, Credit Offtake and Foreign Direct Investment though has been below expectations however, we believe if the current macroeconomic environment alongwith impetus from CPEC in a stable political environment continues, the lagged indicators would soon start reflecting the expected performance. External Account has again worsened highlighting partly the global trade dynamics and machinery imports for CPEC. Till now chronic weaknesses in the balance of payment account has been funded through borrowing; an unsustainable source to rely on.

Trade deficit increased to USD 15.4 billion in eight months of this fiscal year compared to USD 12.1 billion in same period last year. The subdued trend in exports continued with exports falling by the 2% YoY in 8MFY17. Imports continued their trajectory up increasing by 11.2% YoY in 8MFY17. Oil imports increased by 16% courtesy volumetric growth and increase in oil prices post OPEC's decision to curtail output. The imports of machinery increased by 12% as capital goods for the various infrastructural projects continued to flow in. Remittances decreased marginally by 2% to USD 14.06 billion in 9MFY17 from USD 14.38 billion in same period last year. The cushion to Balance of Payments was provided by financial account of USD 4.5 billion where USD 1.28 billion was contributed from Foreign Direct Investment while the rest was covered through borrowings. Foreign Direct Investment was majorly supported through acquisition of Engro Foods and Dawlance by foreign investors. Overall balance of Balance of Payments stood at negative USD 1.0 billion in 8MFY17 compared to positive USD 1.0 billion in same period last year.

Foreign exchange reserves stood at USD 21.6 billion (31st March, 2017). It is pertinent to note that reserves have decreased by USD 2.5 billion from their peak seen in October, 2016 where deteriorating external account position explaining most of the volatility.

Undergoing appreciation of about 0.08% in 9MFY17, PKR continues to remain resilient against USD which also raises concerns given the relative weakness in other developing economies and also reflected from REER as measured by SBP reaching to a high of 126 depicting significant overvaluation.

Fiscal deficit increased to 2.4% (1HFY17) of GDP as against 2.2% in SPLY. Total revenue declined by 1% majorly because of reduction in income from defence services and SBP's profit. Expenses increased by 11% with PSDP (16% increase) and defence expenditure (11% increase).

The LSM growth clocked in at 3.5% during the period of 7MFY17 with contribution to growth coming from automobiles, construction and consumer goods.

Inflation continued its upward trajectory with nine month inflation averaging 4.01% compared to 2.64% for 9MFY16. The withering of low base effect along with inherent increases in food and housing pricing triggered inflationary pressures alongwith increases in petroleum prices.

M2 growth posted year to date growth of 6.09% by the end of the March, 2017. The deposits grew seasonally by PKR 217 billion in a week supported by quarter end efforts of banks to expand balance sheet size. Moreover, the abnormal accumulation in currency in circulation (CIC) last year triggered after imposition of withholding tax on cash withdrawals has normalized with CIC to M2 ratio at 19%. The Net Domestic Assets increased by PKR 1,064 billion supported by net government sector borrowings of PKR 600 billion.

EQUITIES MARKET OVERVIEW

Pakistan Stock Exchange (PSX)'s rally faltered during 3QFY17 as the index posted a meager return of 0.7%, taking the cumulative 9MFY17 return to ~27%. Foreigners' selling remained unabated as they offloaded USD 162 mn worth of equities during the quarter, taking their total selling to USD ~485 mn during 9MFY17. Local liquidity remained robust with mutual funds, insurance and companies buying USD 131 mn, USD 419 mn and USD 152 mn respectively worth of equities.

Among the best performers, Steel sector lead the charts, outperforming the benchmark index by a massive 133% as strong infrastructural activities under the CPEC regime, along with government's favorable policies in terms of tariff protection provided to the local manufacturers provided strong investors interest in the sector. With the returns of 76%, Auto Assemblers remained the second best performers in the market. Launch of the new Honda Civic and Ciaz accompanied by expected launch of Honda BR-V, New Cultus and face-lift of Corolla triggered a rally in the sector. OMC sector also gained 63%, primarily on the back of rally in SNGP as the company announced capital projects worth PKR110 billion to be completed by 2018.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

On the flip side, Fertilizers underperformed the benchmark by 26% as rising inventories coupled with discounts on urea prices took a toll on the sector. Furthermore, decline in international urea prices in the latter half of 3QFY17 eroded the pricing power of local manufacturers and dampened the potential export margins. Oil & Gas Exploration sector also underperformed the benchmark by 17% as oil prices declined by 3.8% during 9MFY17 as US inventories piled up along with increasing US rig count data. Alongside, news flows regarding OGDC and Mari's divestment by the government of Pakistan kept the performance under check in the sector.

We expect the positive momentum to continue going forward as market draws close to its graduation to MSCI EM Index. In addition, low interest rates scenario is also keeping fixed income returns subdued, which is further attracting the liquidity in the equity market. PSX is currently trading at a forward multiple of 11.0x, still at a 11.5% discount to the MSCI EM, reflecting further room for re-rating from here.

Going forward, we believe strong local liquidity is expected to mitigate the impact of adverse foreign flows. However, sooner or later, we can expect improved foreign flows in the market because of inclusion in MSCI in May 2017. We recommend our investors to focus on the long term value offered by the local bourse through our equity funds.

FUND PERFORMANCE

During the period under review, the fund delivered a return of 26.73% as against its benchmark return of 22.04%.

On the equities front, the overall allocation was 78.3% at the end of the period under review. The fund decreased its exposure in Power Generation & Distribution, Fertilizer and while increasing exposure in Oil and Gas Exploration sector and Cement during the period.

On the fixed income side, there was exposure towards Sukuk at 0.1% of the portfolio at the end of the period under review.

The Net Assets of the Fund as at March 31, 2017 stood at Rs. 1,388 million as compared to Rs. 821 million as at June 30, 2016 registering an increase of 69.06%.

The Net Asset Value (NAV) per unit as at March 31, 2017 was Rs. 80.50 as compared to opening NAV of Rs. 63.52 per unit as at June 30, 2016 registering an increase of Rs. 16.98 per unit.

FUTURE OUTLOOK

While government stands committed to achieving its GDP growth target of 5.7%, we expect it to remain short of desired numbers owing to below par manufacturing growth. LSM growth has posted a modest growth of 3.5% during 7MFY17, against the full year target of 5.9%. The misery of export-oriented sectors continues to haunt the manufacturing industry, as Textile and Leather industry continue to grow at dismal pace. Going forward, the recently announced export package is expected to provide some support to the export sector, nevertheless, the overvalued currency as depicted from REER (~25% overvalued as per SBP) remains a stumbling block in the way of competitiveness of the country.

The direction of general inflation is expected to be shaped by the trend in crude oil prices and currency outlook. While crude oil prices have stabilized and are expected to continue to do so, government has started to increase petroleum prices by increasing sales tax on petroleum products as tax collection so far has been below target. Similarly, the outlook of currency remains worrisome given the deterioration in external factors. Thus, from next year onwards, we might foresee inflation to kick above 5.0%, compared to current average of ~4.0%.

External account remains a threat to the stabilizing economy, as recent data showed current account deficit worsened to 2.7% of GDP, against the target of 1.5% for full fiscal year. Rising imports, along with weak exports and remittances contributed to the aggravation of external account. We expect the same trend to continue for the foreseeable future until the overvaluation of currency vanishes.

We expect interest rates to remain stable in the short term given stable inflationary trends along with government's increased focus on managing reserves through foreign borrowing. However, exchange rate overvaluation in addition with weak external account suggest a close scrutiny of the emerging trends, as the potential of inflection point remains in a form of monetary tightening.

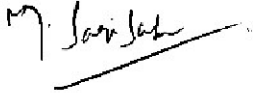
The China Pakistan Economic Corridor is expected to provide much needed impetus to growth. Growing confidence in the economy has led to increase the quantum of investment from initially desired \$46 billion to more than \$60 billion. Local investor confidence has also improved drastically, after a long time, as witnessed by a gush of investment deals announced in the variety of sectors. Cement, Steel and Auto industry have already announced multiple expansion and green field investment plans with more to come from other industries. Given, the expansionary phase, we expect equity markets to outperform alternate asset classes. Inclusion of Pakistan to MSCI Emerging Market Index is expected to further channel liquidity in the local market. The MSCI specific companies are expected to gain limelight as formal inclusion nears. However, the volatility in global markets lead by uncertainty in global economies after Trump's induction as US President along with political uncertainty due to Panama case would keep the short term market performance in check. However, we reiterate our positive stance on the market.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

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.

For and on behalf of Board,



Muhammad Saqib Saleem
Chief Executive Officer
April 21, 2017

عزیز سرمایہ کار

بورڈ آف ڈائریکٹرز کی جانب سے انحصار اسلامک Asset ایلویشن فنڈ (سابقہ: پاکستان انٹرنیشنل اسلامک Asset ایلویشن فنڈ) کے 31 مارچ 2017ء کو ختم ہونے والی مدت کے اکاؤنٹس کا جائزہ پیش خدمت ہے۔

معیشت اور بازار کا مجموعی جائزہ

مقامی معیشت میں مثبت رجحانات دیکھنے میں آئے اور اہم معاشی علامات مسلسل بحالی کی طرف اشارہ کر رہی ہیں۔ محکمہ افراط زر کے ساتھ ساتھ سرمایہ کارانہ سرگرمیوں / CPEC پر خرچ سے متعلق پراجیکٹس معیشت کو مضبوط تر ترقی کی راہ پر گامزن رہنے کے لئے معاون ماحول فراہم کر رہے ہیں۔ اگرچہ تاحال مختلف علامات بشمول وسیع پیمانے کی مینوفیکچرنگ، کریڈٹ آف ٹیک اور غیر ملکی براہ راست سرمایہ کاری میں حرکت توقعات سے کم ہے لیکن ہم سمجھتے ہیں کہ اگر محکمہ سیاسی ماحول میں کلاں معاشیات کے موجودہ ماحول کے ساتھ ساتھ CPEC کی جانب سے ملنے والی قوت جاری رہی تو سست روی کا مظاہرہ کرنے والی علامات جلد متوقع کارکردگی کی عکاسی کرنے لگیں گی۔ خارجی اکاؤنٹ کی صورتحال دوبارہ خراب ہو گئی ہے جو کچھ حد تک عالمی تجارتی قوتوں اور CPEC کے لئے مشینری کی درآمدات کی تھنڈی کرتی ہے۔ ادائیگی کے توازن کے اکاؤنٹ میں دیرینہ ضعف کو تاحال قرض کے ذریعے پورا کیا گیا ہے، لیکن اس ذریعے پر ایک محدود حد تک ہی اعتماد کیا جاسکتا ہے۔

تجارتی خسارہ موجودہ مالی سال کے آٹھ ماہ میں بڑھ کر 15.4 بلین امریکی ڈالر تک پہنچ گیا جبکہ گزشتہ سال اسی مدت میں 12.1 بلین امریکی ڈالر تھا۔ برآمدات بدستور سست روی سے چلتے ہوئے مالی سال 2017ء کے ابتدائی آٹھ ماہ میں 2% YoY کم ہو گئیں۔ درآمدات بدستور سبک رفتاری سے چلتے ہوئے مالی سال 2017ء کے ابتدائی آٹھ ماہ میں 11.2% YoY زیادہ ہو گئیں۔ تیل کی درآمدات میں 16% اضافہ ہوا جس کا سبب OPEC کے پیداوار کم کرنے کے فیصلے کے بعد حجم میں ترقی اور تیل کی قیمتوں میں اضافہ ہے۔ مشینری کی درآمدات میں 12% اضافہ ہوا جس کا سبب انفراسٹرکچر کے مختلف منصوبوں کے لئے capital goods کی بدستور آمد ہے۔ مالی سال 2017ء کے ابتدائی نو ماہ میں تسلی زر کم ہو کر 14.06 بلین امریکی ڈالر ہو گئی جو 2% معمولی کمی ہے، جبکہ گزشتہ سال اسی مدت میں 14.38 بلین امریکی ڈالر کی ہوئی تھی۔ ادائیگیوں کے توازن کو 4.5 بلین امریکی ڈالر کے مالیاتی اکاؤنٹ کا سہارا فراہم ہوا جس میں غیر ملکی براہ راست سرمایہ کاری نے 1.28 بلین امریکی ڈالر حصہ ڈالا جبکہ بقیہ حصہ قرضوں کے ذریعے پورا کیا گیا۔ غیر ملکی سرمایہ کاروں کے اینگریڈوڈ ز اور ڈائالینس کے حصول کے ذریعے غیر ملکی براہ راست سرمایہ کاری کو بڑی معاونت حاصل ہوئی۔ مالی سال 2017ء کے ابتدائی آٹھ ماہ میں ادائیگیوں کا مجموعی توازن منفی 1.0 بلین امریکی ڈالر تھا، جبکہ گزشتہ سال اسی مدت میں 1.0 بلین امریکی ڈالر تھا۔

زیربادلہ کے ذخائر 31 مارچ 2017ء کو 21.6 بلین امریکی ڈالر تھے۔ یہاں یہ بات قابل غور ہے کہ ذخائر اکتوبر 2016ء میں اپنے عروج کی سطح سے 2.5 بلین امریکی ڈالر کم ہو گئے، جبکہ خارجی اکاؤنٹ کی گرتی ہوئی صورتحال عدم استحکام کی بڑی وجہ ہے۔

پاکستانی روپے نے مالی سال 2017ء کے ابتدائی نو ماہ میں 0.08% ترقی کی اور امریکی ڈالر کے بالمقابل لچکدار رہا، جس سے خدشات بھی پیدا ہوتے ہیں کیونکہ دیگر ترقی پذیر معیشتیں سب سے کمزور ہیں، اور اسٹیٹ بینک آف پاکستان کے پیکائش کردہ REER سے بھی اس کی عکاسی ہوتی ہے جو 126 کی بلند سطح تک پہنچ گیا جس سے بڑے پیمانے پر پیش قدری ظاہر ہوتی ہے۔ مالیاتی خسارہ بڑھ کر مجموعی قومی پیداوار کا 2.4% ہو گیا (1HFY17) جو SPLY میں 2.2% تھا۔ مجموعی آمدنی 1% کم ہو گئی جس کا بڑا سبب دفاعی خدمات کی آمدنی اور اسٹیٹ بینک آف پاکستان کے منافع میں کمی ہے۔ اخراجات میں 11% اضافہ ہوا، بشمول PSDP (16% اضافہ) اور دفاعی اخراجات (11% اضافہ)۔

LSM ترقی مالی سال 2017ء کے ابتدائی سات ماہ کے دوران 3.5% سے شروع ہوئی، اور اس ترقی میں گاڑیوں، تعمیرات اور صارتی مصنوعات نے کردار ادا کیا۔

افراط زر میں بدستور اضافہ جاری رہا؛ نو ماہ میں افراط زر کا اوسط 4.01% تھا، جبکہ مالی سال 2017ء کے ابتدائی نو ماہ میں 2.64% تھا۔ پہلے سے پست base effect میں بتدریج کمی اور اشیائے خورد و نوش اور ہاؤسنگ کی قیمتوں میں فی فیصد اضافہ افراط زر کے دباؤ کے ساتھ ساتھ پیٹرول کی قیمتوں میں اضافے کے متحرک بنے۔

M2 میں مارچ 2017ء کے اختتام تک 6.09% year to date ترقی ہوئی۔ اختتام سہ ماہی پر بینکوں کی بیلنس شیٹ کا حجم وسیع کرنے کی کوششوں کی مدد سے ڈپازٹس میں ایک ہفتے میں 217 بلین روپے موی ترقی ہوئی۔ علاوہ ازیں، گزشتہ سال نقد رقم نکالنے پر پروڈولنگ ٹیکس عائد کرنے کی وجہ سے زبردگروں روپے (CIC) میں جو غیر معمولی انبار لگ گیا تھا وہ عمومی سطح پر آ گیا ہے اور CIC کا M2 سے تناسب 19% ہے۔ حکومتی سیکٹر نے 600 بلین روپے net قرضے لیے جس کی مدد سے net مقامی اثاثہ جات میں 1,064 بلین روپے اضافہ ہوا۔

ایکویٹیز مارکیٹ کا مجموعی جائزہ

مالی سال 2017ء کی تیسری سہ ماہی کے دوران پاکستان اسٹاک ایکسچینج (PSX) کی کارکردگی میں ضعف رہا جیسا کہ انڈیکس میں 0.7% معمولی اضافے سے ظاہر ہے، اور یوں مالی سال 2017ء کے ابتدائی نو ماہ کا مجموعی منافع 27% ہو گیا۔ غیر ملکیوں کی فروخت بدستور بے قابو رہی کیونکہ انہوں نے دوران سہ ماہی 162 ملین امریکی ڈالر مالیت کی ایکویٹیز فروخت کیں، جس سے مالی سال 2017ء کے ابتدائی نو ماہ کے دوران مجموعی فروخت 485 ملین امریکی ڈالر تک پہنچ گئی۔ مقامی ایکویٹی بی بھر پور رہی اور میوچل فنڈز، انشورنس اور کمپنیوں نے بالترتیب 131 ملین، 419 ملین اور 152 ملین امریکی ڈالر مالیت کی ایکویٹیز خریدیں۔

بہترین کارکردگی کا مظاہرہ کرنے والوں میں انشیل سیکٹر سب سے آگے رہا۔ اس شعبے نے مقررہ معیار سے 133% بہتر کارکردگی کا مظاہرہ کیا، جس کا سبب یہ تھا کہ CPEC کے تحت انفراسٹرکچر کی محکمہ سرگرمیوں کے ساتھ ساتھ مقامی تیار کنندگان کے لئے tariff کے تحفظ کی سازگار حکومتی پالیسیوں نے اس شعبے میں سرمایہ کاروں کی دلچسپی کو بھرپور انداز میں مائل کیا۔ گاڑیوں کے

اسمبلر 76% منافع حاصل کر کے مارکیٹ میں دوسرے بہترین کھلاڑی بن گئے۔ نئی ہڈا سوک اور Ciaz کے متعارف ہونے اور ہڈا BR-V، نیوکلس اور Corolla کی face-lift کے متوقع آمانے اس شعبے میں بھرپور چیل پیدا کی۔ OMC سیکٹر نے بھی 63% منافع حاصل کیا جس کا بنیادی سبب SNGP میں ترقی ہے کیونکہ کمپنی نے 110 بلین روپے مالیت کے کمپنل پرائیکٹس کا اعلان کیا جن کو 2018ء تک مکمل کر لیا جائے گا۔

دوسری جانب کھاد کے شعبے نے مقررہ معیار سے 26% کم کارکردگی کا مظاہرہ کیا کیونکہ انویٹریز میں اضافے کے ساتھ ساتھ یورپا کی قیمتوں میں ڈسکاؤنٹس نے اس شعبے کو متاثر کیا۔ علاوہ ازیں، مالی سال 2017ء کی تیسری سہ ماہی کے نصف آخر میں یورپا کی بین الاقوامی قیمتوں میں کمی کے باعث مقامی تیار کنندگان کا قیمتوں کے تعین کا اختیار بتدریج ناکارہ ہو گیا اور متوقع برآمداتی margins متاثر ہوئے۔ آئل اینڈ گیس ایکسپلوریشن سیکٹر کی کارکردگی بھی مقررہ معیار سے 17% کم رہی جیسا کہ مالی سال 2017ء کے ابتدائی نو ماہ کے دوران تیل کی قیمتوں میں 3.8% کمی سے ظاہر ہے جو امریکی انویٹریز کا ڈھیر لگ جانے اور امریکی rig کی کتنی کے اعداد و شمار میں اضافے کے باعث ہوئی۔ اس کے ساتھ ساتھ حکومت پاکستان کی طرف سے OGDC اور ماری کی divestment سے متعلق خبروں کی گردش سے سیکٹر میں کارکردگی زبردستی چلی رہی۔

ہم امید کرتے ہیں کہ جول جول مارکیٹ MSCI EM انڈیکس تک اپنی گریجویشن کے قریب پہنچ رہی ہے، یہ مثبت رفتار جاری رہے گی۔ علاوہ ازیں، انٹریسٹ کی پست شرحیں بھی فکسڈ آمدنی کے منافع کو پست رکھے ہوئے ہیں جس سے ایکویٹی مارکیٹ میں liquidity کا رجحان مزید بڑھ رہا ہے۔ PSX موجودہ طور پر 11.0x کے فارورڈ ملٹیل پر، اور ابھی تک MSCI EM کے 11.5% ڈسکاؤنٹ پر تجارت کر رہا ہے، اور اس سے عکاسی ہوتی ہے کہ یہاں سے ری-ریٹنگ کی مزید گنجائش ہے۔

علاوہ ازیں، ہم سمجھتے ہیں کہ مضبوط مقامی لیکویڈیٹی سے متوقع طور پر منفی غیر ملکی آمدات کا اثر کم ہوگا۔ تاہم مئی 2017ء میں MSCI میں شمولیت کے باعث جلد یا بدلتا خیر مارکیٹ میں بہتر غیر ملکی آمدات کی توقع کی جاسکتی ہے۔ ہم اپنے سرمایہ کاروں کو مشورہ دیتے ہیں کہ ہمارے ایکویٹی فنڈز کے ذریعے مقامی اسٹاک مارکیٹ میں پیش کردہ طویل الیقا قدر پر توجہ مرکوز رکھیں۔

فنڈ کی کارکردگی

زیر جائزہ مدت کے دوران فنڈ نے 26.73% منافع حاصل کیا، جبکہ مقررہ معیار 22.04% ہے۔ ایکویٹیز کی جہت میں مجموعی انحصار زیر جائزہ مدت کے اختتام پر 78.3% تھا۔ دوران مدت فنڈ نے پاور جنریشن اینڈ ڈسٹری بیوٹن اور فریلائیڈز کے شعبے میں اپنی شمولیت کو کم کیا، جبکہ آئل اینڈ گیس ایکسپلوریشن اور سیمنٹ کے شعبے میں اپنی شمولیت میں اضافہ کیا۔

فکسڈ آمدنی کی جہت میں زیر جائزہ مدت کے اختتام پر سٹاک کی جانب شمولیت پورٹ فولیو کا 0.1% تھی۔

31 مارچ 2017ء کو فنڈ کے net اثاثہ جات 1,388 ملین روپے تھے، جو 30 جون 2016ء کو 821 ملین روپے کے مقابلے میں 69.06% اضافہ ہے۔ 31 مارچ 2017ء کو net اثاثہ جاتی قدر (NAV) فی یونٹ 80.50 روپے تھی، جو آغاز مدت یعنی 30 جون 2016ء کو 63.52 روپے فی یونٹ کے مقابلے میں 16.98 روپے فی یونٹ اضافہ ہے۔

مستقبل کا منظر

اگرچہ حکومت مجموعی مقامی پیداوار میں 5.7% ترقی کے اپنے ہدف کو حاصل کرنے کے لئے پُر عزم ہے، لیکن ہم سمجھتے ہیں کہ وہ مطلوبہ سے کم مینوفیکچرنگ ترقی کے باعث مذکورہ سطح تک پہنچنے میں ناکام رہے گی۔ LSM ترقی نے مالی سال 2017ء کے ابتدائی سات ماہ کے دوران 3.5% معمولی ترقی کی جبکہ پورے سال کا ہدف 5.9% تھا۔ برآمداتی سیکٹرز کی مشکلات کے سائے بدستور مینوفیکچرنگ صنعت پر منڈ لا رہے ہیں اور ٹیکسٹائل اور چمڑے کی صنعت کی ترقی کی رفتار مایوس کن ہے۔

علاوہ ازیں، حالیہ اعلان کردہ برآمداتی منافع سے برآمدات کے شعبے کو کچھ معاونت متوقع ہے، لیکن بیش قدر کرنسی، جیسا کہ REER سے ظاہر ہے (اسٹیٹ بینک آف پاکستان کے مطابق 25% بیش قدری) ملک کی مسابقتی اہلیت کی راہ میں بہت بڑی رکاوٹ ہے۔

عمومی افراط زر کی سمت متوقع طور پر خام تیل کی قیمتوں کے رجحان اور کرنسی کے مستقبل کے منظر کے ذریعے طے ہوگی۔ اگرچہ خام تیل کی قیمتیں مضبوط ہو گئی ہیں اور امید کی جارہی ہے کہ مضبوط رہیں گی، حکومت نے پٹرول کی مصنوعات پر سیکسٹیکس میں اضافے کے ذریعے پٹرول کی قیمتوں میں اضافہ شروع کر دیا ہے کیونکہ بحال ٹیکس مطلوبہ ہدف سے کم وصول ہوا ہے۔ اسی طرح کرنسی کے مستقبل کا منظر خارجی عناصر میں انحطاط کے باعث بدستور پریشان کن ہے۔ چنانچہ اگلے سال سے افراط زر موجودہ اوسط 4.0% کے مقابلے میں 5.0% سے بلند جاسکتی ہے۔

خارجی اکاؤنٹ استحکام کی راہ پر گامزن معیشت کے لئے بدستور خطرہ بنا ہوا ہے کیونکہ حالیہ اعداد و شمار کے مطابق کرنٹ اکاؤنٹ کا خسارہ بدتر ہو کر مجموعی ملکی پیداوار کا 2.7% ہو گیا، جبکہ مکمل مالی سال کا ہدف 1.5% تھا۔ بڑھتی ہوئی درآمدات کے ساتھ ساتھ کمزور درآمدات اور تسلی زر سے خارجی اکاؤنٹ مزید بگڑ گیا۔ قابل پیش گوئی مستقبل میں کرنسی کی بیش قدری ختم ہونے تک متوقع طور پر یہ رجحان جاری رہے گا۔

توقع ہے کہ مختصر میعاد میں افراط زر کے مضبوط رجحانات کے ساتھ ساتھ reserves کو غیر ملکی قرضوں کے حصول کے ذریعے چلانے پر حکومت کی بڑھتی ہوئی توجہ کی بدولت انٹریسٹ کی شرحیں مضبوط رہیں گی۔ تاہم شرح مبادلہ کی بیش قدری کے علاوہ کمزور خارجی اکاؤنٹ اس بات کی طرف اشارہ کر رہے ہیں کہ ابھرتے ہوئے رجحانات کا باریک بینی کے ساتھ جانچ پڑتال کی جائے، کیونکہ کٹھنہ تصریف کی استعداد مالیاتی گرفت کو کھنگالنے کی صورت میں برقرار ہے۔

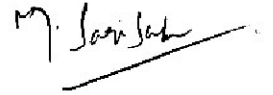
چین پاکستان معاشی راہداری متوقع طور پر ترقی کے لئے بے حد مطلوب تحریک فراہم کرے گی۔ معیشت میں بڑھتے ہوئے اعتماد کی بدولت سرمایہ کاری کا حجم ابتدائی مطلوبہ 46 بلین ڈالر سے بڑھ کر

60 بلین ڈالر سے زائد ہو گیا ہے۔ مقامی سرمایہ کاروں کے اعتماد میں بھی ایک طویل عرصے بعد بڑے پیمانے پر اضافہ ہوا ہے، جیسا کہ مختلف شعبوں میں سرمایہ کاریوں کی بھرپور لہر سے ظاہر ہے۔ سینٹ، اسٹیل اور گاڑیوں کی صنعتیں پہلے ہی متحدہ قومی اور گرین فیلڈ سرمایہ کاری کے منصوبوں کا اعلان کر چکی ہیں، اور دیگر صنعتوں کی طرف سے بھی ایسے اعلانات متوقع ہیں۔ موجودہ قومی و دوسرے مد نظر رکھتے ہوئے ہم توقع کرتے ہیں کہ ایکویٹی مارکیٹس متبادل اثاثہ جات کے شعبوں سے سہولت کے جائیں گی۔ MSCI ایمریکن مارکیٹ انڈیکس میں پاکستان کی شمولیت کی بدولت توقع ہے کہ مقامی مارکیٹ میں مزید ایکویٹی پینچے گی۔ MSCI مخصوص کمینیز متوقع طور پر باقاعدہ شمولیت کے قریب معطر عام پر آئیں گی۔ تاہم ٹرمپ کے امریکی صدر بننے کے بعد عالمی معیشتوں میں عدم یقینی کی وجہ سے عالمی مارکیٹس میں عدم استحکام، اور اس کے ساتھ ساتھ پانا ما مقدسے کے باعث ہونے والی سیاسی عدم یقینی سے مختصر میعاد کی مارکیٹ کی کارکردگی کی جانچ ہوتی رہے گی۔ بہر حال، ہم مارکیٹ کے حوالے سے اپنے مثبت نظریے کا اعادہ کرتے ہیں۔

اظہار تشکر

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

برائے اور مین جانب بورڈ

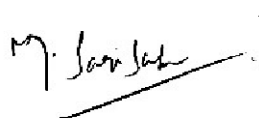


محمد طاہب سلیم
چیف ایگزیکٹو آفیسر
21 اپریل 2017ء

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

		(Unaudited) March 31, 2017	(Audited) June 30, 2016
	Note	———— (Rupees in '000) ————	
ASSETS			
Balances with banks		294,766	133,896
Investments	5.	1,103,905	696,680
Receivable against sale of investments		-	7,540
Dividend and profit receivable		6,853	2,320
Advances and deposits		4,259	3,205
Total Assets		<u>1,409,783</u>	<u>843,641</u>
LIABILITIES			
Payable to Management Company		3,163	2,347
Payable to Central Depository Company of Pakistan Limited - Trustee		228	160
Payable to Securities and Exchange Commission of Pakistan - annual fee		773	781
Accrued expenses and other liabilities	6.	17,355	19,844
Total Liabilities		<u>21,519</u>	<u>23,132</u>
NET ASSETS		<u>1,388,264</u>	<u>820,509</u>
Unit holders' fund (as per statement attached)		<u>1,388,264</u>	<u>820,509</u>
Contingencies and commitments	8		
NUMBER OF UNITS IN ISSUE			
		17,245,627	12,916,673
NET ASSETS VALUE PER UNIT			
		80.50	63.52

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Chief Executive Officer

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

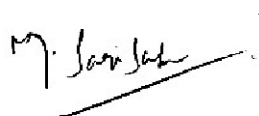


Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

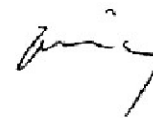
		Nine months ended March 31,		Quarter ended March 31,	
		2017	2016	2017	2016
Note		(Rupees in '000)			
INCOME					
	Capital (loss) / gain on sale of investments - net	149,612	(29,155)	42,999	(29,306)
	Dividend income	30,537	21,036	8,681	6,972
	Income from investment in sukuk certificates	14	404	14	107
	Income from Government back securities		365		365
	Profit on bank deposits	9,018	9,541	3,129	3,194
	Unrealised appreciation / (diminution) on revaluation of investments classified as 'held-for-trading' - net	26,438	(666)	(3,749)	1,881
	Reversal of provision against debt securities	-	3,214	-	1,071
	Total income	215,619	4,739	51,074	(15,716)
EXPENSES					
	Remuneration of Management Company	15,902	12,117	6,361	3,621
	Sales tax and Federal Excise Duty on remuneration of Management Company	2,067	3,917	829	1,165
	Expenses allocated by Management Company and related sales tax	947	300	394	210
	Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,553	1,369	572	507
	Sales tax on trustee fee	183	41	74	(80)
	Annual fee - Securities and Exchange Commission of Pakistan	773	588	310	176
	Brokerage, settlement and bank charges	3,924	1,068	1,741	394
	Printing and related cost	144	180	57	53
	Fees and subscription	90	268	45	118
	Shariah advisory fee	675	303	225	220
7	Marketing and Selling Expenses	121	-	-	-
	Auditors' remuneration	428	468	141	143
	Impairment loss on available-for-sale investment		566	-	-
	Other Expenses	51			
	Donation	543	267	115	48
	Total expenses	27,401	21,452	10,864	6,575
		188,218	(16,713)	40,210	(22,291)
	Net element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed:				
	from realised / unrealised capital gain	41,904	1,235	31,939	3,883
	from other income	(4,169)	(1,310)	(2,644)	(3,669)
	Provision for Workers' Welfare Fund	3,837	-	3,837	-
	Net income for the period before taxation	229,790	(16,788)	73,342	(22,077)
10	Taxation	-	-	-	-
	Net income for the period after taxation	229,790	(16,788)	73,342	(22,077)
	Earnings per unit				
11					

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Chief Executive Officer

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

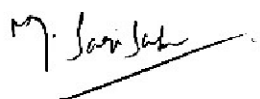


Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017**

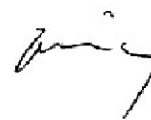
	Nine months ended March 31,		Quarter ended March 31,	
	2017	2016	2017	2016
	(Rupees in '000)			
Net income for the period after taxation	229,790	(16,788)	73,342	(22,077)
Other comprehensive income:				
Items to be reclassified to income statement in subsequent periods:				
Net unrealised (diminution) / appreciation on remeasurement of investments classified as 'available-for-sale'	40,268	(29,531)	(14,539)	19,604
Further impairment loss on re-measurement of investments classified as 'available-for-sale'	-	566	-	-
Total comprehensive (loss) for the period	270,058	(45,753)	58,803	(2,473)

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Chief Executive Officer

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

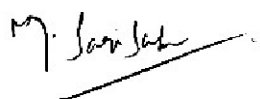


Director

**CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017**

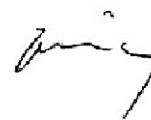
	Nine months ended March 31,		Quarter ended March 31,	
	2017	2016	2017	2016
	(Rupees in '000)			
Undistributed income brought forward	121,184	114,309	322,657	123,124
Net income for the period	229,790	(16,788)	73,342	(22,077)
Net element of income and capital gains included in prices of units issued less those in units redeemed	81,250	5,015	36,825	1,489
Undistributed income carried forward	<u>432,224</u>	<u>102,536</u>	<u>432,224</u>	<u>102,536</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Chief Executive Officer

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

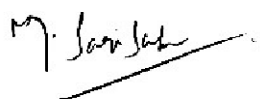


Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDER'S FUND (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017**

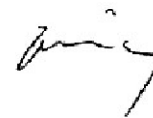
	Nine months ended March 31,		Quarter ended March 31,	
	2017	2016	2017	2016
	(Rupees in '000)			
Net assets at the beginning of the period	820,509	803,601	1,186,575	745,659
Issue of 11,772,925 units (2016: 6,656,864 units) and 4,366,537 units (2016: 1,076,802 units) for the Nine months and quarter ended respectively	862,812	396,862	348,725	64,951
Redemption of 7,443,971 units (2016: 6,839,538 units) and 2,241,710 units (2016: 895,666 units) for Nine months and quarter ended respectively	(527,380)	(401,059)	(176,372)	(54,197)
	335,432	(4,197)	172,353	10,754
Net element of (loss) / income and capital gains / (losses) included in prices of units issued less those in units redeemed				
- amount representing loss / (income) and realised capital losses / (gains) - transferred to the income statement from realised / unrealised capital gain from other income	(41,904) 4,169	(1,235) 1,310	(31,939) 2,644	(3,883) 3,669
- amount representing (income) / loss that forms part of unit holders' fund - transferred to Distribution Statement	(222,938) (260,673)	(5,015) (4,940)	(178,513) (207,808)	(1,489) (1,703)
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - transferred to Distribution Statement	222,938	5,015	178,513	1,489
Net income / (loss) for the period (excluding net unrealised appreciation / (diminution) on revaluation of investments classified as 'held-for-trading' and capital gain / (loss) on sale of investments)	53,740	13,033	33,920	5,348
Capital (loss) / gain on sale of investments	149,612	(29,155)	42,999	(29,306)
Unrealised (diminution) / appreciation on revaluation of investments classified as 'held-for-trading' - net	26,438 229,790	(666) (16,788)	(3,749) 73,170	1,881 (22,077)
Unrealised (diminution) / appreciation on revaluation of investments classified as 'available-for-sale' - net	40,268	(28,965)	(14,539)	19,604
Net assets at the end of the period	1,388,264	753,726	1,388,264	753,726

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Chief Executive Officer

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



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

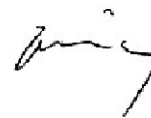
	Nine months ended March 31,		Quarter ended March 31,	
	2017	2016	2017	2016
	(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	229,790	(16,788)	73,170	(22,077)
Adjustments for non-cash and other items:				
Unrealised (appreciation) / diminution on revaluation of investments classified as 'held-for-trading' - net	(26,438)	666	3,749	(1,881)
Impairment loss on 'available-for-sale' investment	-	566	-	-
Net element of (income) / loss and capital (gains) / losses in prices of units issued less those in units redeemed:				
from realised / unrealised capital gain	(41,904)	(1,235)	(31,939)	(3,883)
from other income	4,169	1,310	2,644	3,669
Reversal of (provision) against debt securities	-	(3,214)	-	(1,071)
	165,617	(18,695)	47,624	(25,243)
(Increase) / decrease in assets				
Receivable against sale of investments	7,540	13,820	57,678	(2,321)
Investments - net	(340,519)	(5,892)	(135,093)	44,729
Dividend and profit receivable	(4,533)	(4,236)	(1,987)	(4,286)
Advances and deposits	(1,054)	40	(1,028)	51
	(338,566)	3,732	(80,430)	38,173
(Decrease) / increase in liabilities				
Payable against purchase of investments	-	-	(54,563)	-
Payable to Management Company	816	(493)	355	(162)
Payable to Central Depository Company of Pakistan - annual fee	68	9	28	(8)
Accrued expenses and other liabilities	(8)	104	310	176
	(2,489)	(6,805)	(4,138)	1,040
	(1,613)	(7,185)	(58,008)	1,046
Net cash (used in) / generated from operating activities	(174,562)	(22,148)	(90,814)	13,976
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts from issuance of units	862,812	396,862	348,725	64,951
Payment on redemption of units	(527,380)	(401,059)	(176,372)	(54,197)
Net cash used in financing activities	335,432	(4,197)	172,352	10,754
Net (decrease) / increase in cash and cash equivalents	160,870	(26,345)	81,538	24,730
Cash and cash equivalents at beginning of the period	133,896	242,427	213,228	191,353
Cash and cash equivalents at end of the period	294,766	216,082	294,766	216,082

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.



Chief Executive Officer

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



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

Alhamra Islamic Asset Allocation Fund (Formerly: Pakistan International Element Islamic Asset Allocation Fund) was established under a Trust Deed executed between Arif Habib Investments Limited (the Management Company, "AHIL") as Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed on December 14, 2005 and was approved by SECP under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 24th Floor, Centre Point, Off. Shaheed-e-Millat Expressway, Near KPT Interchange, Karachi, Pakistan.

Pursuant to the merger of MCB Asset Management Company Limited with and into Arif Habib Investments Limited (AHIL), the name of AHIL has been changed to MCB-Arif Habib Savings and Investments Limited.

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 asset allocation scheme" by the Board of Directors of the Asset Management Company in pursuant to Circular No. 7 of 2009 dated March 06, 2009 issued by the SECP.

The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM2++' dated June 08, 2016 to the Management Company.

2. BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended June 30, 2016.

These condensed interim financial statements are unaudited.

These condensed interim financial statements are presented in Pak rupees, which is the functional and presentation currency of the Fund. Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

3. ACCOUNTING POLICIES AND ESTIMATES

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 June 30, 2016. The accounting policies and methods of computation adopted in preparation of this condensed interim financial statements are same as those applied in preparation of financial statements of the Fund for the year ended June 30, 2016.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017**

4. 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 June 30, 2016.

		(Unaudited) March 31, 2017	(Audited) June 30, 2016
	Note	----- (Rupees in '000) -----	
5. INVESTMENTS			
'At fair value through profit or loss' - held-for-trading	5.1	752,684	999
- Equity securities - quoted			
 'Available-for-sale'			
- Equity securities - quoted	5.2	<u>351,221</u>	<u>695,681</u>
		<u>1,103,905</u>	<u>696,680</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

5.1 Quoted Equity Securities - 'at fair value through profit or loss' - held-for-trading

Number of shares										Balance as at March 31, 2017		Market value	
As at July 01, 2016	Purchases / Right issue during the period	Bonus issue during the period	Sales during the period	As at March 31, 2017	_____ (Rupees in '000) _____			As a percentage of total investments	As a percentage of net assets	Paid up value of shares held as a percentage of total paid up capital of the investee company			
					Carrying Value	Market value	(Diminution)/ Appreciation						
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise													
Name of the investee company	-	15,000	-	-	15,000	12,963	12,911	(52)	1.17%	0.93%	0.93		
	-	31,000	-	3,500	27,500	16,020	17,049	1,029	0.02	0.01	1.23		
						28,984	29,961	977					
CABLE & ELECTRICAL GOODS	-	804,500	-	346,000	458,500	37,891	42,228	4,337	0.04	0.03	3.04		
						37,891	42,228	4,337					
CEMENT	-	125,000	-	-	125,000	22,000	23,901	1,901	0.02	0.02	1.72		
	-	380,000	-	380,000	-	-	-	-	-	-	-		
	-	90,000	-	-	90,000	21,055	20,916	(139)	0.02	0.02	1.51		
DEWAN CEMENT	-	520,000	-	44,500	475,500	21,873	20,294	(1,579)	0.02	0.01	1.46		
	-	100,000	-	6,000	94,000	26,321	24,759	(1,562)	0.02	0.02	1.78		
	-	130,750	-	8,000	122,750	94,297	102,790	8,492	0.09	0.07	7.40		
LUCKY CEMENT	-	603,800	-	172,500	431,300	55,626	53,507	(2,118)	0.05	0.04	3.85		
	-	185,000	-	-	185,000	27,129	26,455	(674)	0.02	0.02	1.91		
						268,500	272,622	4,322					
CHEMICALS	-	25,500	-	25,500	-	-	-	-	-	-	-		
GHANI GASIES	-	150,000	-	-	150,000	8,100	10,725	2,625	0.01	0.01	0.77		
						8,100	10,725	2,625					
COMMERCIAL BANKS	-	1,000,000	-	1,000,000	-	-	-	-	-	-	-		
	-	125,000	-	125,000	-	-	-	-	-	-	-		
	-	88,500	-	-	88,500	20,588	22,152	1,564	0.02	0.02	1.60		
CRESCENT STEEL & ALLIED PROD	-	120,000	-	-	120,000	25,795	29,099	3,304	0.03	0.02	2.10		
	-	97,000	-	97,000	-	-	-	-	-	-	-		
						46,383	21,250	4,868					
INTERNATIONAL STEELS LTD	-	900,000	-	290,500	609,500	42,168	38,191	(3,976)	0.03	0.03	2.75		
	3,000	225,000	-	8,000	220,000	77,734	80,964	3,230	0.07	0.06	5.83		
	-	454,000	-	200,000	254,000	8,520	9,903	1,384	0.01	0.01	0.71		
DAWFOOD HERCULES CORPORATION	-	165,000	-	11,500	153,500	22,718	20,340	(2,378)	0.02	0.01	1.47		
						150,940	149,399	(1,541)					
GLASS & CERAMICS	-	850,000	-	-	850,000	13,158	13,711	553	0.01	0.01	0.99		
	-	141,500	-	-	141,500	16,269	16,720	450	0.02	0.01	1.20		
						29,427	30,430	1,003					
LEATHER & TANNERIES	-	10,000	-	-	10,000	12,686	14,672	1,986	0.01	0.01	1.06		
						12,686	14,672	1,986					
OIL & GAS EXPOLORATION COMPANIES	-	100,000	-	-	100,000	16,380	14,831	(1,749)	0.01	0.01	1.07		
	-	182,000	-	162,000	20,000	3,296	3,098	(198)	0.00	0.00	0.22		
						19,876	17,929	(1,947)					
PAKISTAN PETROLEUM LTD ***	-	51,000	-	-	51,000	35,530	32,374	(3,156)	0.03	0.02	2.33		
	-	98,000	-	98,000	-	-	-	-	-	-	-		
OIL AND GAS MARKETING COMPANIES	-	51,000	-	-	51,000	35,530	32,374	(3,156)	0.03	0.02	2.33		
	-	98,000	-	98,000	-	-	-	-	-	-	-		
ATTOCK PETROLEUM LIMITED	-	51,000	-	-	51,000	35,530	32,374	(3,156)	0.03	0.02	2.33		
	-	98,000	-	98,000	-	-	-	-	-	-	-		
HASCOL PETROLEUM	-	51,000	-	-	51,000	35,530	32,374	(3,156)	0.03	0.02	2.33		
	-	98,000	-	98,000	-	-	-	-	-	-	-		

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

SUT NORTHERN GAS *	-	431,500	-	207,000	224,500	16,803	32,052	15,248	0.03	0.02	2.31
PAPER AND BOARD	-	179,000	-	-	179,000	52,333	64,426	12,093	-	-	-
CENTURY PAPER & BOARD MILLS	-	15,000	-	15,000	-	13,558	12,852	(705)	0.01	0.01	0.93
PACKAGES LIMITED	-	-	-	-	-	13,558	12,852	(705)	-	-	-
PHARMACEUTICALS	-	120,000	-	120,000	-	-	-	-	-	-	-
GLAXOSMITHKLINE	-	17,500	-	17,500	-	-	-	-	-	-	-
SEARLE COMPANY	-	-	-	-	-	-	-	-	-	-	-
POWER GENERATION & DISTRIBUTION	-	324,600	-	-	324,600	41,968	42,542	574	0.04	0.03	3.06
HUB POWER COMPANY LTD ***	-	-	-	-	-	41,968	42,542	574	-	-	-
REFINERY	-	71,000	-	71,000	-	-	-	-	-	-	-
ATITOCK REFINERY LIMITED	-	32,000	-	32,000	-	-	-	-	-	-	-
NATIONAL REFINERY	-	-	-	-	-	-	-	-	-	-	-
SUGAR & ALLIED INDUSTRIES	-	77,700	-	-	77,700	12,825	10,848	(1,978)	0.01	0.01	0.78
PARAN SUGAR MILLS LIMITED	-	-	-	-	-	12,825	10,848	(1,978)	-	-	-
TEXTILE COMPOSITE	-	25,000	-	-	25,000	2,975	2,800	(175)	0.00	0.00	0.20
KOHINOOR TEXTILE MILLS LTD	-	-	-	-	-	2,975	2,800	(175)	-	-	-
Total as at March 31, 2017						726,246	752,684	26,438			
Total as at June 30, 2016						890	999	109			

5.2 Quoted equity securities - 'available-for-sale'

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

Name of the investee company	Number of shares				Balance as at March 31, 2017			Market value		Paid up value of shares held as a percentage of total paid up capital of the investee company
	As at July 01, 2016	Purchases / Right Issue during the period	Bonus issue during the period	Sales during the period	As at March 31, 2017	(Rupees in '000)		As a percentage of total investments	As a percentage of net assets	
						Cost	Market value (Diminution)/ Appreciation			
Construction and materials (cement)						1,000				
CHERAT CEMENT	238,000	161,800	-	295,000	104,800	12,194	20,039	7,845	1.82	0.01
D.G. KHAN CEMENT *	-	210,000	-	210,000	-	-	-	-	-	-
KOHAT CEMENT LTD	50,000	-	-	50,000	-	-	-	-	-	-
LUCKY CEMENT	85,000	-	-	85,000	-	-	-	-	-	-
MAPLE LEAF CEMENT FACTORY LTD	180,000	160,000	-	340,000	-	-	-	-	-	-
PIONEER CEMENT LTD	238,500	32,000	-	270,500	-	-	-	-	-	-
						12,194	20,039	7,845		
Automobile assembler										
HONDA ATLAS CARS(PAKISTAN) LIMITED	-	31,300	-	29,700	1,600	954	1,203	249	0.11	0.00
PAK SUZUKI MOTOR CO	-	35,000	-	-	35,000	20,607	21,699	1,092	1.97	0.02
						21,561	22,902	1,341		
Automobile, parts and accessories										
AGRIAUTO INDUSTRIES LIMITED	52,800	37,000	-	52,800	37,000	10,001	10,672	670	0.97	0.01
						10,001	10,672	670		

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017**

Name of the investee company	Number of shares			Balances as at March 31, 2017				Market value		Paid up value of shares held as a percentage of total paid up capital of the investee company
	As at July 01, 2016	Purchases / Right Issue during the period	Bonus issue during the period	Sales during the period	As at March 31, 2017	(Rupees in '000)		As a percentage of total investments	As a percentage of net assets	
						Cost	Market value			
Cable and electrical goods PAK ELEKTRON	343,750	340,000	-	683,750	-	-	-	-	-	-
Chemicals										
ARCHROMA PAKISTAN LIMITED	16,000	-	-	16,000	-	-	-	-	-	-
ICI PAKISTAN	61,600	-	-	49,600	12,000	5,071	13,390	8,320	1.21	0.01
LINDE PAKISTAN	34,000	-	-	34,000	-	-	-	-	-	-
SITARA CHEMICAL INDUSTRIES	-	20,500	-	20,500	-	-	-	-	-	-
Engineering						5,071	13,390	8,320		
AMRELI STEELS LIMITED	335,000	-	-	335,000	-	-	-	-	-	-
CRESCENT STEEL & ALLIED PROD	-	57,000	-	57,000	-	-	-	0	-	-
INTERNATIONAL STEELS LTD	-	60,000	-	60,000	-	-	-	-	-	-
MUGHAL IRON & STEEL	-	215,000	-	215,000	-	-	-	-	-	-
Commercial Banks										
MIRZAN BANK LIMITED	-	250,000	-	24,000	226,000	11,582	16,159	4,577	1.46	0.01
Fertilizer										
DAWOOD HERCULES CORPORATION	179,000	75,000	-	99,000	155,000	20,217	20,539	322	1.86	0.01
ENGRO FERTILIZER LIMITED	291,000	509,000	-	800,000	-	-	-	-	-	-
ENGRO CORPORATION LIMITED	232,000	45,000	-	277,000	-	-	-	-	-	-
FATIMA FERTILIZER COMPANY *	-	65,000	-	19,000	46,000	1,546	1,794	248	0.16	0.00
Food and personal care products						21,763	22,333	570		
ENGRO FOODS LIMITED	700	-	-	-	700	114	114	(1)	0.01	0.00
Glass and ceramics						114	114	(1)		
TARIQ GLASS INDUSTRIES	343,500	-	-	343,500	-	-	-	-	-	-
Hospitals										
SHIFA INTERNATIONAL HOSPITALS	70,911	-	-	22,800.00	48,111	13,515	12,726	(788)	1.15	0.01
Oil and Gas Exploration Companies										
MARI PETROLEUM COMPANY	30,800	16,500	-	10,500	36,800	29,334	55,953	26,619	5.07	0.03
OIL & GAS DEVELOPMENT CO LTD ***	213,900	472,000	-	443,500	242,400	34,530	35,950	1,420	3.26	0.03
PAKISTAN OILFIELDS LIMITED	97,000	25,000	-	48,500	73,500	24,451	32,711	8,260	2.96	0.02
PAKISTAN PETROLEUM LTD ***	-	246,500	-	163,400	83,100	13,335	12,873	(462)	12.45	0.01
Oil and Gas Marketing companies						101,651	137,488	35,837		
AUTOCK PETROLEUM LIMITED	-	200	-	-	200	107	127	20	0.01	0.00
HASCOL PETROLEUM	-	87,800	-	87,800	-	-	-	-	-	-
HI-TECH LUBRICANTS	357,500	-	-	357,500	-	-	-	-	-	-
SHELL PAKISTAN	14,200	-	-	14,200	-	-	-	-	-	-
SUNNORTHERN GAS *	-	360,000	-	360,000	-	-	-	-	-	-
Paper and board						107	127	20		
PACKAGES LIMITED	19,000	37,350	-	56,000	350	245	304	59	0.03	0.00
Pharmaceuticals										
ABBOTT LABORATORIES PAKISTAN)	32,250	-	-	16,250	16,000	10,589	15,033	4,444	1.36	0.01
IBL HEALTHCARE LIMITED	39,600	-	585	35,700	4,485	432	632	200	0.06	0.00
SEARLE COMPANY	2,010	-	295	2,150	155	49	98	49	0.01	0.00
						11,070	15,763	4,693		-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017**

Name of the investee company	Number of shares				Balance as at March 31, 2017					Market value		Paid up value of shares held as a percentage of total paid up capital of the investee company
	As at July 01, 2016	Purchases / Right issue during the period	Bonus issue during the period	Sales during the period	As at March 31, 2017	Cost	Market value (Rupees in '000)	(Diminution) / Appreciation	As a percentage of total investments	As a percentage of net assets		
Power generation and distribution												
HUB POWER COMPANY LTD	233,744	416,000	-	379,000	270,744	31,421	35,484	4,062	3.21	0.03	0.02	
K-ELECTRIC LTD **	4,490,892	-	-	4,490,892	-	-	-	-	-	-	-	
LALPIR POWER *	865,000	-	-	865,000	-	-	-	-	-	-	-	
PAKGEN POWER LIMITED *	722,500	-	-	541,000	181,500	5,304	4,031	(1,272)	0.37	0.00	0.05	
						36,725	39,515	2,790				
Textile Composite												
KOHINOOR TEXTILE MILLS LTD	81,000	168,500	-	222,000	27,500	2,185	3,080	895	0.28	0.00	0.01	
NISBAT MILLS LTD *	285,000.00	219,000.00	-	357,100.00	146,900	18,319.68	24,267.88	5,948.20	2.20	0.02	0.04	
						20,504	27,348	6,843				
LEATHER and TANNERIES												
SERVICE INDUSTRIES	-	3,050.00	-	-	3,050.00	3,966.26	4,474.84	508.58	0.41	0.00	0.03	
						3,966	4,475	509				
REFINERY												
ATTOCK REFINERY LIMITED	-	30,000.00	-	30,000.00	-	-	-	-	-	-	-	
TECHNOLOGY and COMMUNICATIONS												
NETSOL TECHNOLOGIES	-	330,500.00	-	225,500.00	105,000.00	6,317.48	7,867.65	1,550.17	0.71	0.01	0.12	
P.T.C.L."A"	-	725,000.00	-	725,000.00	-	-	-	-	-	-	-	
NETSOL TECHNOLOGIES						6,317	7,868	1,550				
Total as at March 31, 2017						276,387	351,221	74,834				
Total as at June 30, 2016						486,117	511,924	25,807				

* These are transactions with related parties.

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

*** These include shares with cumulative market value of Rs.53.210 million (June 30, 2016: Rs.61.36 million) which have been pledged with National Clearing Company of Pakistan Limited as security against settlement of the Fund's trades in term of Circular No. 11 dated October 23, 2007 issued by SECP.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017**

		(Unaudited) March 31, 2017	(Audited) June 30, 2016
	Note	———— (Rupees in '000) ————	
6. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Workers' Welfare Fund	6.1	5,804	9,641
Federal Excise Duty and related taxes payable on management fee	6.2	5,910	5,910
Federal Excise Duty and related taxes payable on sales load	6.2	1,136	1,136
Charity / donation payable		853	738
Auditors' remuneration		347	207
Zakat payable		9	291
Withholding tax payable		510	1,386
Brokerage payable		1,577	1,685
Sales load payable to MCB Bank Limited - related party		891	189
Other payables		318	311
		<u>17,355</u>	<u>21,494</u>

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

On September 4, 2013, a Constitutional Petition was filed in the Honorable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

During the period ended, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan. Thereafter, during the pendency of the present civil petition, the Supreme Court has suspended the operation of the impugned judgment of the SHC. The matter is still pending adjudication.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED amounting to Rs. 5.910 million (June 30, 2016: Rs 5.910 million) made for the period from June 13, 2013 till June 30, 2016 is being retained in the condensed interim financial information of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the said provision for FED and related taxes on management fee not been recorded in the condensed interim financial information of the Fund, the net asset value of the Fund as at March 31, 2017 would have been higher by Re. 0.34 per unit (June 30, 2016: Rs. 0.46).

- 6.2** The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes / Mutual Funds (CISs) whose income exceeded Rs.0.5 million in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

The amendments introduced in the WWF Ordinance were challenged in various High Courts of Pakistan. The Honorable Lahore High Court (LHC) and the Honorable Sindh High Court (SHC) arrived at different conclusions in respect of the validity of the amendments made through the Finance Act in relation to the WWF. Both the decisions of LHC and the SHC were challenged in the Honorable Supreme Court of Pakistan (SCP). During the period, the SCP passed a judgment on November 10, 2016, declaring the insertion of amendments introduced in the Finance Act pertaining to WWF as unlawful for the reason that the WWF is not in the nature of tax and therefore, could not be introduced through money bill under the Constitution. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing.

Further, as a consequence of the 18th amendment to the Constitution, levy for the WWF was also introduced by the Government of Sindh through the Sindh WWF Act, 2014. The Mutual Funds Association of Pakistan (MUFAP) believes that the Mutual Funds are not liable to pay Sindh WWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution.

Further, as a consequence of the 18th amendment to the Constitution, levy for the WWF was also introduced by the Government of Sindh through the Sindh WWF Act, 2014. The Mutual Funds Association of Pakistan (MUFAP) believes that the Mutual Funds are not liable to pay Sindh WWF under the said law, for the reason that the Mutual Funds are not financial institutions and rather an investment vehicle. However, the Sindh Revenue Board has not accepted the said position of MUFAP and as a result, MUFAP has taken up this matter with the Sindh Finance Ministry for resolution.

In view of the above developments regarding the applicability of Federal and SSWF on CISs / mutual funds and considering the legal opinion obtained on these matters, MUFAP has recommended the following to all its members on January 12, 2017:

- i. The provision against the Federal WWF held by the Mutual Funds till June 30, 2015 to be reversed on January 12, 2017; and
- ii. Provision against Sindh WWF, on prudent basis, should be made from the date of enactment of the Sindh WWF Act, 2014 (i.e. May 21, 2015) with effect from January 12, 2017.

The above decisions were communicated to SECP and the Pakistan Stock Exchange Limited on January 12, 2017 and SECP vide its letter dated February 01, 2017 advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosure in the financial statements of Mutual Funds. Accordingly, the Fund has recorded these adjustments in its books on January 12, 2017. As on March 31, 2017 the impact of reversal of federal WWF and provision of Sindh WWF are as follows:

	Amount – (Rupees in '000) –
Reversal of Federal WWF (up to June 30, 2015)	9,641
Charge of Sindh WWF	5,804

The cumulative net effect of WWF is Rs. 9.585 million, had the provision of Federal WWF not reversed and Sindh WWF not charged in the books of accounts of the fund the Net Asset value of the Fund would be lower by Re. 0.22 as at March 31, 2017.

7 **MARKETING AND SELLING EXPENSE**

The Securities and Exchange Commission of Pakistan "the Commission", in exercise of its power through Circular No. 40 of 2016 amended through Circular No. 05 of 2017 prescribed the conditions for asset management companies for permissibility of charging selling and marketing expenses to open end equity, asset allocation and index funds subject to a maximum of 0.4% per annum of net assets of the fund or actual, whichever is lower, from January 1, 2017 to December 31, 2019, an initially allowed period of three years.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

Management after approval of their Board of Directors and fulfillment of the criteria prescribed by the Commission has accordingly made an accrual of Rs. 0.1209 million since March 24, 2017 at the maximum rate of 0.4% per annum of net assets of the fund being less than the actual expenses allocable to the Fund.

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2017.

9. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at March 31, 2017 is 2.96% which includes 0.71% representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations, 2008 for a collective investment scheme categorised as an "Shariah Compliant Allocation Scheme".

10. TAXATION

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. 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 capital gains to the unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The management intends to distribute at least 90% of the income earned during the year by the Fund to the unit holders. Accordingly, no provision has been made in this condensed interim financial statement.

11. EARNINGS PER UNIT

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

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed respectively.

The details of transactions carried out by the Fund with connected persons and balances with them at the period end are as follows:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017**

	Nine months ended March 31,		Quarter ended March 31,	
	2017	2016	2017	2016
	(Rupees in '000)			
12.1 Transactions during the period:				
MCB Arif Habib Savings and Investments Limited - Management Company				
Remuneration of management company including indirect taxes	17,969	16,034	6,721	4,786
Expenses allocated by Management Company and related sales tax	947	300	857	210
Selling and Marketing Expenses	121			
Shariah advisory fee	675	303	592	220
Central Depository Company of Pakistan Limited - Trustee				
Remuneration	1,736	1,410	753	427
CDC Settlement charges	824	33	776	-
Group / Associated Companies				
MCB Bank Limited				
Bank charges	13	19	(2)	4
Arif Habib Limited *				
Brokerage expense	193	62	175	44
Next Capital Limited *				
Brokerage expense	190	108	133	51
Pakgen Power Limited				
Dividend income	723	723	-	-
Lalpir Power Limited				
Dividend income	303	865	-	-
Nishat Mills Limited				
Dividend income	1,580	-	1,580	-
D.G Khan Cement Company Limited				
Dividend income	450	-	450	-
Fatima Fertilizer Company Limited				
Dividend income	81	-	81	-

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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017**

	Nine months ended March 31,		Quarter ended March 31,	
	2017	2016	2017	2016
	(Rupees in '000)			
Directors and Executives of the Management Company				
Issue of 40,582 units (2016: 116,783 units) and 142 units (2016: 37,780) for the nine months and quarter ended	3,319	2,222	1,105	8
Redemption of 53,958 units (2016: 3,8220 units) and Nil units (2016: 42,672) for the nine months and quarter ended	4,186	2,120	2,066	-
Mandate under Discretionary Portfolio Services				
Issue of 698,456 units (2016: 596,701 units) for the nine months and 698,456 units (2016: 21,546 units) for the quarter ended respectively	50,112	-	50,112	-
Redemption of 341,381 units (2016: 471,951 units) for the nine months and 341,381 units (2016: 100,598 units) for the quarter ended respectively	25,647	-	25,647	-
			(Unaudited)	(Audited)
			March 31,	June 30,
			2017	2016
			(Rupees in '000)	

12.2 Amounts outstanding as at period / year end:

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

Remuneration payable	2,280	1,375
Sindh sales tax payable on management remuneration	296	192
Expense allocated by Management Company	117	70
Selling and Marketing Expenses Payable	121	-
Sales load payable including related taxes	274	401
Shariah advisory fee payable	75	296

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017**

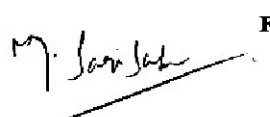
	(Unaudited) March 31, 2017	(Audited) June 30, 2016
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration and related sales tax payable	228	160
Security deposit	2,700	200
 Group / Associated Companies		
MCB Bank Limited		
Balance with bank	8,949	24,112
 Arif Habib Limited *		
Brokerage payable	1	173
 Next Capital Limited *		
Brokerage payable	20	71
 Pakgen Power Limited		
181,500 shares held (June 30, 2016: 722,500 shares)	4,031	17,376
 Nishat Mills Limited		
146,900 shares held (June 30, 2016: 285,000 shares)	24,268	30,752
 Mandate under Discretionary		
Portfolio Services		
Units held 869,539 units (June 30, 2016: Nil units)	69,998	-
 D.G Khan Cement Company Limited -		
Employees Provident Fund Trust		
Units held 99,935 units (June 30, 2016: 99,935 units)	8,045	6,348
 Directors and Executives of the Management Company		
Units held 39,131 units (June 30, 2016: 39,742 units)	<u>3,150</u>	<u>2,524</u>

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on April 21, 2017.

14. GENERAL

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.



Chief Executive Officer

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



Director

MCB-Arif Habib Savings and Investments Limited

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